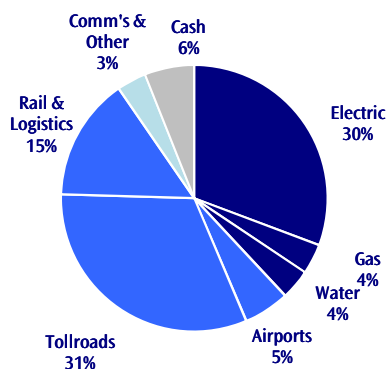
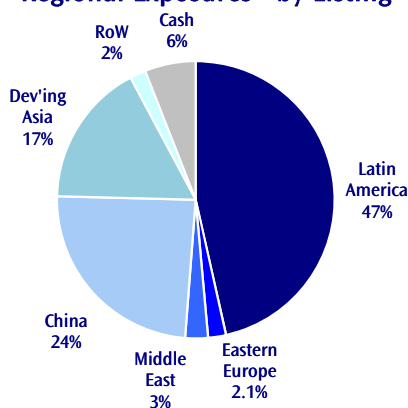
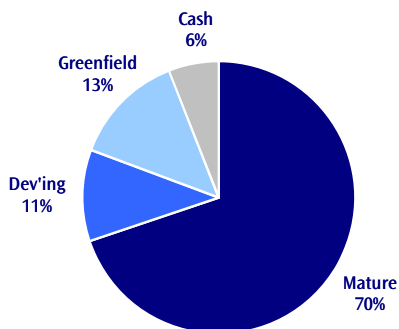


**Performance Summary (total returns in AUD after fees)**

	This Month	Three Months	One Year	Two Years	Inception <sup>1</sup>
RARE Series EM Fund	5.2%	1.5%	10.8%	26.9%	24.6%
Benchmark <sup>2</sup>	0.6%	0.3%	13.7%	20.3%	14.0%
MSCI EM World (AUD)	4.0%	0.8%	5.0%	19.8%	7.4%

**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	3.0%
EV <sup>5</sup> / EBITDA <sup>6</sup>	6.7x
Interest Cover	5.9x
Gearing (Net Debt/ EV)	23.2%
Asset Beta	0.52

**Fund Details**

Fund Size	\$2.0m
Number of Holdings	37
Minimum Investment	\$20,000 <sup>7</sup>
Application Price	1.5498
Redemption Price	1.5390
Distribution Frequency	Semi-Annually
Distribution for Dec 10	1.5000
APIR Code	TGP0015AU
Morningstar Ticker	tbc
Management Fee	1.333% per annum
Transaction Costs	0.35%
Performance Fee	10.25% of investment returns made in excess of the Benchmark. The performance fee will not exceed 0.30% of the net asset value of the fund in any year.
Benchmark	An accumulation index comprised of the Citigroup Global Emerging Market Sovereign Investment Grade USD Index plus 5.0% per annum
Fund Status	Open

<sup>1</sup> Fund inception date 9 July 2008; Performance inception date 30 September 2008

<sup>2</sup> Citigroup Global Emerging Markets Sovereign Investment Grade USD Index+ 5%

<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

Emerging Market equities ended the month up strongly with the MSCI EM index posting a 5.7% increase in local currency, well off monthly lows. The volatility in market performance was mostly due to concerns about the situation in Japan as well as continued unrest in the Middle East and Northern Africa. However, there was another important broad market dynamic at play: the resurgence of Emerging Markets over developed markets. With concerns abating over the growth of Emerging economies due to tightening measures, especially in China, and risk appetite coming back, Emerging Markets outperformed developed markets in March by over 6% (compared to the MSCI World Index). Emerging markets were led by emerging Asia, which posted a 7.1% increase, helped by China's increase in manufacturing growth and stronger-than-expected earnings posted by Chinese companies. In the developed world, Japan led the decline (-7.4%), followed by Europe (-3.4%) due to renewed fears over the Euro zone debt crisis.

China's improved outlook led to a rebound in LatAm equities. At the country level, Colombia and Chile were the best-performing markets, increasing 4.7% and 4.0%, respectively. Peru and Argentina were the worst-performing markets, decreasing 3.4% and 3.1%, respectively. Brazil and Mexico posted an increase of 3.6% and 2.6%, respectively, helped by the appreciation of their currencies (the real increased 2.1% and the Mexican peso 1.8%).

On 16 March, we published some comments regarding a few draft key economic targets in the Chinese 12th Five Year Plan and their impact on our listed infrastructure companies. These targets include (i) target GDP growth of 7% (ii) control inflation by keeping prices low (iii) urbanization rate at 51.5% vs 47% previously. Following the approval of these economic targets, we examined the transition of the Chinese economy and assessed its impact on our investments. Previously, economic growth was mainly created from manufacturing for export purposes and was concentrated around the coastal areas from Shanghai to Shenzhen. As a result, inland and western provinces experienced less growth. One of the goals within this Five Year Plan aims to develop a sustainable economy that is driven by domestic consumption rather than heavily relying on exports. This can be achieved by redistributing wealth through the relocation of manufacturers from coastal areas to inland/western regions.

Within our universe, Sichuan Expressway and Anhui Expressway operate in the inland/western regions. We expect these listed infrastructure companies to continue to experience significant traffic growth resulting from increased economic activities and real incomes.

## Portfolio Commentary

The RARE Series EM Fund ended March up strongly, (+5.20%), outperforming the benchmark (+0.6%) and the MSCI World Index (+4.0%).

From a stock perspective Cemig, an integrated Brazilian Utility was the largest contributor to returns. Cemig delivered stronger operating results. Cemig's outlook remains positive, in our view, mainly due to re-pricing of generation contracts. Strong free cash flow in coming years will position Cemig well to continue growing its business via Greenfield projects (generation and transmission) or acquisitions. DP World (DPW) was also strong performer. Current trading trends for DPW remain encouraging with container volumes up 12% over the first two months of the year. Furthermore, the current year should also benefit from higher margins as the positive effects of higher tariffs come through. Looking to the medium-term, in addition to organic growth, DPW has a significant pipeline of new development and expansion projects in place. Total gross capacity could grow from 67mn TEUs in 2010 to 80mn by 2015.

ALL fell 2.5%. ALL is the sole railway logistics supplier in Brazil. We continue to favour ALL in the medium to long term as the company would turn its cash flow into positive and new projects such as Brado (containers & logistics) and Rondonopolis (grains) will start to positively impact results.

As we noted last month, we remain very positive on the outlook for EMs. Domestic demand has become the key driver of growth in many EM economies. Real Incomes are rising, fuelling investment and consumption growth across emerging markets. We are still in the early stages of this.

**Charles Hamieh, Richard Elmslie, Nick Langley**  
(RARE EM Investment Committee)

## Overview of Fund Holdings

Top 10 Holdings	Weighting
DP WORLD LIMITED	5.7%
TRACTABEL ENERGIA SA COM NPV	4.7%
JASA MARGA INDONESIA HIGHWAY CORP	4.5%
COMPANIA ENERGETICA DE MINAS GERAIS	4.3%
LIGHT SA COM NPV	3.9%
ECORODOVIAS INFRAESTRUTURA	3.8%
SHENZEN EXPRESSWAY CO LTD	3.8%
SHENZEN INTERNATIONAL HOLDINGS LIM	3.8%
GRUPO AERPORTUARIO DEL SURESTE SA SI	3.6%
CESP COMPANHIA ENERGETICA DE SAO PA	3.4%

### 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 31st March 2010 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 operations@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 1.333% 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.