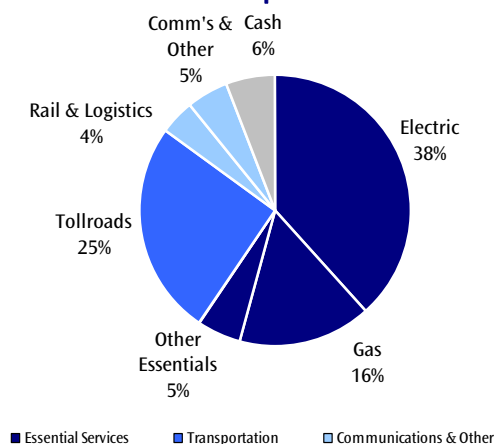
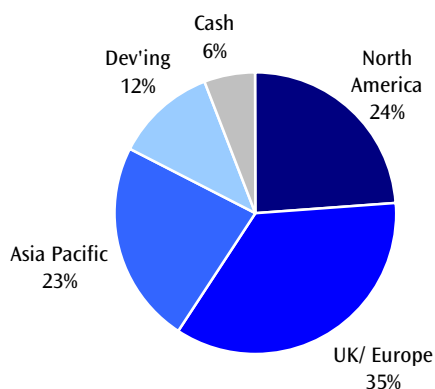
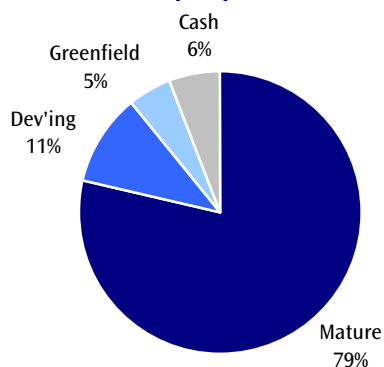


Performance Summary (total returns in AUD after fees)

	This Month	Three Months	Twelve Months	Inception ¹
RARE Infrastructure Value Fund	-0.5%	-6.3%	-4.2%	5.2%
Benchmark ²	0.9%	2.8%	8.8%	7.9%
Out/ (Under) Performance	-1.4%	-9.1%	-13.0%	-2.6%

Overview of Fund Exposures and Portfolio Statistics
Sector Exposures³

Regional Exposures - by Listing

Maturity Exposures³

Portfolio Statistics

Current statistics of the RARE Infrastructure Value Fund are as follows⁴:

Dividend Yield	5.3%
EV ⁵ / EBITDA ⁶	9.5x
Interest Cover	4.7x
Gearing (Net Debt/ EV)	36.6%
Asset Beta	0.48

Fund Details

Fund Size	\$128m
Number of Holdings	38
Minimum Investment	\$500,000 ⁷
Application Price	0.9946
Redemption Price	0.9896
Distribution Frequency	Quarterly
Last Distribution, June 08	5.9511 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

¹ Inception date 13 November 2006. Results Annualised

² OECD G7 Inflation Index plus 5.5% pa

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

⁴ Based on weighted averages

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

⁶ EBITDA means earnings before interest, tax, depreciation & amortisation

⁷ 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 July, characterised by substantial volatility. Markets fell sharply in the first half of the month and then staged a modest recovery – supported by a fall in the oil price from a peak USD145/bbl to USD124/bbl at month end. In the US, markets were marginally changed (DJ +0.2%; S&P500 -1.0%; NASDAQ +1.4%) as the proposed Federal Bank's bailout of mortgage providers Fannie Mae and Freddie Mac triggered a recovery in Financial stocks (Bank of America +37%; JP Morgan +18%; Citi +12%). The reporting season has delivered a stream of profit warnings across the board including Google, Microsoft, Merck and GM. Airline stocks rallied on the back of a lower oil price.

European markets were lower for the month, with the exception of Germany (UK -3.8%; France -1.0%; Germany +1.0%; Italy -3.5%; Spain -1.4%). There now is a possibility that interest rates may be lowered if energy prices continue to drift lower. European telcos had a solid month, as did the airline stocks, auto manufacturers (results exceeding expectations) and the banks (short covering). The month also saw a pickup in M&A activity (Royal Dutch Shell/Duvernay Oil; BA and Iberia in merger talks; Teva bidding USD7.5b for Barr).

Asia Pacific markets were mixed, with Hong Kong and Shanghai ahead for the month while most other markets declined (Hong Kong +2.8%; Shanghai +1.4%; Singapore -0.6%; Japan -0.8%; Korea -4.8%; Australia -4.6%) reflecting low growth and inflationary concerns. Lower export shipments from Japan and Singapore (2Q GDP the lowest in 5 years) and rising interest rates in Indonesia (to combat rising food and energy inflation) contrasts with Japanese machine orders for May that increased by 10.4% (10 times higher than forecasts).

Infrastructure related activity included the announcement that the port of Oakland (San Francisco) has received 9 bids for upgrading and operating its marine terminal on a 30 year concession, while DP World and the Port of Brisbane has signed a 40 year lease agreement for DP world to operate and invest USD250m. France's Aeroports de Paris has won a USD150m contract to develop Saudi Arabia's King Abdulaziz International Airport, while the French government is presently short listing bidders for a new EUR600m Notre-Dame-Des-Landes airport.

**Richard Elmslie, Nick Langley & George Raftopoulos,
Senior Portfolio Managers**

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

July was a flat month for performance, with the fund performance finishing marginally negative but performing better than the 2.2% fall in global markets, as measured by the MSCI World Index. The monthly performance was positively impacted by the fund's exposure to some North American and Australian utilities.

On a sector and regional basis, RARE benefited from its exposure to Gas and Electric utilities in North America and Australia and Rail which recorded positive returns for the month. Performance was negatively impacted by RARE's exposure to Tollroads in Europe and Hong Kong and to European utilities. RARE's Latin American exposures recorded mixed performances for the utilities and tollroad sectors.

Abertis, in a JV with Santander, has announced that it is buying ACS's company Invin and its interest in two Chilean tollroads for EUR710m, while both Cintra and Brisa announced share buy backs. Cintra has also bid for Canada's CAD2.0bn Port Mann project, while both Brisa and Vinci, as part of competing consortia, have been shortlisted for the Moscow–Minsk (USD600m) and the Moscow-St. Petersburg (USD2.1bn) 30 year tollroad concessions.

Overview of Fund Holdings

Top 10 Holdings	Weighting
CINTRA CONCESIONES DE INFRAE	6.6%
PROGRESS ENERGY	4.6%
ABERTIS INFRAESTRUCTURAS SA	4.3%
SINGAPORE POST LIMITED	4.3%
BABCOCK AND BROWN WIND PARTNERS	4.2%
NATIONAL GRID PLC	4.1%
SNAM RETE GAS	3.9%
VINCI SA	3.6%
SPARK INFRASTRUCTURE GROUP STAPLEI	3.4%
RED ELECTRICA CORPORATION SA	3.1%

Currency Exposure

Currency	Exposure (AUD million)	Hedge (%)
US Dollar (incl. HKI)	28.8	98%
Canadian Dollar	9.5	90%
Euro (incl. CZK)	40.1	85%
British Pound	5.3	93%
Brazilian Real	14.7	91%
Singapore Dollar	5.5	80%