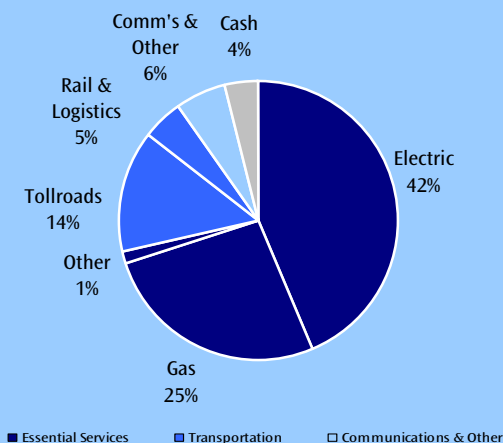
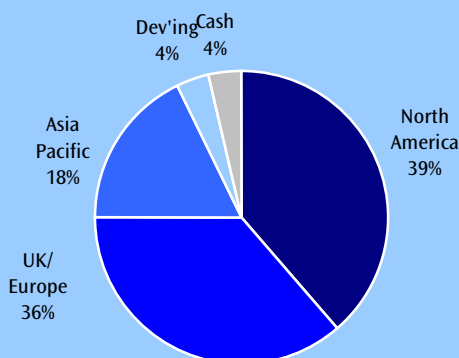
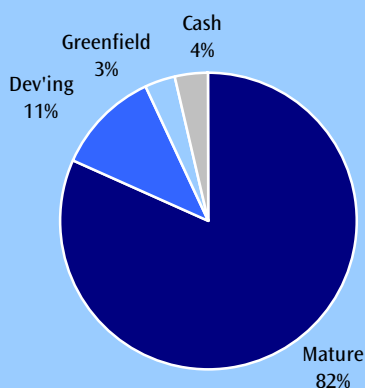


Performance Summary (net performance)

	This Month	Three Months	Financial YTD	Inception (pa)
RARE Infrastructure (AUD) ¹	-1.9%	-2.6%	-16.8%	1.9%
Benchmark: 7%, after tax	0.6%	1.7%	4.1%	7.6%
MSCI World (AUD, pre tax)	-5.2%	-9.5%	-34.1%	-13.5%

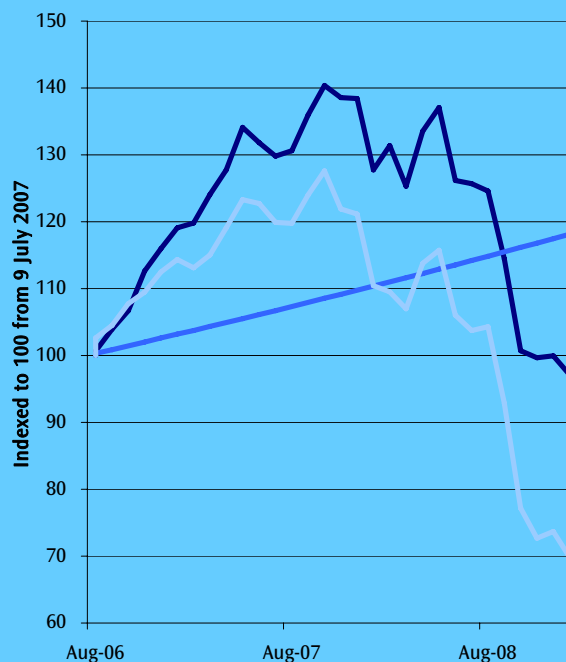
Overview of Fund Exposures and Portfolio Statistics
Sector Exposures²

Regional Exposures

Maturity Exposures²

Portfolio Statistics

Current statistics of the TIPRAR Fund are as follows:³

Dividend Yield	5.8%
EV ⁴ / EBITDA ⁵	9.5x
Interest Cover	3.9x
Gearing (Net Debt/Asset Beta)	40.2%
Asset Beta	0.47

Overview of Fund Holdings
Top 10 Holdings

ITC HOLDINGS CORPORATION	6.2%
ENBRIDGE INC	5.7%
NATIONAL GRID PLC	5.7%
TRANSCANADA CORPORATION	5.2%
WISCONSIN ENERGY CORPORATION	4.8%
SPECTRA ENERGY CORP	4.6%
SINGAPORE POST LIMITED	4.2%
PROGRESS ENERGY	4.0%
RED ELECTRICA CORPORATION SA	3.8%
SES	3.8%

Performance


— RARE Infrastructure (AUD, Hedged)
— Benchmark: 7%, after tax
— MSCI World (Local Currency)

¹ Post taxes and fees. Sources: RARE Infrastructure Value account; Benchmark, OECD & RARE calculations; MSCI World, Bloomberg

² Based on the exposures of the underlying assets of the stocks in the Fund, as assessed by RARE

³ Based on weighted averages

⁴ EV means Enterprise Value (market capitalisation + preferred equity, if any + net debt)

⁵ EBITDA means earnings before interest, tax, depreciation & amortisation

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).

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

Important Information:

While the information contained in this document has been prepared with all reasonable care, RARE Infrastructure Limited (RARE), which holds Australian Financial Services Licence 307727, 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.

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. 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.

Portfolio Commentary

The fund underperformed in January, finishing negative at 1.9% compared to the -5.2% 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 North America and tollroads in North 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 USD2.0bn North Tarrant Expressway in Texas and has won a EUR2.1bn, 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.

Foreign Exchange Commentary

RARE ensures that Premium's Foreign exchange exposure is substantially hedged at all times.

In the case of two currencies, The Hong Kong Dollar and the Czech Republic's Koruna, RARE uses surrogate currencies to hedge the position – the US dollar and the Euro respectively. At December month end the currency hedging was marginally higher than normal levels (average 102%).

RARE hedging consists of 3 month forward contracts of which about one third is rolled every month.

Currency Exposure

Currency Exposure	Exposure (AUD million)	Hedge (%)
US Dollar (incl. HKI)	11.3	100%
Canadian Dollar	3.6	101%
Euro	9.2	108%
British Pound	2.8	110%
Brazilian Real	1.2	103%
Singapore Dollar	1.4	107%

Mandate Compliance

There have been no breaches this month.