



# RUBICON ASSET MANAGEMENT LIMITED (IN LIQUIDATION) ACN 095 433 720

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## **Annual report to creditors**

22 June 2012

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# Glossary

<b>AFG</b>	Allco Finance Group Limited (Receivers and Managers Appointed) (In Liquidation)	<b>Grays</b>	Grays Online
<b>AFSL</b>	Australian Financial Services License	<b>Hedge Funds</b>	RALF, RCPALF and RILF-CPS1
<b>AREAM</b>	Allco Real Estate Asset Management Kabushiki Kaisha	<b>HSBC</b>	HSBC Bank Australia Limited
<b>ASIC</b>	Australian Securities & Investments Commission	<b>IPO</b>	Initial Public Offering
<b>ASIC Act</b>	Australian Securities and Investments Act Commission 2001 (cth)	<b>ITAA97</b>	Income Tax Assessment Act 1997 (cth)
<b>ASX</b>	Australian Securities Exchange	<b>Korda Mentha</b>	Messrs Michael Brereton and Scott Kershaw the receivers and managers of RET I, II and III
<b>ATO</b>	Australian Taxation Office	<b>MBL</b>	Macquarie Bank Ltd
<b>BAROF</b>	Basis Aust-Rim Opportunity Fund	<b>OSR</b>	New South Wales of State Revenue
<b>COI</b>	Committee of Inspection	<b>PDS</b>	Public Disclosure Statement
<b>CRE loans</b>	Commercial Real Estate loans	<b>RALF</b>	Rubicon Australian Leaders Fund
<b>Deloitte</b>	Messrs Vaughan Strawbridge and Christopher Campbell as the former Receivers and Managers of RET I, II and III	<b>RAML</b>	Rubicon Asset Management Limited (in Liquidation)
<b>GAC</b>	GAC Europe Real Estate Fund Limited	<b>RAT</b>	Rubicon America Trust
<b>GK</b>	Guoda Kaisha	<b>RCH</b>	Rubicon Cayman Holdings

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# Glossary

<b>RCPALF</b>	Rubicon Capital Protected Australian Leaders Fund	<b>RILP</b>	Rubicon International Leaders Private Fund I Limited
<b>RCPL</b>	Rubicon Capital Pty Limited (In Liquidation)	<b>RJT</b>	Rubicon Japan Trust
<b>RE</b>	Responsible entity	<b>Schemes</b>	RAT, REU and RJT
<b>REU</b>	Rubicon Europe Trust	<b>SICL</b>	Spring Investment Co Limited
<b>RET I</b>	Rubicon Europe Trust I	<b>the Act</b>	Corporations Act 2001 (cth)
<b>RET II</b>	Rubicon Europe Trust II	<b>the Note</b>	Terrey Hills Golf and Country Club Corporate Membership Unsecured Deposit Note
<b>RET III</b>	Rubicon Europe Trust II	<b>the Company</b>	Rubicon Asset Management Limited
<b>RFA</b>	Rubicon Finance America LLC	<b>the Period</b>	16 May 2011 to 22 June 2012
<b>RFA II</b>	Rubicon Finance America II LLC	<b>the Plan</b>	The US REIT Third Amended Reorganisation Plan
<b>RFA III</b>	Rubicon Finance America III LLC	<b>TK</b>	Tokumei Kumiais
<b>RHAL</b>	Rubicon Holdings (Aust) Limited (Receivers and Managers Appointed)	<b>Trust Co</b>	Trust Company of Australia
<b>RILF-CPS1</b>	Rubicon International Leaders Fund CPS 1		
<b>RILM</b>	Rubicon International Leaders Master Fund Limited		

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# Section 1 Executive summary

**01. Executive summary**

02. Rubicon Asset Management Limited

03. Rubicon America Trust

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# Overview

<p><b>Appointment</b></p>	<ul style="list-style-type: none"> <li>• Pursuant to section 439(1) of the Corporations Act 2001 (cth) (“the Act”), at the second meeting of creditors held on 22 October 2009, creditors resolved to place the Company in liquidation and, by operation of the Act, Michael Owen and I, being the incumbent Voluntary Administrators were appointed Liquidators of the Company.</li> <li>• Subsequently on 6 September 2010, Mr Owen, formerly of Grant Thornton Australia Limited, resigned in his capacity as Liquidator of the Company.</li> </ul>
<p><b>Purpose of Report</b></p>	<ul style="list-style-type: none"> <li>• Pursuant to section 508(1) of the Act, this report sets out an account of the Liquidator’s acts and dealings, the conduct of the winding up for the Period and a description of the acts and dealings that remain to be carried out by the Liquidator in order to complete the winding up. This report follows from the previous annual report of 15 May 2011. If you require any background information on the matters contained within this report, please refer to the last annual report, a copy of which can be found on the Grant Thornton website at: <a href="http://www.grantthornton.com.au/files/rubicon_annual_report_to_creditors_may2011.pdf">http://www.grantthornton.com.au/files/rubicon_annual_report_to_creditors_may2011.pdf</a></li> </ul>
<p><b>Structure of Report</b></p>	<ul style="list-style-type: none"> <li>• Section 2 of this report details the tasks undertaken by me during the Period in my capacity as Liquidator of the Company.</li> <li>• Sections 3 to 6 of the report details the tasks undertaken in each of the formerly listed Schemes and unlisted Hedge Funds.</li> </ul>
<p><b>ASIC Investigations</b></p>	<ul style="list-style-type: none"> <li>• I have now concluded a detailed investigation into the Company’s affairs and lodged my report with ASIC pursuant to section 533 (1) of the Act on 22 June 2012. Due to the size, complexity, and geographical coverage of the Company’s operations, the investigation process has taken a considerable period of time. I have delayed preparation of this annual report until the section 533 report was lodged.</li> <li>• As my report is confidential I am unable to provide creditors with a copy or details of my findings.</li> </ul>
<p><b>Return to creditors</b></p>	<ul style="list-style-type: none"> <li>• As detailed in the last annual report, the Company continues to oversee the winding up of the Schemes and unlisted Hedge Funds.</li> <li>• The cost of so doing is recovered from the assets of those Schemes and Hedge Funds where available, in accordance with the Court order dated 8 October 2009.</li> <li>• Unfortunately, it is still not possible to determine when the Schemes and Hedge Funds will be fully wound up, as in most cases, control of their underlying assets is outside the powers of the Liquidator. Until the Schemes and Hedge Funds are fully wound up (and their underlying assets sold) it is not possible to complete the liquidation of the Company.</li> <li>• Accordingly, it is not possible to determine the timing and extent of the likely return to creditors of the Company, if any.</li> </ul>

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## Section 2 Rubicon Asset Management Limited

01. Executive summary

**02. Rubicon Asset Management Limited**

03. Rubicon America Trust

04. Rubicon Europe Trust

05. Rubicon Japan Trust

06. Hedge Funds

# RAML update

## Investigations

- I have now concluded detailed investigations into the affairs of the Company and the conduct of the directors and submitted my report to ASIC pursuant to section 533 (1) of the Act.
- My report reviewed the activities of RAML, and RAML as responsible entity ("RE") of the Schemes and Hedge Funds.
- With respect to the Company, my report focused on a number of areas which were discussed with the Australian Securities & Investments Commission ("ASIC") including the following:
  - Solvency of the Company;
  - RAML's conduct as RE;
    - Failure to wind up Schemes when suspended by ASX;
    - Role in preparing PDS;
    - Adequacy of books and records;
    - AFSL compliance;
    - Unit but-back;
    - Non-disclosure of KPMG valuation for Rubicon Group;
  - Voidable transactions;
  - Directors' remuneration;
  - Structure of the management agreements with the Schemes;
  - Action against auditors;
- Due to the confidentiality of this report I cannot provide creditors with a copy of the report or details of my findings.
- A significant proportion of the time costs incurred in the Period have been incurred in connection with these investigations and the preparation of my report to ASIC.

- The report was far more comprehensive than usually issued and is supported by 14 volumes of fully cross referenced material. I hope however, by completing such a thorough report, to avoid any supplementary reporting requirements by ASIC – although this of course cannot be guaranteed.
- My investigations with respect to RAML as RE of the Schemes and Hedge Funds is further discussed in sections 3, 4, 5 and 6 of this report.

## Australian Financial Services Licence ("AFSL")

- As a result of the on-going actions being undertaken by me to wind up the Schemes and Hedge Funds, I requested ASIC extend the cancellation date for RAML's AFSL.
- ASIC has confirmed the cancellation notice will be amended to the effect that that the AFSL will be cancelled on 31 July 2014.



# RAML update

## Debtors

- A first and final dividend of \$339.86 (0.96 cent/\$) was received in the Period from the Liquidator of Rubicon Capital Pty Ltd (in Liquidation) in relation to the debt due to the Company of \$35,082 concerning an intercompany loan.
- At the date of this report there still remains a significant amount of Company debtors outstanding (c.\$4.8m). Due to the large majority of these debtors being under formal insolvency proceedings, it is unlikely that any further recoveries will be made.
- The largest outstanding debtor is Rubicon Holding (Aust) Limited (Receivers and Managers Appointed) for \$3,773,033. The estimated realisable value of this debt is nil due to the receivers and managers advising that it is unlikely that there will be a return to unsecured creditors.
- I will continue to monitor the Company's debtors and where appropriate lodge the necessary documentation in order to receive a dividend.
- I refer you to page 38 of my report issued pursuant to section 439A of the Act for further details on debtor balances upon my appointment. A copy can be found at:  
[http://www.grantthornton.com.au/files/rucicon\\_s439a\\_report\\_13oct09.pdf](http://www.grantthornton.com.au/files/rucicon_s439a_report_13oct09.pdf)

## Golf Membership

- A transfer facility recently became available to allow me to sell the Company's preference share (formerly a deposit note) which it held for Terry Hills Golf and Country Club.
- Following a review of the previous transfer prices for the shares and taking into consideration the on-going costs in holding the preference share (c.\$1.5k per month) a decision was made to list the transfer of the share (sales price) at \$30,000.
- Settlement took place on 1 June 2012 and after deduction of the outstanding membership fees and an administration fee payable as a result of the sale, the net return to the Company was \$13,266.70.

## Plant and Equipment

- After a request from the landlord of the Company's former leased premises at Edgecliff, I instructed Grays Online to remove and sell the Company's remaining Plant and Equipment.
- After the costs and expenses of realisation, \$18,897.04 was received into the Liquidation for the sale of these assets.

# RAML update

## Committee of Inspection Meetings

- In the course of the liquidation, I have convened and held three meetings with the Committee of Inspection (“COI”) on 26 February 2010, 29 June 2010 and 30 May 2011 respectively.
- During each of those meetings, I have tabled a report of my conduct as Liquidator of the Company in its own capacity, and as RE of the Schemes and the Hedge Funds.
- In the course of those meetings, I have also provided a briefing of the status of the Company, and as RE of the Schemes and the Hedge Funds, and responded to queries put to me by the committee members in attendance.
- The reports tabled at the COI meetings and the minutes of those meetings are available for inspection by the creditors on the Grant Thornton Australia website.
- It is my intention to hold a further meeting with the COI on 29 June 2012 at which time I will request the committee to approve my remuneration for the Period, discussed in more detail on page 11.

## Annual Meeting of the Creditors

- Pursuant to section 508(4) of the Act, I have decided not to convene an annual meeting of the creditors under subsection (1)(b)(i) and have instead:
  - Prepared a report under subsection (1)(b)(ii); and
  - Lodged a copy of the report with ASIC.
- If a creditor requests the Liquidator to give the creditor a copy of the report, the Liquidator will comply with the request, free of charge. A creditor may also access a copy of the report from the Grant Thornton Australia website detailed below:

[http://www.grantthornton.com.au/Business-portal/Sydney/Rubicon\\_Asset\\_Management.asp](http://www.grantthornton.com.au/Business-portal/Sydney/Rubicon_Asset_Management.asp)

# Receipts and Payments and Liquidators remuneration

## Liquidator's Statement of Receipts and Payments

- A copy of the Liquidator's Statement of Receipts and Payments for the period of the liquidation is attached at **Appendix A**. I am currently holding \$2,551,889.61 cash at bank on behalf of the Company in various high yield bank accounts and term deposits.
- Since the commencement of the Voluntary Administration expenses have been incurred relating to the winding up of the Schemes and Hedge Funds. Pursuant to the court order dated 8 October 2009, the Company is entitled to be reimbursed for such expenses from the Schemes and Hedge Funds.
- During the course of the liquidation, I have sought and received reimbursement from the various Schemes which are in funds to reimburse the Company acting as RE in the wind up of the Schemes. The amount of reimbursement recovered from the Schemes and Hedge Funds to date totals \$2,347,291.19.
- I note below the significant receipts and payments received and incurred in the Period:
  - **Receipts**
    - Bank interest: \$150,330.86;
    - Realisation of Plant and Equipment: \$18,897.04 (excl GST);
    - Reimbursement from Korda Mentha for providing office space and support to staff of REU: \$12,838.00; and
    - Surplus from the sale of the preference share in Terry Hills Golf Club: \$13,266.70;
  - **Payments**
    - Liquidators remuneration: \$716,696.75;
    - Liquidators disbursements: \$7,890.48;
    - Legal Fees in dealing with various aspects of the Liquidation including detailed advice in relation to the lodgement of the section 533 report: \$240,739.98
    - Office/utilities costs in providing office space to staff of REU: \$22,292.03

## Liquidator's remuneration

- At the forthcoming COI meeting to be held on 29 June 2012, the Committee will be requested to consider approving the Liquidator's remuneration for work undertaken from 16 May 2011 to 31 May 2012.
- The Committee in the meeting held on 30 May 2011 previously approved the Liquidator's prospective remuneration for the period subsequent to 16 May 2011 to a limit of \$300,000 plus GST and disbursements, which has been drawn accordingly.
- Approval of the Liquidator's remuneration sought for the period 16 May 2011 to 31 May 2012 will take into consideration the Liquidator's remuneration previously approved and paid.
- The Committee will also be requested to consider the Liquidator's prospective remuneration for the period subsequent to 31 June 2012 to be limited to an amount of \$300,000 plus GST. Approval of remuneration in excess of this amount will require further approval by the Committee, (or the Creditors or the Court).
- Below is a summary of the time costs incurred for the Company, the Trusts and Schemes for the period 16 May 2011 to 31 May 2012 to and the amount previously approved by the COI and paid:

Entities	Total Hours	Gross Amount (excl. GST)	Approved and Paid (excl. GST)	Balance to be Approved (excl. GST)
Rubicon Asset Management Ltd	1,439.2	497,486.50	183,410.50	314,076.00
Rubicon America Trust	289.1	55,664.00	33,250.50	22,413.50
Rubicon Europe Trust	98.4	20,297.50	7,410.00	12,887.50
Rubicon Japan Trust	120.5	22,628.50	13,548.00	9,080.50
Hedge Funds	351.5	123,060.50	62,381.00	60,679.50
<b>Total</b>	<b>2,307.7</b>	<b>719,137.00</b>	<b>300,000.00</b>	<b>419,137.00</b>

- Attached as **Appendix B** is a summary of the time costs and details of work undertaken from 16 May 2011 to 31 May 2012.

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## Section 3 Rubicon America Trust

01. Executive summary

02. Rubicon Asset Management Limited

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06. Hedge Funds

# RAT update

## Unit holder Enquires

- I continue to receive a substantial number of unit holders enquiries relating to:
  - The status of RAT in general;
  - Off market transfer requests; and
  - A Liquidator’s declaration that the units are worthless in accordance with the Income Tax Assessment Act 1997 (“ITAA97”).
- It is my intention to provide updates on the status of the winding up of RAT on the Grant Thornton website, as the costs of formally writing to unit holders would be prohibitive.
- All off market transfers are being processed by the Company as RE of RAT. The unit registry is open for off market transfers and requires the transfer form to be duly stamped for stamp duty purposes by the New South Wales Office of State Revenue (“OSR”).
- I am not in a position to issue a declaration that the units of RAT are worthless, as units of a trust do not fall under the definition of financial instruments as contemplated by the particular provision in the ITAA1997 which deals with the issuance of such a declaration. Further details on this can be found on our website at:  
[http://www.granthornton.com.au/files/rubicon\\_letter\\_to\\_unitholders\\_fy\\_june11\\_110725.pdf](http://www.granthornton.com.au/files/rubicon_letter_to_unitholders_fy_june11_110725.pdf)

## Likely Outcome for Unit holders

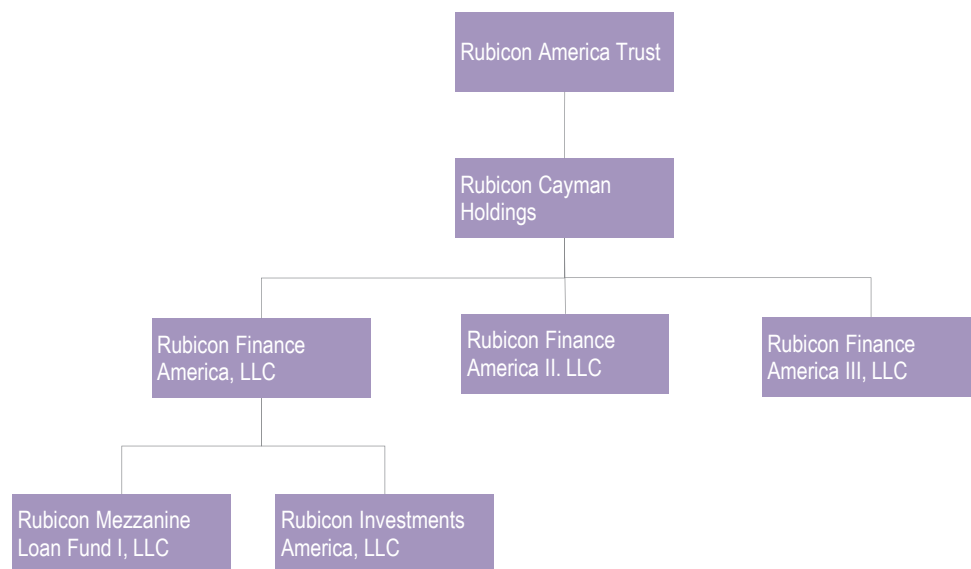
- Due to the various bankruptcy proceedings that are on-going or have been concluded in respect to the underlying funds of RAT, it is unlikely there will be any funds available to enable a return to the unit holders. More detail on the underlying funds of RAT can be found on pages 14 to 15.

## Investigations

- Detailed investigations into the affairs of the Company as RE of RAT have now been completed. My findings are detailed in my report to ASIC pursuant to section 533(1) of the Act . The report focused on the following main areas:
  - Solvency;
  - PDS to determine if adequate information was disclosed;
  - Constitution to determine if investments were appropriate and whether RAT should have been terminated when it was suspended from the ASX;
  - Appropriateness of management agreements;
  - Conduct under management including:
    - Timing of valuations;
    - Sale of One Riverview Square;
    - Sale of the GSAI portfolio;
    - RFA purchase of the CRE portfolio;
    - Notes issued by RFAI and subsequent intercompany lending;
    - Renegotiated terms of the US REIT facility;
    - Consequences/basis of providing guarantees to RFA;
    - Borrowings contained within the GSAll portfolio that were subject to soft maturities; and
  - Actions against auditors.
- Due to the confidentiality of this report I cannot provide creditors with a copy of this report or details on my findings.

# RAT update

## Rubicon America Trust Structure



## Rubicon Cayman Holdings ("RCH")

- The main asset of RCH was a debt due from RFA (which has now been discharged without payment due to the finalisation of Chapter 7 proceedings in the US), RCH will be required to be liquidated in order to deal with unsecured creditors.
- The estimated cost to wind up RCH is US\$25,000. Due to the lack of available funds in RCH these costs will need to be met by RAT pursuant to the court order dated 8 October 2009. It is my intention to begin the process of winding up RCH in the forthcoming months.

## Rubicon Finance America LLC ("RFA")

- Chapter 7 proceedings for RFA and its subsidiaries have now been finalised. As a result of this all unsecured claims against RFA and its entities were discharged, including the debt due to RCH.

## Rubicon Finance America II LLC ("RFA II")

- On 3 February 2010, relief was granted by the US Bankruptcy Court for Taberna Capital Management LLC and KJ Mandrake II LLC to commence Chapter 7 Bankruptcy Proceedings against RFA II.
- The main assets of RFA II upon the appointment of the Liquidators was:
  - Debt due from RCH in the amount of c.US\$89 million; and
  - Preference equity held in US REIT.
- As already noted I intend to commence the wind up of RCH in the forthcoming months and it is unlikely that RFA II will recover any of the c. US\$89 million that it lent to RCH. Further, as discussed on the following page, due to the reorganisation plan of US REIT being approved by the Bankruptcy Court all equity in US REIT has been cancelled and will not be repaid.
- In my opinion it is highly unlikely that there will be any funds available to RAT from the winding up of RFA II

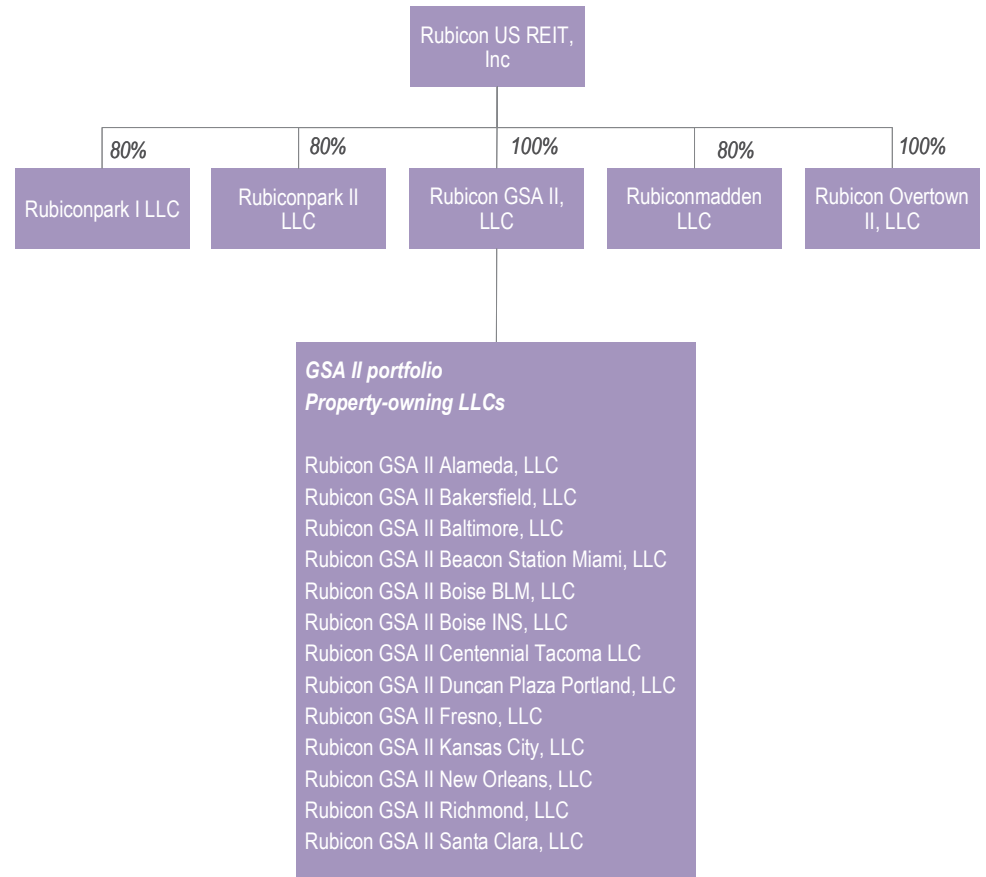
## Rubicon Finance America III LLC ("RFA III")

- As detailed in my last report, RFA III was officially dissolved on 9 June 2010. RFA III was a dormant entity and there were no assets distributed prior to the dissolution.

# RAT update

## Rubicon US REIT Inc ("US REIT")

- Detailed opposite is a diagram of the US REIT structure and the properties owned by it.
- As discussed in my last report, Chapter 11 bankruptcy proceedings were filed with respect of US REIT on 20 January 2011 in order to facilitate the orderly winding up of the affairs of US REIT.
- After lengthy negotiations, a reorganisation plan for US REIT was eventually approved by the Bankruptcy Court on 21 June 2010 with an effective date of 17 September 2010. The effect of the reorganisation plan is that RAT's equity holding in US REIT has been cancelled and full ownership and control has been passed to the note holders.
- Under the terms of the reorganisation plan, a full release was provided to RAT, the Company, the Liquidator of the Company and any advisors to RAT from any claims, obligations, suits judgements, damages etc. relating to US REIT, the Chapter 11 bankruptcy proceedings, the Plan and Disclosure Statement.



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## Section 4 Rubicon Europe Trust

01. Executive summary

02. Rubicon Asset Management Limited

03. Rubicon America Trust

04. Rubicon Europe Trust

05. Rubicon Japan Trust

06. Hedge Funds



# REU update

## Unit holder Enquires

- I continue to receive a substantial number of unit holders enquiries relating to:
  - The status of REU in general;
  - Off market transfer requests; and
  - A Liquidator’s declaration that the units are worthless in accordance with the Income Tax Assessment Act 1997 (“ITAA97”);
- It is my intention to provide updates on the status of the winding up of REU on the Grant Thornton website, as the costs of formally writing to unit holders would be prohibitive.
- All off market transfers are being processed by the Company as RE of REU. The unit registry is open for off market transfers and requires the transfer form to be duly stamped for stamp duty purposes by the OSR.
- I am not in a position to issue a declaration that the units of REU are worthless, as units of a trust do not fall under the definition of financial instruments as contemplated by the particular provision in the ITAA1997 which deals with the issuance of such a declaration. Further details on this can be found on our website at:  
[http://www.grantthornton.com.au/files/rubicon\\_letter\\_to\\_unitholders\\_fy\\_june11\\_110725.pdf](http://www.grantthornton.com.au/files/rubicon_letter_to_unitholders_fy_june11_110725.pdf)

## Likely Outcome for Unit holders

- The Receivers and Managers have confirmed that there will be no return to unit holders in REU.

## Investigations

- Detailed investigations into the affairs of the Company as RE of REU have now been completed and a report has been issued to ASIC pursuant to section 533(1) of the Act. The report focused on the following main areas:
  - Solvency;
  - PDS to determine if adequate information was disclosed;
  - Constitution to determine if investments were appropriate and whether REU should have been terminated when it was suspended from the ASX;
  - Appropriateness of management agreements;
  - Conduct under management including:
    - Timing of valuations;
    - CRE loan portfolio;
    - Timing of various lending agreements;
    - International Swaps and Derivatives Association; and
    - Actions against auditors
- Due to the confidentiality of this report I cannot provide creditors with a copy or details of my findings.

# REU update

## **Receivers and Managers appointment**

- On 23 September 2009 Messrs Campbell and Strawbridge of Deloitte were appointed as receivers and managers of REU property charged in favour of NAB. They retired on 4 March 2011, and Messrs Kershaw and Brereton were appointed as receivers and managers of REU on behalf of GAC Europe Real Estate Fund Limited ("GAC").
- Following the termination of the management agreement between the Company and REU on 31 January 2010 by the former receivers and managers, management fees ceased to be earned by the Company. At this time control of REU and its subsidiaries was transferred to the receivers and managers who became responsible for the winding up of REU.
- As discussed in my last annual report, the receivers and managers of REU retained two individuals to assist with the winding up of REU who both worked from the Grant Thornton office. The receivers and managers of REU reimbursed RAML for providing office space and IT services. The current receivers and managers are no longer retaining the services of these two individuals.
- I continue to liaise with the current receivers and managers to ascertain their strategy and the progress of the receivership. The most recent update provided is detailed below.

## **Update from the Receivers and Managers**

- Management of the properties held by REU has now been re-located to Europe.
- Round Hill Asset Management LLC has been engaged as asset manager of the property portfolio and Vitus Group is the local property management company.
- Following the acquisition of the NAB debt, GAC undertook a recapitalisation of certain entities within REU. The recapitalisation involved a partial pay down of the secured debt which was owed to NAB and assigned to GAC.

- Despite this recapitalisation and the receivers and managers efforts to sell the properties, the receivers and managers have confirmed that there will be no return to either unsecured creditor's or unit holders of REU.

## **Other**

- During the Period, at the request of the receivers and managers, I organised for copies of all of REU's books and records to be taken and the originals to be sent to Europe.
- The cost of photocopying these records and arranging delivery to Europe will be paid by the receivers and managers.

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## Section 5 Rubicon Japan Trust

01. Executive summary

02. Rubicon Asset Management Limited

03. Rubicon America Trust

04. Rubicon Europe Trust

**05. Rubicon Japan Trust**

06. Hedge Funds

# RJT update

## Unit holder Enquires

- I continue to receive a substantial number of unit holders enquiries relating to:
  - The status of RJT in general;
  - Off market transfer requests; and
  - A Liquidator’s declaration that the units are worthless in accordance with the Income Tax Assessment Act 1997 (“ITAA97”).
- It is my intention to provide updates on the status of the winding up of RJT on the Grant Thornton website, as the costs of formally writing to unit holders would be prohibitive.
- All off market transfers are being processed by the Company as RE of RJT. The unit registry is open for off market transfers and requires the transfer form to be duly stamped for stamp duty purposes by the OSR.
- I am not in a position to issue a declaration that the units of RJT are worthless, as units of a trust do not fall under the definition of financial instruments as contemplated by the particular provision in the ITAA1997 which deals with the issuance of such a declaration. Further details on this can be found on our website at:  
[http://www.granthornton.com.au/files/rubicon\\_letter\\_to\\_unitholders\\_fy\\_june11\\_110725.pdf](http://www.granthornton.com.au/files/rubicon_letter_to_unitholders_fy_june11_110725.pdf)

## Likely Outcome for Unit holders

- The outcome for unit holders will ultimately depend on the realisations achieved from the sale of properties held in each of the remaining TK entities. Based on the current information on hand it is unlikely that the expected realisation from the properties will be sufficient to discharge in full the outstanding facilities for TK1 and TK2. Accordingly it is unlikely there will be a return on a return on the equity investments made by RJT. More detail regarding the TK entities is provided on the following page.

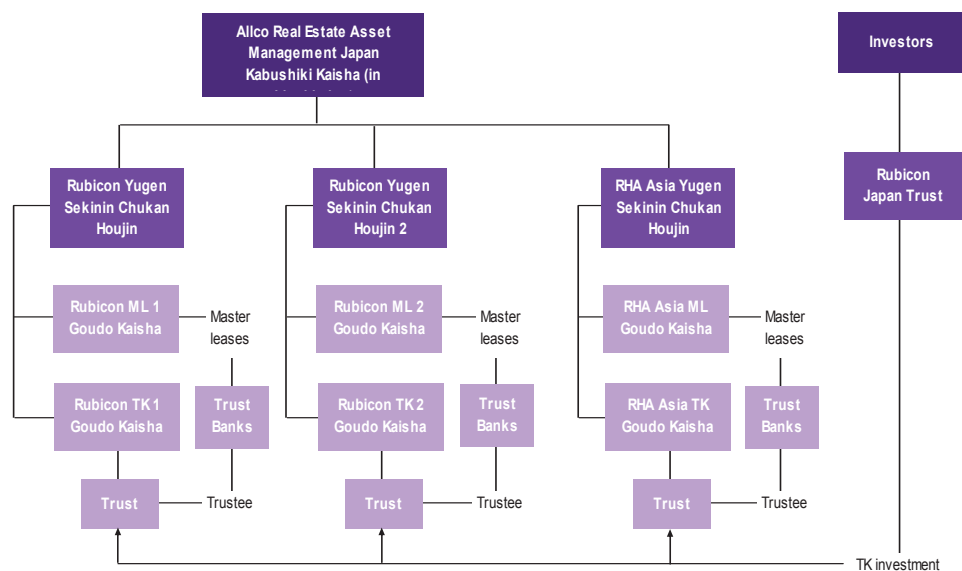
## Investigations

- Detailed investigations into the affairs of the Company as RE of RJT have now been completed and a report has been issued to ASIC pursuant to section 533 (1) of the Act. The report focused on the following main areas:
  - Solvency review;
  - PDS to determine if adequate information was disclosed;
  - Constitution to determine if Investments were appropriate;
  - Appropriateness of management agreements;
  - Conduct under management including:
    - Timing of valuations;
    - Timing of various lending agreements;
    - Appropriateness of RJT to borrow A\$22 million from Rubicon Capital;
    - Circumstances surrounding non-payment of the declared distribution;
    - The capital raising by RJT; and
  - Actions against auditors.
- Due to the confidentiality of this report I cannot provide creditors at present with details of my findings.

# RJT update

## Rubicon Japan Trust Structure

- Detailed below is a simplified diagram of the RJT structure



Source: Management

## Rubicon TK1 Goudo Kaisha

- Several requests have been sent to Spring Investment Co. Ltd ("SICL"), the asset managers of TK1, requesting an update on the progress of the winding up of TK1, however no update has been provided since 2011.
- Once the requested information has been received from SICL, I will publish an update on the status of TK1 on the Grant Thornton website at: [http://www.grantthornton.com.au/Business-portal/Sydney/Rubicon Asset Management.asp](http://www.grantthornton.com.au/Business-portal/Sydney/Rubicon_Asset_Management.asp)

## Rubicon TK2 Goudo Kaisha

- As TK2 was in default under its lending agreement, Savills were appointed asset managers to realise the underlying properties in the Tokumei Kumiais ("TK").
- Savills have recently advised that five out of the eleven properties which TK2 held have now been sold.
- Six properties remain on the open market however the total current value of these properties is estimated to be equivalent to only 50% of what is owed to the secured lender, Shinsei Bank.
- At present it appears there will be a significant shortfall to Shinsei Bank (c. ¥9 billion). Therefore it is highly unlikely there will be sufficient funds available to enable a return to RJT II.

## RHA Asia TK Goudo Kaisha ("RHA")

- RHA was officially dissolved following its property assets being transferred to Credit Suisse and the lenders facility being repaid. I confirm there are no funds available to make a payment to RJT for its investment.

## Allco Real Estate Asset Management Kabushiki Kaisha ("AREAM")

- As discussed in the last annual report, RJT lodged a claim in the liquidation of AREAM in the amount of ¥9.6 million.
- This claim was disputed by the liquidator of AREAM as it was claimed this debt, which arose as a result of related party transactions, was not supported by the books and records of AREAM.
- Following lengthy negotiations, the liquidator of AREAM proposed a compromise whereby the debt of RJT would be accepted but only in the amount of ¥7.6 million. I put this compromise/proposal to the COI and it was accepted by the COI on 29 June 2010.

## RJT update

- On 28 June 2011 a first dividend payment of ¥2,000,000 (AU\$23,800) was received from the liquidation of AREAM representing a dividend payment of 26.32 sen/¥.
- A further and final dividend was then received from the liquidation on 18 November 2011 in the amount of ¥1,363,081 (AU\$17,720) representing a dividend payment of 17.94 sen/¥.

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## Section 6 Hedge Funds

01. Executive summary

02. Rubicon Asset Management Limited

03. Rubicon America Trust

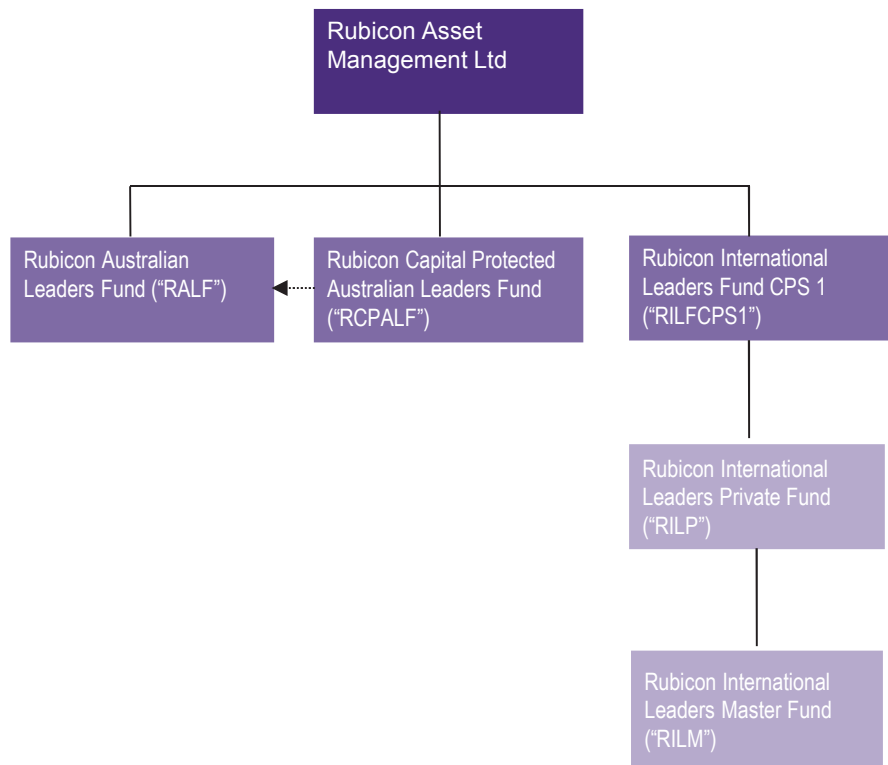
04. Rubicon Europe Trust

05. Rubicon Japan Trust

06. Hedge Funds

# Hedge Funds overview

## Diagram of the Hedge Funds



## Unit holder enquires

- I continue to receive requests from a number of unit holders with respect to the winding up of the Hedge Funds.
- Due to the small amount of unit holders in the Hedge Funds most updates to date have been provided by either correspondence or email. It is my intention to continue providing updates by this manner, however if requested a formal update can be provided to unit holders via the Grant Thornton website.

## Investigations

- I have completed my investigations into the affairs of the Company as RE of the Hedge Funds and have now issued a report to ASIC pursuant to section 533(1) of the Act . The report focused on the following main areas:
  - Solvency review;
  - PDS to determine if adequate information was disclosed; and
  - UBS margin lending.
- Due to the confidentiality of this report I cannot provide creditors at present with a copy of this report or details of my findings

## Likely Outcome to Unit holders

- As each of the Hedge Funds hold different assets and liabilities, the likely outcome to creditors is discussed separately for each Hedge Fund on the following pages.



## Rubicon Capital Protected Australian Leaders Fund ("RCPALF")

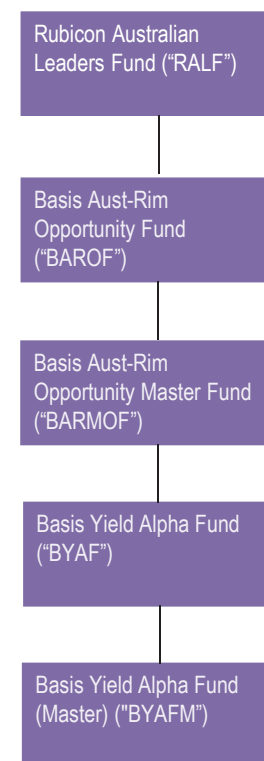
### **Underlying Funds**

- RCPALF acted as a feeder fund into RALF with the capital protection offered via the granting of put options arranged by Macquarie Bank Ltd ("MBL"). The fund has been winding down since September 2007. Its sole investment is units in RALF.
- The finalisation of RCPALF is therefore dependent on the finalisation of the winding down of RALF which is discussed in more detail on page 26.
- All redemptions have been frozen and due to the uncertainty of the return on its underlying investments it is not possible to calculate an accurate net asset value or unit pricing.

# Rubicon Australia Leaders Fund ("RALF")

## Underlying Funds

- RALF continues to hold an investment in BAROF, which in turn holds a number of investments in other Basis Aust-Rim funds and Basis Yield Alpha funds.
- Detailed opposite is a simple diagram showing the investment made by BAROF.
- Both the Basis Aust-Rim funds and the Basis Yield funds are currently being held on behalf of RALF by Somers Nominees (Far East) Limited ("Somers"). I am in the process of liaising with Somers regarding the transfer of these units into the Company's name on behalf of RALF.
- Basis Capital Funds management advised in a report to unitholders on 22 December 2011 that it anticipates being in a position to wind up the above funds by June 2012.
- At present it is unclear if there will be surplus funds available to result in distribution to RALF



# Rubicon International Leaders Fund Capital Protected Series 1 ("RILF-CPS1")

## **Custodian**

- As a result of HSBC resigning as custodian I have been liaising with HSBC regarding the transfer of the UBS Note, and the cash at bank currently held by HSBC.
- Due to the requirement for the Note to be held in Euroclear Clearstream, it is my intention (subject to the COI approval) to enter into an agreement with The Trust Company to replace HSBC as custodian.
- The cost of the Trust Company acting as custodian of the funds' assets is \$15,000 per year.

## **Underlying Funds**

- As discussed in previous reports, in addition to the UBS Note, RILF-CPS1 held further investments in RILM and RILP. A diagram of the structure of RILF-CPS1 can be found on page 22.
- RILM has now officially been dissolved and its assets distributed in-specie to RILP.
- I have recently requested an update from Somers Nominees regarding the underlying assets in RILP however I am yet to receive a response.
- The last update that was provided by Somers Nominees advised that the majority of the funds held by RILP have been either gated or suspended.

## **Return to Unit holders**

- An interim distribution of 8.262 cents per unit has been made to unit holders of RILF-CPS1. This distribution was made from \$2,205,037 received from UBS in connection with the early redemption of the Note after taking into account provisions for expenses.
- HSBC have confirmed they will remit the surplus cash at bank (circa. A\$200,000) to the Liquidator once the new custodian has been appointed. I will then be in a position to make a further distribution to unit holders of RILF-CPS1 of circa. 1.264 cents per unit..
- Any future distributions to RILF-CPS1 with respect to the UBS Note will depend on whether there are distributions from the underlying investments held by the RILP. We last contacted the directors of those funds on 15 May 2012 to request an update including an approximate valuation. If the underlying assets continue to be liquidated and proceeds come through then the UBS Note will pay distributions.

# Conclusion

The main issues remaining to be dealt with in the liquidation relate to:-

## Rubicon Asset Management Ltd

- Complete the winding of the Schemes and Hedge Funds;
- Final distribution to creditors should funds be available on completion of the winding up of the Schemes; and
- Liaise with ASIC regarding the section 533 report that has been lodged.

## Rubicon America Trust

- Implement formal insolvency proceedings for RCH in conjunction with its directors and await completion of same;
- Monitor the progress and finalisation of the Chapter 7 bankruptcy proceedings for RFA II; and
- Liaise with ASIC regarding the section 533 report that has been lodged.

## Rubicon Europe Trust

- Monitor the progress and finalisation of the receivership; and
- Liaise with ASIC regarding the section 533 report that has been lodged.

## Rubicon Japan Trust

- Monitor the progress and finalisation of the realisation of the property assets held in TK1 and TK2;
- Implement the winding up of RJT I, RJT II, RJT III and RJT; and
- Liaise with ASIC regarding the section 533 report that has been lodged.

## The Hedge Funds

- Realise the underlying investments in the remaining Hedge Funds;
- Complete a final distribution to the unitholders subject to unsecured creditors claims; once the underlying investments have been realised; and
- Liaise with ASIC regarding the section 533 report that has been lodged.

## Contact Details

- Should you have any queries in relation to any matter raised in this report then please do not hesitate to contact Andre Lakomy or Lisa McGarry of this office on (02) 8297 2540 or (02) 8297 2411 respectively.

Yours faithfully

RUBICON ASSET MANAGEMENT LTD (IN LIQUIDATION)



Paul Billingham  
Liquidator

## Appendix A

### Liquidators Receipts and Payments

## A. Liquidator's Statement of Receipts and Payments from 22 October 2009 to 22 June 2012

<b>RECEIPTS</b>	<b>\$</b>
Refunds	980.88
Debtors	80,821.25
Cash at Bank at date of appointment	19,030.63
Plant & Equipment	22,479.13
Bank Interest	374,062.95
Dividend received	339.86
Reimbursement from Trusts	2,347,291.19
Management Fees	1,016,840.13
Transfer from Voluntary Administration	5,286,496.35
GST Payable on Receipts	170,505.46
<b>Total Receipts</b>	<b>9,318,847.83</b>
<b>PAYMENTS</b>	
Administrators remuneration	1,158,565.49
Administrators expenses	7,145.57
Advertising	404.40
Statutory Charges	3,790.00
Bank Charges	946.39
Commissions paid	384.20
Council Charges	280.21
Electricity	9,837.46
Gas	1,323.06
GST Receivable on payments	575,584.71
Hire of Equipment	140.00
Insurance	7,160.87
IT expenses	74,951.64
Legal Fees	1,746,220.36
Liquidators Remuneration	1,372,926.23
Liquidators disbursements	430,925.67
Loan to Hedge Funds	400.00
Postage	69.60
Professional Fees	206,449.78
Purchases	16,349.12
Rent Paid (Commercial)	171,066.23
Security	198.00
Stamp Duty	483.45
Stationery & Printing	32,836.73
Statutory Advertising	1,145.64
Sub-Contractors	881,165.30
Sundry Expenses	876.00
Telephone & Fax	15,955.86
Waste Removal (GST)	1,804.70
Transport / Courier	1,366.99
Hire purchase - interest	163.82
Consultancy fees	1,443.75
Printer	2,414.50
Intercompany Loans	158.13
International Consulting Fees	33,031.31
Agents/Valuers Fees	2,270.00
Commission Paid	5,143.05
Property Expenses	1,580.00
	<b>6,766,958.22</b>
<b>Cash held by Liquidator</b>	<b>2,551,889.61</b>
<b>Cash held by Liquidator made up of:</b>	
Cheque Account - CBA	106,575.11
Investment - BOS account - CBA	328,978.34
Investment - CD @ 5.500%	2,116,336.16
<b>Total cash &amp; cash equivalent</b>	<b>2,551,889.61</b>

## Appendix B

### Remuneration Report

**Rubicon Asset Management Ltd(Creditors Voluntary Liquidation - In Fund\$**

Professional Fees Summary - 16 May 2011 to 31 May 2012

Employee	Position	\$/Hr (excl. GST)	Total Hours	GST (\$)	IPAA Tasks																			
					Admin		Assets		Creditors		Dividends		Employees		Investigations		Statutory		Trade On					
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$				
Gayle Dickerson	Partner	595	0.4	\$238.00	0.4	\$238.00	0		0		0		0		0		0		0		0		0	
Paul Billingham	Partner	595	35.9	\$21,440.14	9.9	\$5,867.40			26.1	\$15,513.24					0.1	\$59.50								
Troy Wilson	Partner	550	1.0	\$550.00	0.0					1	\$550.00													
Panbo Ye	Consultant	200	6.8	\$1,360.00	6.8	\$1,360.00			0															
Chris Watson	Associate Director	470	0.5	\$235.00	0.5	\$235.00			0															
Mark Sellars	Associate Director	425	2.5	\$1,062.50	0.0				2.5	\$1,062.50														
Andre Lakomy	Senior Manager	445	4.3	\$1,913.50	4.3	\$1,913.50			0															
Andre Lakomy	Senior Manager	470	478.6	\$225,301.44	38.1	\$17,886.67			422.3	\$198,470.39					9.4	\$4,418.00	8.2	\$3,854.00		1.4	\$672.38			
William Luu	Senior Manager	415	10.0	\$4,150.00	0.0				10	\$4,150.00														
zz-Amy Drayton	Senior Manager	470	0.4	\$188.00	0.0				0									0.4	\$188.00					
Anna Madden	Manager	350	0.5	\$175.00	0.0				0.5	\$175.00														
zz-Martin Dyke	Manager	425	0.2	\$85.00	0.0			0.2	\$85.00	0														
David Trehy	Supervisor/Assistant Manager	375	3.4	\$1,275.00	1.1	\$412.50			0									2.3	\$862.50					
Lisa McGarry	Supervisor/Assistant Manager	325	16.3	\$5,297.50	13.7	\$4,452.50	0.7	\$227.50	1.9	\$617.50														
Lisa McGarry	Supervisor/Assistant Manager	340	143.1	\$49,032.33	34.0	\$11,549.00	0.8	\$272.00	101.3	\$34,448.23					5.0	\$1,703.90	2.1	\$714.00		1.0	\$345.20			
Lisa McGarry	Supervisor/Assistant Manager	375	113.5	\$42,562.50	42.4	\$15,900.00	2	\$750.00	62.7	\$23,512.50					3.5	\$1,312.50	1.2	\$450.00		1.7	\$637.50			
Paul Arquette	Supervisor/Assistant Manager	285	4.6	\$1,354.60	0.0				0									4.6	\$1,354.60					
zz-Norman Lee	Supervisor/Assistant Manager	375	25.7	\$9,637.50	20.5	\$7,687.50	3.2	\$1,200.00	1.4	\$525.00					0.2	\$75.00				0.4	\$150.00			
Dianne Reilly	Senior	325	3.1	\$1,046.03	0.0				0				3.1	\$1,046.03										
Dianne Reilly	Senior	340	0.6	\$204.00	0.5	\$170.00			0.1	\$34.00														
Ado Van Rensburg	Intermediate	275	33.3	\$9,157.50	2.5	\$687.50			8	\$2,200.00					21.9	\$6,022.50	0.9	\$247.50						
Kate Spiteri	Intermediate	250	56.6	\$14,150.00	20.3	\$5,075.00			7.9	\$1,975.00					28.4	\$7,100.00								
Kate Spiteri	Intermediate	275	19.0	\$5,225.00	7.8	\$2,145.00			0						11.2	\$3,080.00								
Naziful Islam	Intermediate	250	0.9	\$226.92	0.1	\$25.96	0.1	\$25.00	0									0.6	\$150.00		0.1	\$25.96		
Naziful Islam	Intermediate	225	1.5	\$337.50	0.1	\$22.50			0									0.1	\$22.50		1.3	\$292.50		
Naziful Islam	Intermediate	275	3.5	\$962.50	1.7	\$467.50			1	\$275.00					0.6	\$165.00	0.2	\$55.00						
Suzanne Chan	Intermediate	275	0.1	\$27.50	0.0				0									0.1	\$27.50					
zz-Himaja Paramatmuni	Intermediate	145	72.9	\$10,708.59	42.7	\$6,197.58	1.6	\$236.99	23.7	\$3,437.53					0.8	\$120.44	4.9	\$716.05						
zz-Himaja Paramatmuni	Intermediate	160	56.5	\$9,158.76	24.7	\$3,950.44	0.2	\$32.00	29.9	\$4,776.32					1.6	\$256.00	0.9	\$144.00						
zz-Himaja Paramatmuni	Intermediate	95	17.8	\$1,691.00	17.0	\$1,615.00			0.8	\$76.00														
zz-Himaja Paramatmuni	Intermediate	200	1.6	\$320.00	0.0				1.6	\$320.00														
Andrew Bull	Graduate	250	41.4	\$10,350.00	1.6	\$400.00			39.8	\$9,950.00														
Dean Campbell	Graduate	250	1.3	\$325.00	0.2	\$50.00			0									1.1	\$275.00					
Raqib Rahman	Graduate	250	79.8	\$19,950.00	64.3	\$16,075.00			14.1	\$3,525.00											1.4	\$350.00		
zz-Rebecca Hobbleswhite	Personal Assistant	160	0.3	\$48.00	0.3	\$48.00			0															
Leisi Wratten	Executive Assistant	160	0.2	\$32.00	0.1	\$16.00			0									0.1	\$16.00					
Camellia Ahsan	Analyst	210	2.5	\$525.00	0.0				2.5	\$525.00														
Lyn Stares	EDP Co-ordinator	200	27.2	\$5,465.22	20.3	\$4,065.22			0									7.0	\$1,400.00					
zz-Marc Marinuzzi	Administration Assistant	110	3.0	\$330.00	0.0				3.0	\$330.00														
Archie Ramsay	Trainee	160	4.6	\$736.00	0.5	\$80.00	2.7	\$432.00	0															
Richard Woolf	Trainee	160	55.4	\$8,882.97	5.7	\$912.00	0.7	\$112.00	45.7	\$7,314.97					1.6	\$256.00	1.0	\$160.00		0.4	\$64.00			
Thomas D'Arbon	Trainee	160	3.6	\$576.00	0.6	\$96.00			0					1.0	\$160.00			2.0	\$320.00					
zz-Maryanne Gold	Trainee	160	25.6	\$4,096.00	9.6	\$1,536.00			14	\$2,240.00														
Christine Wallace	Filing Officer	110	8.5	\$935.00	8.5	\$935.00			0															
Marissa Waddell	Filing Officer	110	0.6	\$66.00	0.6	\$66.00			0															
zz-Katelin Stares	Filing Officer	110	0.1	\$11.00	0.1	\$11.00			0															
zz-Katelin Stares	Filing Officer	100	0.3	\$30.00	0.3	\$30.00			0															
			1369.6	\$471,431.50	401.7	\$112,176.77	12.2	\$3,372.49	816.7	\$315,673.18	3.1	\$1,046.03	1.0	\$160.00	89.3	\$25,218.84	37.7	\$10,956.65	9.5	\$2,825.54				

**Disbursements**

ABR Search	284.80
Archiving / Storage	4,602.57
Entertainment - Staff Non FBT	124.28
Facsimile	20.00
Parking	18.55
Photocopying	303.56
Postage	31.32
Staff Working Meals	186.08
Taxi Fares	2,521.09
Telephone	19.22
Travel Expenses	4.00
<b>Total Disbursements (ex. GST)</b>	<b>8,115.47</b>

<b>Total Fees &amp; Disbursements</b>	<b>479,546.97</b>
Plus 10% GST	47,954.70
<b>Total</b>	<b>527,501.67</b>



**Rubicon Asset Management Ltd (RAT)**

Professional Fees Summary - 16 May 2011 to 31 May 2012

Employee	Position	\$/Hr (excl. GST)	Total Hours	GST (\$)	IPAA Tasks											
					Admin		Assets		Creditors		Investigations		Statutory		Trade On	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Paul Billingham	Partner	595	11.1	\$6,620.88	1.5	\$892.50			1.6	\$968.38	8.0	\$4,760.00				
Andre Lakomy	Senior Manager	470	8.6	\$4,049.34	8.4	\$3,955.34									0.2	\$94.00
zz-Norman Lee	Supervisor/Assistant Manager	375	5.5	\$2,062.50	0.6	\$225.00			3.9	\$1,462.50			1	\$375.00		
Lisa McGarry	Supervisor/Assistant Manager	375	2.9	\$1,087.50	0.5	\$187.50			2.4	\$900.00						
Lisa McGarry	Supervisor/Assistant Manager	340	0.5	\$175.62	0.3	\$107.62			0.2	\$68.00						
zz-Naeef Mostafa	Senior	325	0.2	\$65.00	0.0				0.2	\$65.00						
Lisa McGarry	Supervisor/Assistant Manager	325	0.5	\$162.50	0.5	\$162.50										
Dianne Reilly	Senior	325	0.2	\$65.00	0.2	\$65.00										
Suzanne Chan	Intermediate	275	0.4	\$110.00	0.0				0.4	\$110.00						
Kate Spiteri	Intermediate	275	1.5	\$412.50	1.5	\$412.50										
Ado Van Rensburg	Intermediate	275	1.0	\$275.00	0.0						1.0	\$275.00				
Dean Campbell	Graduate	250	0.6	\$150.00	0.2	\$50.00					0.4	\$100.00				
Naziful Islam	Intermediate	250	1.2	\$300.00	0.0				1.2	\$300.00						
Naziful Islam	Intermediate	225	3.0	\$675.00	0.0				3.0	\$675.00						
zz-Himaja Paramatmuni	Intermediate	200	0.5	\$100.00	0.0				0.5	\$100.00						
Panbo Ye	Consultant	200	1.3	\$260.00	1.3	\$260.00										
zz-Maryanne Gold	Trainee	160	31.0	\$4,960.00	0.8	\$128.00					30.2	\$4,832.00				
zz-Himaja Paramatmuni	Intermediate	160	30.3	\$4,854.33	1.0	\$160.00			28.7	\$4,598.33			0.6	\$96.00		
Richard Woolf	Trainee	160	147.3	\$23,572.45	1.3	\$208.00	0.2	\$32.00	145.1	\$23,220.45	0.7	\$112.00				
zz-Himaja Paramatmuni	Intermediate	145	34.9	\$5,057.38	6.3	\$918.85			23.4	\$3,389.45			5.2	\$749.08		
zz-Marc Marinozzi	Administration Assistant	110	2.1	\$231.00	0.0						2.1	\$231.00				
zz-Himaja Paramatmuni	Intermediate	95	4.4	\$418.00	0.5	\$47.50			3.9	\$370.50						
			<b>289.1</b>	<b>\$55,664.00</b>	<b>25.0</b>	<b>\$7,780.31</b>	<b>0.2</b>	<b>\$32.00</b>	<b>214.6</b>	<b>\$36,227.61</b>	<b>42.4</b>	<b>\$10,310.00</b>	<b>6.8</b>	<b>\$1,220.08</b>	<b>0.2</b>	<b>\$94.00</b>

## Disbursements

Facsimile	0.90
Photocopying	0.51
Telephone	165.92
<b>Total Disbursements (ex. GST)</b>	<b>167.33</b>

<b>Total Fees &amp; Disbursements</b>	<b>55,831.33</b>
<b>Plus 10% GST</b>	<b>5,583.13</b>
<b>Total</b>	<b>61,414.46</b>

**Rubicon Asset Management Ltd (REU)**

Professional Fees Summary - 16 May 2011 to 31 May 2012

Employee	Position	\$/Hr (excl. GST)	Total Hours	GST (\$)	IPAA Tasks											
					Admin		Assets		Creditors		Investigations		Statutory		Trade On	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Paul Billingham	Partner	595	2.1	\$1,249.50	1.5	\$892.50			0.6	\$357.00						
Andre Lakomy	Senior Manager	470	5.4	\$2,556.76	4.8	\$2,256.00					0.2	\$94.00			0.4	\$206.76
zz-Norman Lee	Supervisor/Assistant Manager	375	8.5	\$3,187.50	2.9	\$1,087.50			2.6	\$975.00	2	\$750.00	1	\$375.00		
Lisa McGarry	Supervisor/Assistant Manager	375	3.1	\$1,162.50	0.4	\$150.00			1.7	\$637.50	1	\$375.00				
Lisa McGarry	Supervisor/Assistant Manager	340	0.4	\$146.18	0.3	\$112.18			0.1	\$34.00						
Lisa McGarry	Supervisor/Assistant Manager	325	0.4	\$130.00	0.4	\$130.00										
zz-Naeef Mostafa	Senior	325	0.3	\$97.50					0.3	\$97.50						
Kate Spiteri	Intermediate	275	0.8	\$220.00	0.8	\$220.00										
Naziful Islam	Intermediate	275	1.6	\$440.00	0.1	\$27.50			1.5	\$412.50						
Suzanne Chan	Intermediate	275	0.1	\$27.50					0.1	\$27.50						
Dean Campbell	Graduate	250	0.5	\$125.00	0.5	\$125.00										
Naziful Islam	Intermediate	250	0.2	\$50.00					0.2	\$50.00						
Naziful Islam	Intermediate	225	0.6	\$135.00					0.6	\$135.00						
zz-Himaja Paramatmuni	Intermediate	200	0.2	\$40.00							0.2	\$40.00				
Panbo Ye	Consultant	200	0.1	\$20.00	0.1	\$20.00										
Archie Ramsay	Trainee	160	0.9	\$144.00			0.9	\$144.00								
zz-Maryanne Gold	Trainee	160	0.9	\$144.00							0.9	\$144.00				
zz-Himaja Paramatmuni	Intermediate	160	7.4	\$1,180.73	2.8	\$455.94			4.5	\$724.79						
Richard Woolf	Trainee	160	39.3	\$6,288.00	6.3	\$1,008.00			31.8	\$5,088.00	0.9	\$144.00			0.3	\$48.00
zz-Himaja Paramatmuni	Intermediate	145	5.4	\$785.83	2.1	\$304.47			3.3	\$481.36						
zz-Marc Marinozzi	Administration Assistant	110	17.2	\$1,892.00							17.2	\$1,892.00				
zz-Himaja Paramatmuni	Intermediate	95	2.9	\$275.50	0.4	\$38.00			2.5	\$237.50						
			<b>98.4</b>	<b>\$20,297.50</b>	<b>23.5</b>	<b>\$6,827.09</b>	<b>0.9</b>	<b>\$144.00</b>	<b>49.8</b>	<b>\$9,257.65</b>	<b>5.2</b>	<b>\$1,547.00</b>	<b>1.0</b>	<b>\$375.00</b>	<b>0.7</b>	<b>\$254.76</b>

Disbursements

Photocopying	1.00
Telephone	112.32
<b>Total Disbursements (ex. GST)</b>	<b>113.32</b>

<b>Total Fees &amp; Disbursements</b>	<b>20,410.82</b>
<b>Plus 10% GST</b>	<b>2,041.08</b>
<b>Total</b>	<b>22,451.90</b>

**Rubicon Asset Management Ltd (RJT)**

Professional Fees Summary - 16 May 2011 to 31 May 2012

Employee	Position	\$/Hr (excl. GST)	Total Hours	GST (\$)	IPAA Tasks											
					Admin		Assets		Creditors		Investigations		Statutory		Trade On	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Paul Billingham	Partner	595	1.6	\$981.32					1.6	\$981.32						
Andre Lakomy	Senior Manager	470	4.7	\$2,200.60	4.5	\$2,106.60									0.2	\$94.00
Lisa McGarry	Supervisor/Assistant Manager	340	2.6	\$896.53	0.3	\$107.58					2.3	\$788.95				
zz-Norman Lee	Supervisor/Assistant Manager	375	5.5	\$2,062.50	0.6	\$225.00			2.9	\$1,087.50			2	\$750.00		
Lisa McGarry	Supervisor/Assistant Manager	375	1.9	\$712.50	0.6	\$225.00			1.3	\$487.50						
Lisa McGarry	Supervisor/Assistant Manager	325	0.4	\$130.00	0.4	\$130.00										
zz-Naeef Mostafa	Senior	325	0.2	\$65.00					0.2	\$65.00						
Suzanne Chan	Intermediate	275	1.2	\$330.00					1.2	\$330.00						
Kate Spiteri	Intermediate	275	0.5	\$137.50	0.5	\$137.50										
Dean Campbell	Graduate	250	0.4	\$100.00	0.4	\$100.00										
Naziful Islam	Intermediate	250	0.5	\$125.00					0.5	\$125.00						
Naziful Islam	Intermediate	225	2.9	\$652.50					2.9	\$652.50						
zz-Himaja Paramatmuni	Intermediate	200	0.1	\$20.00					0.1	\$20.00						
Panbo Ye	Consultant	200	0.8	\$160.00	0.8	\$160.00										
zz-Maryanne Gold	Trainee	160	6.0	\$960.00							6	\$960.00				
zz-Himaja Paramatmuni	Intermediate	160	15.5	\$2,472.08	0.4	\$64.00	1.8	\$284.26	13.1	\$2,090.07	0.2	\$33.75				
Richard Woolf	Trainee	160	37.3	\$5,971.03					34.5	\$5,523.03	2.5	\$400.00			0.3	\$48.00
zz-Himaja Paramatmuni	Intermediate	145	17.7	\$2,565.44	2.3	\$326.94	3.8	\$550.58	11.6	\$1,687.92						
zz-Marc Marinozzi	Administration Assistant	110	8.0	\$880.00							8	\$880.00				
zz-Himaja Paramatmuni	Intermediate	95	12.7	\$1,206.50	0.4	\$38.00			12.3	\$1,168.50						
			<b>120.5</b>	<b>\$22,628.50</b>	<b>11.2</b>	<b>\$3,620.62</b>	<b>5.6</b>	<b>\$834.84</b>	<b>82.3</b>	<b>\$14,218.34</b>	<b>19.0</b>	<b>\$3,062.70</b>	<b>2.0</b>	<b>\$750.00</b>	<b>0.5</b>	<b>\$142.00</b>

Disbursements

Facsimile	1.20
Photocopying	0.45
<b>Total Disbursements (ex. GST)</b>	<b>1.65</b>

<b>Total Fees &amp; Disbursements</b>	<b>22,630.15</b>
<b>Plus 10% GST</b>	<b>2,263.02</b>
<b>Total</b>	<b>24,893.17</b>





Rubicon Asset Management Limited (In Liquidation)

**Major tasks undertaken by the Liquidators in the period 16 May 2011 to 31 May 2012**

**Creditors Voluntary Liquidation**

General Administration including:

- Weekly file maintenance and planning meetings
- Conducting periodic planning meetings with respect to the liquidation
- Review invoices and dispatch of payments in respect of ongoing operating and administration costs for RAML
- General banking and reconciliations of all accounts
- Updating IPS diaries and checklists

Investigations:

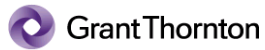
- Continuous liaison with ASIC and various third parties to finalise the Section 533 report
- Conduct thorough investigations into company and scheme affairs, including review of company records etc
- Liaise with various stakeholders regarding the scheme and company affairs
- Draft detailed Section 533 report and lodge with ASIC

Legal:

- Ongoing discussion with Clayton Utz in respect to custodianship issues for the Company
- Ongoing review and liaison with Clayton Utz in respect to the AFSL requirements
- Ongoing correspondence with legal advisors regarding the company's responsible entity role

Other work conducted by the Liquidators and their staff includes, but not limited to the following:

- Liaising/Meeting with the ATO regarding GST and BAS
- Lodgement and dispatch of BAS returns
- Preparation of monthly bank reconciliations and liaise generally with banks
- Preparation and cheque requisitions and dispatch of correspondence in relation to Liquidators liabilities
- Liaise with insurance representatives
- Convene Committee of Creditors meetings
- Liaising with Terry Hills to realise preference share (Corporate Golf membership)
- Finalise sale of plant & equipment



Rubicon Asset Management Limited (In Liquidation)

**Major tasks undertaken by the Liquidators in the period 16 May 2011 to 31 May 2012**

**Rubicon America Trust**

Rubicon Cayman Holdings:

- Liaise with Caymans legal representatives and directors regarding status of company and subsidiaries
- Liaise with legal representatives and directors regarding formal winding up of the company

Rubicon Finance America Entities:

- Liaise with legal representatives of Chapter & trustees with regards to liquidation status and dividend prospects
- Ensure compliance of statutory regulatory issues are complied with

US REIT:

- Liaising with Grant Thornton Chicago office in relation to the Chapter 11 proceedings
- General filing and maintenance of Trust information
- Ongoing correspondence with unitholders, providing updates as to the status of the winding up proceedings

Unit registry

- Liaising with unit holders, processing unit transfer requests, and reconciling differences in the unit registry



Rubicon Asset Management Limited (In Liquidation)

**Major tasks undertaken by the Liquidators in the period 16 May 2011 to 31 May 2012**

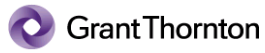
**Rubicon Europe Trust**

General

- Continued correspondence with Korda Mentha regarding status of receivership and Rubicon staff occupying office space at Grant Thornton.
- Ongoing correspondence with unitholders, providing updates as to the status of the winding up proceedings

Unit registry

- Liaising with unit holders, processing unit transfer requests, and reconciling differences in the unit registry



Rubicon Asset Management Limited (In Liquidation)

Major tasks undertaken by the Liquidators in the period 16 May 2011 to 31 May 2012

Rubicon Japan Trust

TK's

- Liaise with secured lenders regarding asset realisation programs and likely returns

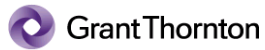
Liquidation of AREAM

- Liaising with AREAM Liquidator regarding debts owing to RAML & compromise offer

Unit registry

- Liaising with unit holders, processing unit transfer requests, and reconciling differences in the unit registry





Rubicon Asset Management Limited (In Liquidation)

**Major tasks undertaken by the Liquidators in the period 16 May 2011 to 31 May 2012**

**Hedge Funds**

- Liaise with potential purchasers of the Trust assets and funds
- Review calculations and supporting documentation regarding monthly management fees
- Liaise with unitholders
- Liaise with fund managers and legal advisors regarding the wind up of schemes
- Liaise with HSBC and Clayton Utz regarding custodianship issues for RILF-CPS1.
- Liaising with various third parties to assess provisioning requirements for RILF-CPS1 distribution.
- Payment of a first distribution in RILF-CPS1



Rubicon Asset Management Limited (In Liquidation)

**Major tasks to be undertaken by the Liquidators for the period 1 June 2012 Forward**

**Creditors Voluntary Liquidation**

General Administration including:

- Weekly file maintenance and planning meetings
- Conducting periodic planning meetings with respect to the liquidation
- Review invoices and dispatch of payments in respect of ongoing operating and administration costs for RAML
- General banking and reconciliations of all accounts
- Updating IPS diaries and checklists

Investigations:

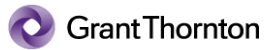
- Liaise with ASIC regarding the Section 533 report that has been lodged
- Respond to any queries from ASIC and conduct further investigations into company and scheme affairs where appropriate
- Liaise with various stakeholders regarding the scheme and company affairs

Legal:

- Ongoing discussion with Clayton Utz in respect to custodianship issues for the Company
- Ongoing review and liaison with Clayton Utz and ASIC in respect to the AFSL
- Ongoing correspondence with legal advisors regarding the company's responsible entity role

Other work conducted by the Liquidators and their staff includes, but not limited to the following:

- Lodgement and dispatch of BAS returns
- Preparation of monthly bank reconciliations and liaise generally with banks
- Preparation and cheque requisitions and dispatch of correspondence in relation to Liquidators liabilities
- Liaise with insurance representatives
- Convene and hold Committee of Creditors meetings
- Finalise with Terry Hills the sale of the preference share (Corporate Golf membership)



Rubicon Asset Management Limited (In Liquidation)

**Major tasks to be undertaken by the Liquidators for the period 1 June 2012 Forward**

**Rubicon America Trust**

Rubicon Cayman Holdings:

- Liaise with Caymans legal representatives and directors regarding status of company and subsidiaries
- Liaise with legal representatives and directors regarding formal winding up of the company

Rubicon Finance America Entities:

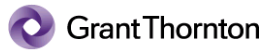
- Liaise with legal representatives of Chapter & trustees with regards to liquidation status and dividend prospects
- Ensure compliance of statutory regulatory issues are complied with

US REIT:

- Liaising with Grant Thornton Chicago office in relation to the finalisation of the Chapter 11 proceedings
- General filing and maintenance of Trust information
- Ongoing correspondence with unitholders, providing updates as to the status of the winding up proceedings

Unit registry

- Liaising with unit holders, processing unit transfer requests, and reconciling differences in the unit registry



Rubicon Asset Management Limited (In Liquidation)

**Major tasks to be undertaken by the Liquidators for the period 1 June 2012 Forward**

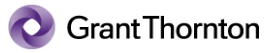
**Rubicon Europe Trust**

General

- Continued correspondence with Korda Mentha regarding status of receivership.
- Ongoing correspondence with unitholders, providing updates as to the status of the winding up proceedings

Unit registry

- Liaising with unit holders, processing unit transfer requests, and reconciling differences in the unit registry



Rubicon Asset Management Limited (In Liquidation)

**Major tasks to be undertaken by the Liquidators for the period 1 June 2012 Forward**

**Rubicon Japan Trust**

TK's

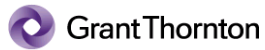
- Liaise with secured lenders regarding asset realisation programs and likely returns

Liquidation of AREAM

- Liaising with AREAM Liquidator regarding finalisation of the Liquidation

Unit registry

- Liaising with unit holders, processing unit transfer requests, and reconciling differences in the unit registry



Rubicon Asset Management Limited (In Liquidation)

**Major tasks to be undertaken by the Liquidators for the period 1 June 2012 Forward**

**Hedge Funds**

- Liaise with potential purchasers of the Trust assets and funds
- Review calculations and supporting documentation regarding monthly management fees
- Liaise with unitholders
- Liaise with fund managers and legal advisors regarding the wind up of schemes
- Liaise with HSBC, the Trust Company and Clayton Utz regarding custodianship issues for RILF-CPS1.
- Finalise and distribute second RILF-CPS1 distribution.