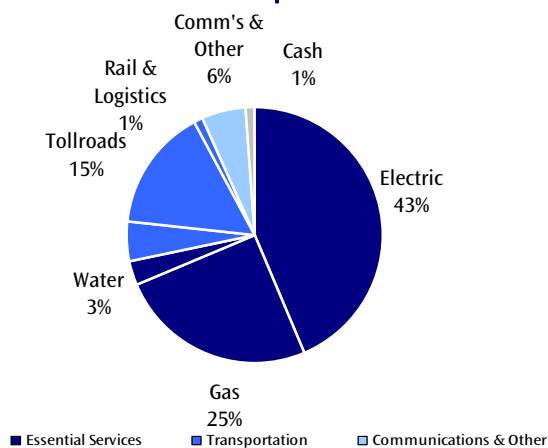
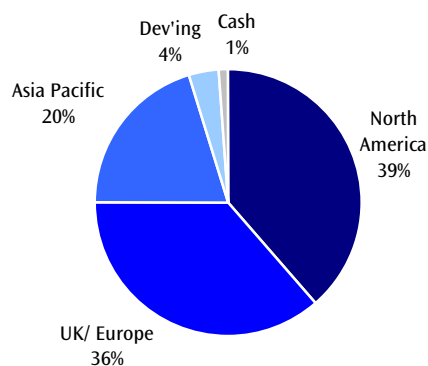
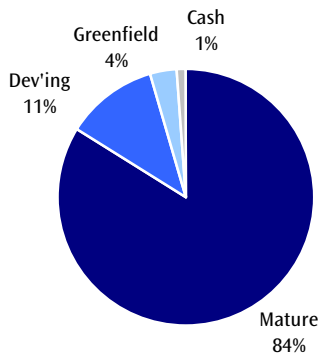


**Performance Summary (total returns in AUD after fees)**

	This Month	Three Months	One Year	Two Years	Inception <sup>1</sup>
RARE Infrastructure Value Fund	-2.6%	-3.5%	-22.8%	-9.8%	-6.4%
Benchmark <sup>2</sup>	-0.2%	0.5%	8.9%	8.3%	7.8%
MSCI World (Local Currency)	-6.7%	-10.9%	-37.7%	-22.4%	-15.5%

**Overview of Fund Exposures and Portfolio Statistics**
**Sector Exposures<sup>3</sup>**

**Regional Exposures - by Listing**

**Maturity Exposures<sup>3</sup>**

**Portfolio Statistics**

Current statistics of the RARE Infrastructure Value Fund are as follows:<sup>4</sup>

Dividend Yield	5.8%
EV <sup>5</sup> / EBITDA <sup>6</sup>	9.5x
Interest Cover	3.9x
Gearing (Net Debt/ EV)	39.9%
Asset Beta	0.49

**Fund Details**

Fund Size	\$119m
Number of Holdings	35
Minimum Investment	\$500,000 <sup>7</sup>
Application Price	0.7801
Redemption Price	0.7762
Distribution Frequency	Quarterly
Distribution for December 08	0.7500 cpu
APIR Code	TGP0008AU
Morningstar Ticker	14651
Management Fee	1.025% per annum
Transaction Costs	0.25%
Performance Fee	10.25% of investment returns made in excess of the Benchmark
Benchmark	An accumulation index comprising the OECD G7 Inflation Index plus 5.5% per annum

<sup>1</sup> Inception date 13 November 2006. Results Annualised

<sup>2</sup> OECD G7 Inflation Index plus 5.5% pa

<sup>3</sup> Based on the exposures of the underlying assets of the stocks in the Fund, as assessed by RARE Infrastructure

<sup>4</sup> Based on weighted averages

<sup>5</sup> EV means Enterprise Value (market capitalisation + preferred equity, if any + net debt)

<sup>6</sup> EBITDA means earnings before interest, tax, depreciation & amortisation

<sup>7</sup> If you invest through an IDPS operator such as a Master Trust or Wrap Account platform, this minimum may not apply to you

## Market Commentary for the Month

Global markets continued to decline in January as the flow of negative economic news accelerated and substantial corporate profit downgrades dominated company reporting. The US market fell again during the month following a modest recovery in December. Poor news on corporate earnings and bearish profit outlook statements pushed the markets lower (DJ - 8.8%; S&P500 -8.6%; NASDAQ -6.4%), while low consumer sentiment, continuing redundancy announcements in the financial sector and now the broader based economy and falling new home sales framed the gloomy market sentiment. While the positive impact of the Obama-proposed USD800bn stimulus package potentially lies ahead, corporate profits announced to date by the S&P 500 companies for the 4Q08 were on average 40% below the previous corresponding period.

European markets fell in line with the US (UK -6.4%; France -7.6%; Italy -7.8%; Spain -8.1%; Germany -9.8%) as central banks in the UK and Europe continued to address bank capital adequacy issues, retail sales continued to decline (Spain -6.1% in Dec) and falling month-on-month industrial production (IP) data continued to be reported (France -2.4%; Italy -2.3%; Euro Zone -1.6% in Nov). In the UK the Nationwide Housing Price Index fell by 16.6% (YOY) in January reflecting on-going difficult market conditions, while the Euro Zone unemployment rate increased to 8% in December from 7.8% the previous month.

Asia Pacific markets also declined for the month (Japan -9.8%; Hong Kong -7.7%; Singapore -0.9%; Australia -4.9%) as the impact of the economic slowdown globally was reflected in poor data regionally. Retail sales declined by 3.4% in Singapore and by 0.4% in Korea in November, while Japanese housing starts fell by 5.8% and IP by 10%. Inflation in the region is moderating however growth prospects appear bleak at this stage for 2009.

Infrastructure related activity included the announcement that Ferrovial is considering a potential merger with Cintra – in which it has a 67% stake, employing a share exchange ratio. This option carries potential risks for Cintra minority shareholders. Fraport has received a favourable court ruling, with the Hesse Court rejecting a bid by environmental groups to halt construction of a 4th runway; BAA has received 5 bids for Gatwick airport and the Netherlands has opened a new tender for a 30 km, 24 year concession, tollroad to be built, financed and maintained (project estimated at EUR2.0bn).

### Important Information:

While the information contained in this report has been prepared with all reasonable care, RARE Infrastructure Limited ("RARE") accepts no responsibility or liability for any errors, omissions or misstatements however caused. This information is not personal advice. This advice has been prepared without taking account of your objectives, financial situation or needs. Treasury Group Investment Services Limited ("TIS") is the responsible entity for the RARE Infrastructure Value Fund (the "Fund"). Applications can only be made on the form in the current product disclosure statement dated 17 January 2007 for this Fund. The product disclosure statement can be obtained by contacting the RARE Infrastructure investment team on (02) 9397 7300, by fax (02) 9397 7399, by emailing invest@RAREInfrastructure.com or at www.RAREInfrastructure.com. Potential investors should consider the product disclosure statement before deciding whether to invest, or continue to invest in the Fund. The fact that shares in a particular company may have been mentioned should not be interpreted as a recommendation to buy, sell or hold that stock. Investors should be aware that past performance is not indicative of future performance. Returns can be volatile, reflecting rises and falls in the value of underlying investments. Potential investors should seek independent advice as to the suitability of the Fund to their investment needs. TIS may be contacted by writing to Level 5, 50 Margaret Street, Sydney, NSW, 2000, by telephone (02) 8243 0400 or by fax (02) 8243 0410. TIS receives an investment management fee of 1.025% per annum of the amount invested in the fund (including GST less the maximum applicable reduced input tax credits), which is the entire management fee, out of which responsible entity fees, investment management costs, ongoing administrative expenses and other fees will be paid.

## Portfolio Commentary

The fund underperformed in January, finishing negative at -2.5% compared to the -6.7% performance for global markets, as measured by the MSCI World Index.

On a sector and regional basis, RARE benefited from its exposure to Electricity utilities in Asia Pacific and Latin America, and from exposure to the Communications sector in Europe. Performance was negatively impacted by RARE's exposure to Electricity utilities in UK/Europe, Gas utilities in Europe and N. America and tollroads in N. America and Europe.

Brisa has emerged as a frontrunner for Portugal's Littoral Oeste Concession (EUR580m) while Cintra has been selected as the preferred bidder in the tender for the USD2.0b North Tarrant Expressway in Texas and has won a EUR2.1b, 35 year highway concession in Poland. Abertis has been granted regulatory approval in Spain to buy the Avasa road assets from Itinere, and has secured toll increases ranging from 50% to 100% on its Argentinean concessions.

RARE continues to believe that global markets will be volatile, and continues to weight the portfolio towards stocks that exhibit more defensive investment characteristics.

## Overview of Fund Holdings

Top 10 Holdings	Weighting
ITC HOLDINGS CORPORATION	6.3%
ENBRIDGE INC	5.7%
NATIONAL GRID PLC	5.3%
TRANSCANADA CORPORATION	5.1%
WISCONSIN ENERGY CORPORATION	4.8%
SINGAPORE POST LIMITED	4.2%
SPECTRA ENERGY CORP	4.2%
PROGRESS ENERGY	4.1%
RED ELECTRICA CORPORATION SA	3.8%
SES	3.5%

## Currency Exposure

Currency	Exposure (AUD)	Hedge (%)
US Dollar (incl. HKD)	43.6	92%
Canadian Dollar	13.4	100%
Euro	34.7	105%
British Pound	10.2	111%
Brazilian Real	4.7	115%
Singapore Dollar	5.2	112%