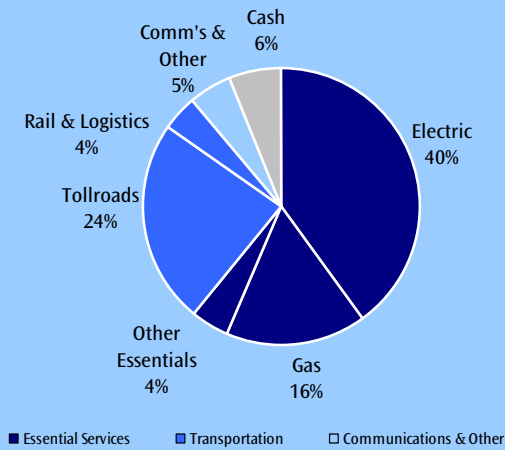
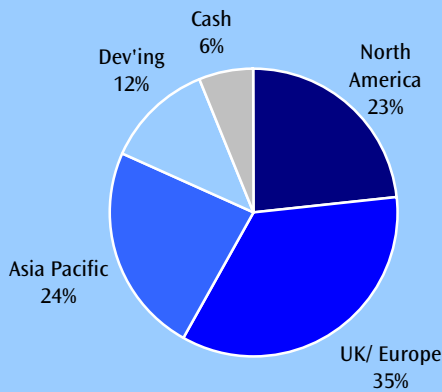
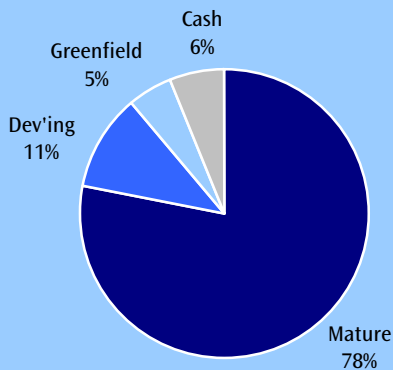


**Performance Summary (total returns in AUD after fees)**

	This Month	Three Months	Twelve Months	Inception <sup>1</sup>
RARE Infrastructure Value Fund	-8.2%	0.2%	-5.7%	5.8%
Benchmark <sup>2</sup>	1.1%	2.5%	8.9%	7.7%
Out/ (Under) Performance	-9.3%	-2.2%	-14.6%	-1.9%

**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	5.2%
EV <sup>5</sup> / EBITDA <sup>6</sup>	9.2x
Interest Cover	4.6x
Gearing (Net Debt/ EV)	36.5%
Asset Beta	0.48

**Fund Details**

Fund Size	\$116m
Number of Holdings	37
Minimum Investment	\$500,000 <sup>7</sup>
Application Price	0.9997
Redemption Price	0.9947
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

<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 crashed again in June, with major drivers being the rising oil price (peaking at USD 140/bbl), further weak US economic data and continuing credit market concerns. In the US, markets fell sharply (DJ -10.2%; S&P500 -8.6%; NASDAQ -9.1%) while energy and bulk commodity stocks outperformed (partly as a hedge against a lower US dollar). The financial sector recorded sharp declines as broker and credit ratings were cut on banks/brokerages (Citi and Lehman) and insurers (AIG). Anaemic economic data impacted negatively on discretionary retailers, cyclical industrials, airlines, auto manufacturers and home builders. The US Federal Reserve is looking for evidence that recent interest rate cuts are providing the economy with some traction to cushion a recession while confronted with sharply escalating headline inflation.

European markets recorded equally significant declines (UK -7.1%; France -11.6%; Germany -9.6%; Italy -11.7%; Spain -11.4%). The European Central Bank signalled that rates will rise by a further 0.25% in July to 4.25% as it continues to focus on the threat of inflation, which reached 3.7% in April. Solid industrial production data from Italy (+8.0% YOY) and France is limiting the ECB's capacity to address concerns over slowing regional growth concerns.

AsiaPac markets also fell (HK -9.9%; Shanghai -22.8%; Singapore -7.7%; Japan -6.0%; Korea -9.6%; Australia -7.8%) reflecting tightening bank liquidity and rising inflation in China (+7.7%) and India (+11.1%) and revaluation against the USD of the currencies in Russia and China which reduces export competitiveness.

Infrastructure related activity included the announcement that port operator Cosco has offered EUR4.3bn and will invest EUR620m to operate a 35 year concession at the Greek Piraeus Port Authority's cargo facilities. Sao Paulo state will announce concession contracts for 1,763km of highway projects worth about USD2.1bn and Vienna Airport increased its stake in Slovakian Kosice Airport to 81%. October is the deadline for bids for the 50 year Chicago Midway airport concession which is expected to raise USD2-3bn, while the Italian government has approved a new regulation agreement between Atlantia and the highway agency ANAS. The agreement fixes tariff increases for the concessions to a fixed percentage of inflation for the length of the concession.

**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 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

June was a poor month for performance, with the portfolio finishing in negative territory but performing better than the 8.4% fall in global markets, as measured by the MSCI World Index. The monthly performance was particularly hurt by the portfolio's exposure to some Australian infrastructure companies and global tollroads.

On a sector basis, RARE benefited from its exposure to Gas (-2.0%) and Electric utilities and Rail (-2.8%) which recorded relatively small declines and was negatively impacted by its exposure to Tollroads (-12.4%). On a regional basis, RARE benefited from its exposure to Latin America (-0.4%) and North America (-3.6%) which recorded relatively small declines and was negatively impacted by its exposure to Europe and Asia Pacific.

Abertis has announced that sold its stake in Schemaventotto, the Benetton family company that controls 50.01% of Atlantia, and Italian tollroad company. Cintra has announced the refinancing (€292m) and regearing (€316m) of Autema, one of its Spanish toll roads.

The RARE Infrastructure Value Fund will distribute 5.95 cpu (net) for the June quarter, taking FY distributions to 8.19 cpu (net).

## Overview of Fund Holdings

### Top 5 Holdings

CINTRA CONCESIONES DE INFRAE

PROGRESS ENERGY

BABCOCK AND BROWN WIND PARTNERS GROUP DEFERRED S

NATIONAL GRID PLC

SNAM RETE GAS

## Currency Exposure

Currency	Exposure (AUD million)	Hedge (%)
US Dollar (incl. HKI)	27	98%
Canadian Dollar	8	94%
Euro (incl. CZK)	35	113%
British Pound	5	100%
Brazilian Real	14	107%
Singapore Dollar	4	105%