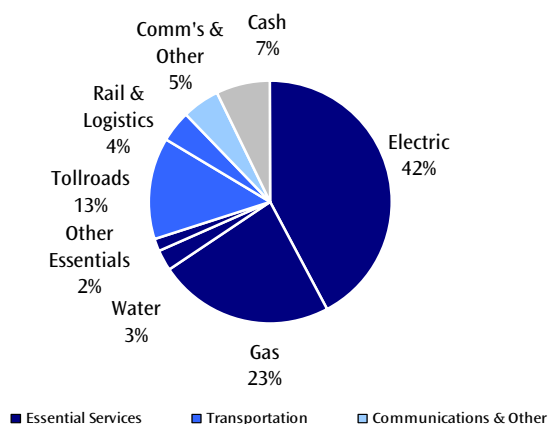
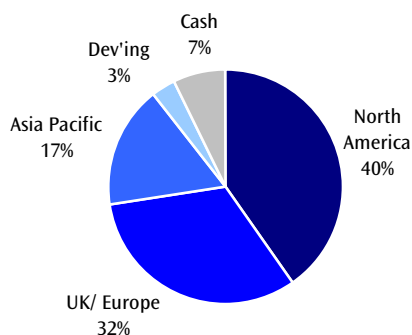
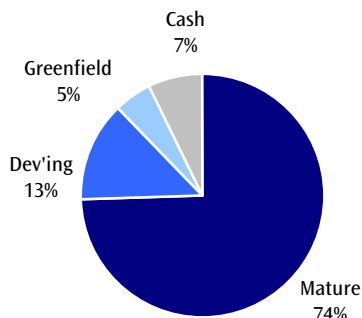


**Performance Summary (total returns in AUD after fees)**

	This Month	Three Months	One Year	Two Years	Inception <sup>1</sup>
RARE Infrastructure Value Fund	0.4%	-7.0%	-24.6%	-13.2%	-7.8%
Benchmark <sup>2</sup>	-0.2%	-1.2%	6.2%	7.2%	6.8%
MSCI World (Local Currency)	6.8%	-8.6%	-37.0%	-23.4%	-15.3%

**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	6.2%
EV <sup>5</sup> / EBITDA <sup>6</sup>	7.8x
Interest Cover	3.8x
Gearing (Net Debt/ EV)	40.2%
Asset Beta	0.45

**Fund Details**

Fund Size	\$126m
Number of Holdings	34
Minimum Investment	\$500,000 <sup>7</sup>
Application Price	0.7447
Redemption Price	0.7410
Distribution Frequency	Quarterly
Distribution for March 09	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

The question that everyone is asking, yet again, is has the market bottomed? In the US, the first week of March saw the S&P 500 creating new lows with the index dipping below 700 for the first time since 1996. At the bottom, the S&P Index had lost 56% of its value from the October 2007 high. However, after staring into the abyss, the US market rallied to finish the month up a healthy 8.5%.

The turning point for the market came on March 9th, when Citigroup unexpectedly announced that it was profitable for the first two months of 2009. This spurred optimism that the worst of the banking crisis is behind us, and that therefore a recovery is just around the corner.

Europe jumped on the recovery bandwagon, although to a lesser extent. Germany was the best performer, up 6.3%, with all the other major European markets up between 2-5%. The news out of Europe is still negative.

In Asia, the markets danced to the US tune. The Nikkei jumped 7.1% and all of the Singapore, China and the Australian markets were up by 6% or more. News here is still mixed; Chinese exports, which account for 40% of GDP, fell by 25.7% year-on-year, but this was softened by the news that retail sales jumped 15% in 2009.

Turning to the Infrastructure world, there appeared to be appetite for the more GDP sensitive stocks. Toll roads performed well, as did the US and emerging market stocks. Some of our stocks are seeing the first benefits from the planned infrastructure projects; ITC, an electricity transmission company in the US jumped 18% after its regulator made positive sounds on new transmission lines. Elsewhere other companies have been able to sell off assets, at good prices; Canadian oil pipeline company, Enbridge, managed to sell one of its non core assets for an extremely healthy 19x earnings, highlighting the benefits of not being a distressed seller.

In conclusion, whilst there are signs that the bottom may have been reached, we are wary of false starts. Given our conservative nature, we are happy to wait until we feel comfortable that the corner has been turned instead of guessing. We remain tilted to the defensive end of our universe, but have already identified the stocks that we would like to buy, once we feel the time is right.

**Richard Elmslie & Nick Langley,**  
**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

RARE outperformed its benchmark in March (+0.4% vs -0.2%), but underperformed global equities (+6.8%).

On a sector level, negative contributions from EU electric (mainly National Grid -15.9%), and toll roads (Cintra -12.9%) were more than offset by our holdings in AsiaPac gas (APA Group +11.3%) and several Asian tollroads. A positive contribution from our weightings in N. American Electric utilities also helped the performance.

There were no entries/exits to the portfolio in March but we did lighten Cintra - although we fundamentally like the assets, we are not comfortable with the takeover situation and can find better uses for the money. We increased our position in Southern Co taking advantage of a falling share price to invest in a high quality name.

The Fund continues to be cautious in its approach, and err on the side of defensiveness rather than risk. This approach will continue until we gain enough comfort that this is a sustainable recovery. Whilst we may be close to this (observe the recent rally in lower quality names), we do not yet feel confident enough to increase the risk within the portfolio.

## Overview of Fund Holdings

Top 10 Holdings	Weighting
ITC HOLDINGS CORPORATION	6.7%
ENBRIDGE INC	5.8%
NATIONAL GRID PLC	5.0%
SPECTRA ENERGY CORP	4.7%
WISCONSIN ENERGY CORPORATION	4.7%
TRANSCANADA CORPORATION	4.5%
SINGAPORE POST LIMITED	3.9%
PROGRESS ENERGY	3.8%
ABERTIS INFRAESTRUCTURAS SA	3.6%
RED ELECTRICA CORPORATION SA	3.3%

## Currency Exposure

Currency	Exposure (AUD m)	Hedge (%)
US Dollar (incl. HKD)	43.8	84%
Canadian Dollar	12.5	107%
Euro	29.9	112%
British Pound	9.4	99%
Brazilian Real	4.0	122%
Singapore Dollar	4.8	113%