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Rubicon Asset Management Ltd (In Liquidation) as Responsible Entity ("RAML") for Rubicon America Trust ("RAT")

Update to Unitholders August 2010

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Glossary

Administrators	Michael Owen and Paul Billingham, Voluntary Administrators appointed to RAML
ASX	Australian Stock Exchange
c.	Circa
Court	The Supreme Court of NSW
CRE	Commercial Real Estate
CS	Credit Suisse
FBE	FBE Limited LLC/Lane Capital Partners
Liquidators	Michael Owen and Paul Billingham, Liquidators appointed to RAML on 22 October 2009.
RAML	Rubicon Asset Management Limited
RAT or Scheme	Rubicon America Trust
RCH	Rubicon Cayman Holdings
RFA	Rubicon Finance America, LLC
RFA II	Rubicon Finance America II, LLC
RFA III	Rubicon Finance America III, LLC
US REIT	Rubicon US REIT Inc

Section 1

Overview

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Overview

Background

- On 19 June 2009 the Responsible Entity for RAT, RAML, was placed in Voluntary Administration.
- Following the Administrators appointment a comprehensive review of the circumstances and financial position of RAT was undertaken. This resulted in an application being made to Court for orders that the Scheme be wound up (refer ASX release 27 August 2009).
- The Court, on 8 October 2009, ordered RAT be wound up by RAML in its capacity as Responsible Entity in accordance with its Constitution and any orders/directions of the Court.
- Subsequent to this, at a duly convened meeting of creditors of RAML held on 22 October 2009, creditors resolved that RAML be placed in liquidation. The Administrators of RAML became the Liquidators.

Update

- In accordance with the Orders of the Court, RAML has taken various actions pursuant to RAT's Constitution to wind up the affairs of RAT.
- This update provides information to unitholders on some of the more significant actions taken in this regard since 8 October 2009 and details the likely outcome as a result of such action.
- This update should be read in conjunction with previous releases issued including, but not limited to, notifications of appointments and the Administrators report pursuant to section 439A of the Corporations Act.

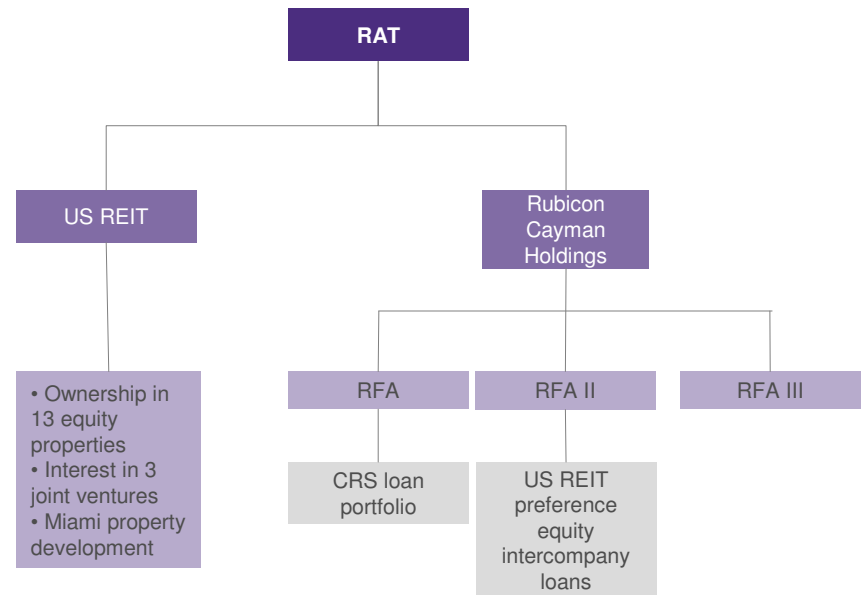
Section 2

Structure

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Structure

- This update has, for ease of reference, been separated into distinct groups of entities within the RAT structure.
- The corporate structure of RAT comprised 66 entities and this structure can be separated into distinct entity groups being:
 - US REIT
 - RCH
 - RFA
 - RFA II
 - RFA III
- RAT's investments, for update purposes, are simplified in the chart opposite.
- Details as to the current status of RAT's investment in these distinct groups are discussed further in the following pages.



RAT consisted of 66 entities held via two investment entities: Rubicon US REIT Inc and Rubicon Cayman Holdings.

Section 3

Current Position of Key Entities

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Current Position of Key Entities

Rubicon US REIT Inc

- All property assets are held within this group of entities.
- At the time of the winding up order from the Court:
 - Rubicon GSA II, LLC held ownership in 13 properties. These properties were mainly leased to Government tenants.
 - RubiconPark I, RubiconPark II and RubiconMadden LLC held three joint venture interests.
 - Rubicon Overtown II LLC held an interest in a transit centre and office building under development in Miami, Florida.
 - Lending was held at entity level together with further borrowings at the US REIT level. Numerous asset level facilities had (or have since) entered into springing lock box arrangements.
 - US REIT lending related to c.US\$96 million notes issued. Assets held by this entity included cash (held as collateral and subject to noteholder indenture terms) and interest in underlying entities.
- Assessments made by directors of US REIT, following consideration of its position and the position of its subsidiaries, determined it was appropriate to enter US Chapter 11 proceedings. These proceedings commenced on 20 January 2010.
- As a result various hearings have since taken place in the US Bankruptcy Court relating to the US REIT and its subsidiaries. This has culminated in a reorganisation plan being prepared and submitted to the Bankruptcy Court by the noteholders (senior lenders) which was subsequently accepted and approved on 15 June 2010. The US Bankruptcy Court is yet to stipulate the effective date, this is anticipated to occur in August 2010.
- The pertinent elements of the approved plan confirmed the noteholders were likely to receive a substantial shortfall on the debt they were owed consequently, the equity held in US REIT had no value. On the effective date as determined by the US Bankruptcy Court, the common and preference equity interest held in the US REIT by RAT and RFA II respectively will be cancelled and held by the noteholders (senior lenders). The noteholders have also released RAT from the guarantee it had provided to them.

As a consequence of the US REIT Chapter 11 orders, all equity held by RAT and RFA II in the US REIT will be cancelled.

Current Position of Key Entities

Rubicon Cayman Holdings

- This entity is domiciled in the Cayman Islands and is the parent entity for RFA, RFA II and RFA III.
- RCH obtained funding from RFA II and on lent this funding to RFA. Other than its investment in subsidiaries and related party loans it has limited other assets and liabilities.
- Given the circumstances of RFA (discussed opposite) it is unlikely this entity will recover any value for its assets and is therefore insolvent. Accordingly, steps are being taken for it to be administered pursuant to the Cayman Islands insolvency regime.

Rubicon Finance America, LLC

- All CRE loans were held by this entity.
- The secured lender, Column Financial Inc (Credit Suisse) restricted RFA's use of cash and required the realisation of the entire CRE loan portfolio.
- In addition to the CS facility, RFA had also borrowed c.US\$89 million from Rubicon Cayman Holdings.
- CS sold and assigned its debt position (c.US\$63 million) to FBE in December 2009. FBE immediately commenced enforcement proceedings resulting in the directors of RFA initiating US Bankruptcy Chapter 7 proceedings.
- The expected shortfall to the secured lender is c.US\$50 million. A guarantee has also been provided by RAT in respect of this debt. Further, given the actions of FBE, there are no remaining assets to enable repayment of the c. US\$89 million debt owed to RCH.
- I have been informed that Chapter 7 US Bankruptcy cases for RFA and it's subsidiaries are now closed. The Chapter 7 cases are now closed.

RCH is expected to become subject to insolvency proceedings in the near future. RFA has entered US Bankruptcy Chapter 7 and a shortfall to the secured lender in the order of c. US\$50 million is expected which RAT has guaranteed.

Current Position of Key Entities

Rubicon Finance America II, LLC

- Assets of this entity included preference equity held in US REIT and a c.US\$89 million loan facility provided to RCH which in turn lent funds to RFA.
- Funding of these assets was obtained with a US\$100 million note facility provided by Taberna Capital Management LLC and KJ Mandrake II LLC. Default notices relating to this facility were issued in June 2009. As this entity was unable to meet obligations under the note facility one of the noteholders initiated Chapter 7 bankruptcy proceedings.
- As the ability to repay the note facility is dependent upon on the recovery of the debt owed by RCH, and in turn RFA, it is unlikely any such return will be realised.
- As a result of the Chapter 11 proceedings by the US REIT an amount of US\$0.1 million was to be paid in respect of the \$11 million preference equity following which the preference equity would be cancelled.
- Given the status of RFA it is not expected that any further recoveries will be achieved in this entity. Accordingly, this entity is expected to suffer a shortfall in the order of US\$100 million.

Rubicon Finance America III, LLC

- This entity was effectively a dormant entity and has been dissolved.

Rubicon America Trust

- RAT was delisted on 17 December 2009.
- Custodian and share registry services have been terminated.
- There is a creditor shortfall of c. US\$150 million pursuant to guarantees issued. This amount excludes the shortfall in the US REIT as the guarantee provided by RAT to the US REIT noteholders has been released as part of the Chapter 11 Bankruptcy proceedings.

RFA II is subject to US Bankruptcy Chapter 7 proceedings and is likely to suffer a shortfall in the order of US\$100 million.
The remaining shortfall to creditors of RAT is estimated to be in the order of US \$150 million.

Section 4

Conclusions and Future Action

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Conclusions

- It is expected that there will be no funds available to enable a return to unitholders.
- Advice has been received that indicates it is not possible for the Liquidators to issue a notice to the effect that the unitholding is worthless to enable capital losses to be claimed for tax purposes as the Scheme is not a company. Accordingly the Liquidators will not be issuing such a notice.
- The share registry is now being maintained in-house and not by Link Market Services who previously maintained the registry.

Future Action

- In order for RAML to finalise the winding up of the Scheme as required by the order of 8 October 2009 the following action will be required:
 - Finalisation of administrative matters regarding US REIT.
 - Await US Bankruptcy Court determination of effective date for US REIT reorganisation plan.
 - Monitoring progress, outcomes and finalisation of Chapter 7 administrations for RFA and RFA II.
 - Implement formal insolvency proceedings for RCH in conjunction with its directors and await completion of same.
 - Complete investigations and reporting to ASIC.

Enquiries

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A return to unitholders is unlikely. Further enquiries should be directed to the Liquidators office.