

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

Annual report to creditors

21 December 2017

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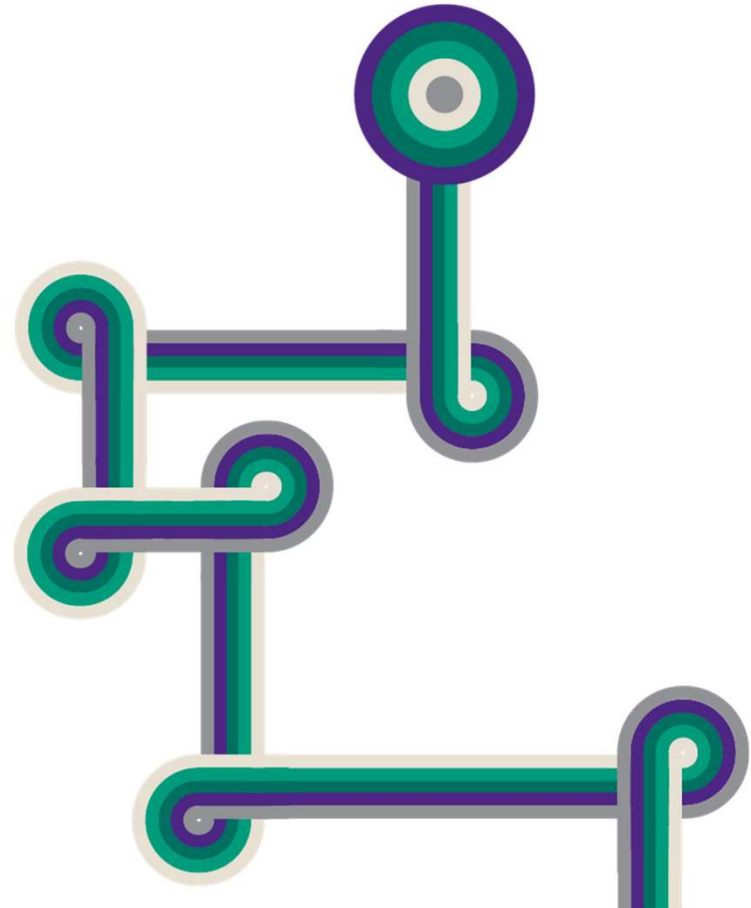
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Glossary

ASIC	Australian Securities & Investments Commission	RFT	Rubicon Finance Trust
ATO	Australian Taxation Office	RILFCPS1	Rubicon International Leaders Fund CPS 1
BAS	Business Activity Statement	RILM	Rubicon International Leaders Master Fund Limited
BYAF	Basis Yield Alpha Fund (Master)	RILP	Rubicon International Leaders Private Fund I Limited
COI	Committee of Inspection	RJT	Rubicon Japan Trust
GST	Goods and Services Tax	RST	Rubicon Strategic Trust
Hedge Funds	RALF, RCPALF and RILF-CPS1	Schemes	RAT, RJT and RILFCPS1
k	Thousands	the Act	Corporations Act 2001 (cth)
MBL	Macquarie Bank Limited	the Court	Supreme Court of New South Wales
NAB	National Australia Bank	the Period	22 October 2016 to 21 October 2017
RALF	Rubicon Australian Leaders Fund	Trusts	RAT, REU, and RJT
RAML	Rubicon Asset Management Limited (in Liquidation)	YALT	Yield Alpha Liquidating Trust
RAT	Rubicon America Trust		
RCPALF	Rubicon Capital Protected Australian Leaders Fund		
RE	Responsible Entity		
REU	Rubicon Europe Trust		

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Section 1 Executive summary

01. Executive summary

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Overview

Appointment	<ul style="list-style-type: none"> 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. Subsequently on 6 September 2010, Mr Owen, formerly of Grant Thornton Australia Limited, resigned in his capacity as Liquidator of the Company.
Purpose of Report	<ul style="list-style-type: none"> 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.
Structure of Report	<ul style="list-style-type: none"> Section 2 of this report details the tasks undertaken by me during the Period in my capacity as Liquidator of the Company. Sections 3 to 7 of the report details the tasks undertaken in each of the formerly listed Trusts and unlisted Hedge Funds.
Dividend to creditors and unitholders	<p>RAML</p> <ul style="list-style-type: none"> RAML continues to oversee the winding up of the Trusts and unlisted Hedge Funds. The cost of so doing is recovered from the assets of those Trusts and Hedge Funds where available, in accordance with the Court order dated 8 October 2009. We have been advised that unless it has been contractually agreed otherwise, creditors of the Schemes and Hedge Funds are entitled to claim against the assets of RAML where there is a shortfall in the trust assets. We note that the Australian Taxation Office lodged a Proof of Debt in RAML in respect of it’s shortfall in the trust assets. Accordingly, should sufficient funds remain in RAML after the winding up of the Trusts and Hedge Funds has been completed, it is likely that these funds will be exhausted by the trust creditors. In July 2017, a dividend to the ATO was declared and paid at the rate of 1.56c/\$, equating to a distribution in the amount of \$300k. <p>The Schemes</p> <ul style="list-style-type: none"> A distribution was paid to unitholders of RILFCPS1 on 24 October 2016 and 28 April 2017 totaling c.2 cents in the dollar. Following payment of the above dividends, an application for deregistration was made to ASIC and RILFCPS1 was deregistered on 8 January 2017. In March 2017, a dividend at a rate of 100c/s was paid to RAML, as the only creditor of RFT.
Finalisation	<ul style="list-style-type: none"> It is anticipated that RAML will be wound up within 6 to 12 months time – this will allow sufficient time to finalise the winding up of the Trusts and Hedge Funds. One major issue that will however impact upon the timing of RAML being wound up is the receivership of REU. The receivers and managers of REU have advised they expect the receivership to be finalised by March 2018.

Section 2 Rubicon Asset Management Limited

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RAML update

Dividend to creditors

- The first dividend to creditors of RAML was declared and paid on 25 June 2015 at a rate of 100 cents in the dollar to priority creditors, and 15 cents in the dollar to unsecured creditors. A total of c.\$114k was distributed to creditors of RAML whose claims were admitted in part or full.
- We have been advised that unless it has been contractually agreed otherwise, creditors of the various Schemes and Hedge Funds are entitled to claim against the assets of RAML where there is a shortfall in the trust assets.
- Accordingly, the trust creditors will be entitled to an equalising dividend, to the extent funds are available, before any second dividend to creditors of RAML is paid.
- On 20 July 2017, a second dividend to creditors was paid to the ATO at the rate of 1.56c/\$, equating to a distribution in the amount of \$300k, in respect of their claim in RAML for a shortfall in the assets of RAT and RJT.
- Based on the expected future costs to be incurred in the liquidation of RAML, it is estimated that there will be c.\$55k cash available to be distributed to the ATO as final dividend to creditors.
- We have provisioned for the future costs of the winding up of RAML, as well as REU and RCPALF as these entities have insufficient assets to meet the costs of winding up those respective entities.

Debtors

- To date, we submitted a proof of debt on behalf of RAML in the following schemes:
 - RILFCPS1 in the amount of \$107,500, and have received a dividend distribution of \$164,189.32 (inclusive of statutory interest) on 20 January 2016.
 - RJT in the amount of \$72,258, and have received a dividend distribution of \$1,558.19 on 15 April 2016.
 - RFT in the amount of \$1,065. This amount was paid in March 2017 along with \$663 of statutory interest.

Liquidator's Statement of Receipts and Payments

- A copy of the Liquidator's Statement of Receipts and Payments for the period 22 October 2009 to 21 October 2017 (being the liquidation period) is attached at **Appendix A**. Cash totalling \$164,289.50 is currently held 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 Trusts and Hedge Funds. Pursuant to the court order dated 8 October 2009, RAML has been reimbursed from the Trusts and Hedge Funds. The amount of reimbursement recovered from the Trusts and Hedge Funds to date totals \$3,163,693.
- Detailed below are the significant receipts and payments received and incurred during the Period 22 October 2016 to 21 October 2017, being the period since the last annual report to creditors.
 - **Receipts**
 - Bank interest: \$4,756
 - GST refunds: \$2,689
 - **Payments**
 - Liquidators remuneration: \$84,900 (excl. GST).
 - Liquidators disbursements: \$15,522 (excl. GST).
 - Legal fees: \$17,299 (excl. GST)

Liquidator's Remuneration

- During the COI meeting held on 7 August 2017 the Committee approved the Liquidator's prospective remuneration for the period subsequent to 17 July 2017 to a limit of \$50,000 plus GST and disbursements.

Finalisation

- It is anticipated that RAML will be wound up within 6 - 12 months time after the winding up of the Trusts and Hedge Funds has been finalised. One of the issues that will impact upon the timing of winding up RAML is the finalisation of the REU receivership, which is expected to be finalised by March 2018.

Section 3 Rubicon America Trust

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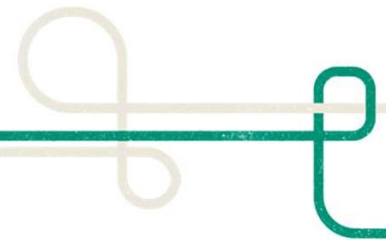
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RAT update

Dividend to creditors and completion of winding up

- On 13 November 2015, in accordance with the court order dated 15 June 2015, we issued a notice inviting formal proof of debt or claim to all known creditors of RAT, per the books and records. A copy was also posted on the Grant Thornton website.
- An advertisement was also placed in the Australian, and the Wall Street Journal (being a daily newspaper of the relevant overseas jurisdiction of RAT), requiring all persons asserting a claim against RAT to lodge their claim within 14 days after publication of the advertisement.
- The only creditor to submit a formal proof of debt or claim in respect of RAT was the Australian Taxation Office ("ATO"), in the amount of \$11,308,660. The ATO's claim was admitted in full.
- The dividend to creditors of RAT was declared and paid on 15 April 2016 at a rate of c.8 cents in the dollar, equating to a total distribution amount of \$890k.
- Following payment of the dividend, steps were taken to deregister RAT with ASIC who have confirmed that RAT was deregistered on 5 September 2016. Unitholders have been advised of the deregistration via our website.

Outcome for Unit holders

- As there was a significant shortfall to the unsecured creditor of RAT, there was no return to unitholders of RAT.

Section 4 Rubicon Europe Trust

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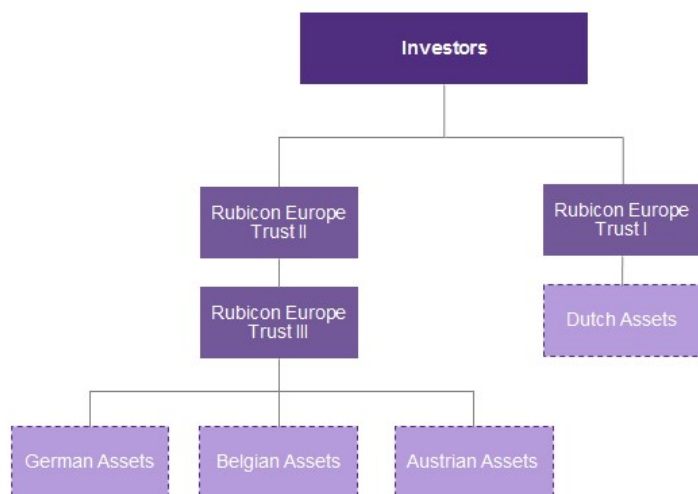
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REU update

Rubicon Europe Trust Structure



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") who acquired the debt from NAB.
- On 7 December 2017 Michael Brereton resigned as receiver and manager. Scott Kershaw remains appointed as the sole receiver and manager.
- The receivers and managers have advised that they anticipate finalising the receivership by March 2018, at which point we can commence the winding up of REU.
- We will continue to liaise with the current receivers and managers to ascertain their strategy and the progress of the receivership.

Unit holder Enquires

- We continue to receive a 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 ITAA97;
- It is our intention to continue providing 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. The last update provided to unit holders was on 11 July 2017.
- All off market transfers are being processed by the Company as RE of REU.
- Following numerous enquiries to our office in regards to the winding up of the Schemes and crystallisation of capital losses, we have prepared a document which answers frequently asked questions. Further details on this can be found on our website at: http://www.grantthornton.com.au/globalassets/1.-member-firms/australian-website/creditors-documents/gtal_2014_rubicon_asset_management_limited_faq.pdf
- We note however that stamp duty on the transfer of trust on marketable securities (shares and units) was abolished from 1 July 2016.

Likely Outcome for Creditors and Unit holders

- The receivers and managers have confirmed that there will be no return to either unsecured creditors or unit holders of REU.
- In June 2016 an advertising process was undertaken to ascertain whether any trust creditors of REU could claim in the assets of RAML. No proofs of debt were submitted.

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RJT update

Dividend to creditors

- On 13 November 2015, in accordance with the court order dated 15 June 2015, we issued a notice inviting formal proof of debt or claim to all known creditors of RJT, per the books and records. A copy was also posted on the Grant Thornton website.
- An advertisement was also placed in the Australian, and The Japan Times (being a daily newspaper of the relevant overseas jurisdiction of RJT), requiring all persons asserting a claim against RJT to lodge their claim within 14 days after publication of the advertisement.
- Only two creditors, being the ATO and RAML, submitted a formal proof of debt or claim in respect of RJT in the amounts of \$8,980,578 and \$72,258 respectively. Both claims were admitted in full.
- The dividend to creditors of RJT was declared and paid on 15 April 2016 at a rate of c.2 cents in the dollar, equating to a total distribution amount of \$195k.
- Following payment of the dividend, steps were taken to deregister RJT with ASIC who have confirmed that RJT was deregistered on 5 September 2016. Unitholders have been advised of the deregistration via our website.

Likely Outcome for Unit holders

- The realisation from the properties was not sufficient to discharge in full the outstanding facilities for the TK and accordingly there will be no return on the equity investments made by RJT.
- Furthermore, as there was a significant shortfall to the unsecured creditors of RJT, there will be no return to unitholders of RJT.

Section 6 Hedge Funds

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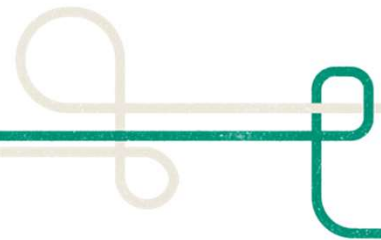
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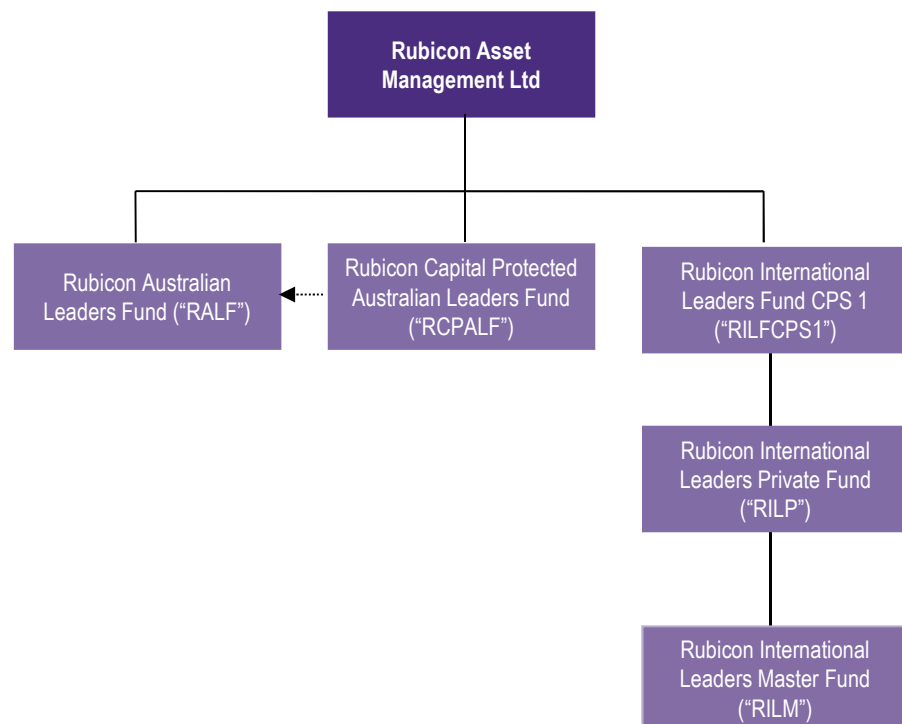
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Hedge Funds overview

Diagram of the Hedge Funds



Rubicon Capital Protected Australian Leaders Fund ("RCPALF")

- RCPALF acted as a feeder fund into Rubicon Asset Leaders Fund ("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 below.
- 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.
- In October 2016 an advertising process was undertaken to ascertain whether any trust creditors of RCPALF and RALF could claim in the assets of RAML. No proofs of debt were submitted.

Rubicon Asset Leaders Fund ("RALF")

- RALF continues to hold investments in the Yield Alpha Liquidating Trust ("YALT").
- Any future distributions will be made as and when sufficient monies become available from various assets including:
 - A claim against Lehman Brothers International (Europe) (In Administration);
 - The outcome of litigation by Basis Yield Alpha Fund (Master) , including a claim against Goldman Sachs for US\$67 million in New York Supreme Court; and
 - The outcome of certain litigation initiatives being undertaken by the BPROF.
- In June 2016 the YALT advised that the BYAF had settled its claims against Goldman Sachs and Morgan Stanley and that the remaining legal claims were at a relatively advanced stage.
- An interim capital distribution was made by the YALT to RALF at a rate of \$46.37 per unit, equating to a distribution amount of \$22,763.83
- A distribution will be made to unitholders of RALF following the final distribution from the YALT. The quantum of any distribution is uncertain at this stage.
- Further details on the status of the above litigation claims can be found on the Yield Alpha Liquidating Trust website at: <http://www.yaltregister.com/home.html>

Hedge Funds Overview

Rubicon International Leaders Fund Capital Protected Series 1 ("RILFCPS1")

RILFCPS1 invested in a UBS Note which in turn invested in RILM and RILP. RILM has been officially dissolved and its assets distributed in-specie to RILP, which was subsequently deregistered in March 2016.

Dividend to creditors

- On 13 November 2015, in accordance with the court order dated 15 June 2015, we issued a notice inviting formal proof of debt or claim to all known creditors of RILFCPS1, per the books and records. A copy was also posted on the Grant Thornton website.
- An advertisement was also placed in the Australian, and The Cayman Compass (being a daily newspaper of the relevant overseas jurisdiction of RILFCPS1), requiring all persons asserting a claim against RILFCPS1 to lodge their claim within 14 days after publication of the advertisement.
- The dividend to creditors of RILFCPS1 was declared and paid on 20 January 2016 at a rate of 100 cents in the dollar, equating to a total distribution amount of \$172,047 (inclusive of statutory interest).
- A summary of creditor claims is detailed below:

Creditor	Total Claim	Accepted	Rejected	Dividend @ 100c
Gilbert & Tobin	4,539	4,539	-	4,539
Moore Stephens	7,480	605	6,875	605
RAML	107,500	107,500	-	107,500
Total	119,519	112,644	6,875	112,644

Dividend to unitholders

- On 24 October 2016 and 28 April 2017 respectively a distribution was paid to unitholders of RILFCPS1 totalling c.2 cents in the dollar, equating to a total distribution amount of \$394,122.69.
- As done in previous years, distributions to investors who held loans with UBS were made directly to UBS, therefore the net amount paid to ungeared was \$113,285.56 as summarised below:

Final distributions	# units	Distribution rate	Distribution (\$)
UBS Nominee unit holders	13,720,000.0	0.0205	280,837.13
Non UBS unit holders	5,534,446.0	0.0205	113,285.56
Distribution to unit holders	19,254,446.0		394,122.69

- Following payment of the distribution, steps were taken to deregister RILFCPS1 with ASIC who have confirmed that RILFCPS1 was deregistered on 8 January 2017. Unitholders have been advised of the deregistration via our website.

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RFT and RST Overview

Rubicon Finance Trust ("RFT")

- RAML acts as the RE of RFT and is responsible for the winding up of RFT in accordance with its constitution.
- In November 2016 an advertising process was undertaken to ascertain whether any trust creditors of RFT could claim in the assets of RAML. A proof of debt was submitted by RAML in the amount of \$1,065, however no other proofs of debt were submitted by unsecured creditors.
- A dividend to RAML in the amount of \$1,728 (including \$663 of statutory interest) was paid in March 2017.
- In April 2017 an advertising process was undertaken to ascertain whether any unitholders of RFT could claim in the assets of RFT that remained after the payment of all creditor claims. No proofs of debt were submitted.
- We have sought and received legal advice that any surplus of RFT, in the absence of any claims by creditors or unitholders of RFT, should be paid to RAML as the trustee of RFT. Accordingly, all funds remaining in RFT, being c.\$47k, have been transferred to RAML.
- A notice of the completion of winding up of was posted on the Grant Thornton website in May 2017. As RFT is an unlisted fund, I was not required to lodge any documents with ASIC upon finalisation of the winding up.

Rubicon Strategic Trust ("RST")

- RAML acts as the RE of RST and is responsible for the winding up of RST in accordance with its constitution.
- During the course of the administration we have held a total of c.\$11k cash in RST.
- However, in accordance with RST's constitution, all funds have subsequently been reimbursed to RAML for costs incurred on behalf of RST. Accordingly, no distribution will be paid to creditors of RST.
- In November 2016 an advertising process was undertaken to ascertain whether any trust creditors of RST could claim in the assets of RAML. No proofs of debt were submitted.
- Following this, a notice of the completion of winding up was posted on the Grant Thornton website in January 2017. As RST is an unlisted fund, I was not required to lodge any documents with ASIC upon finalisation of the winding up.

Conclusion

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

Rubicon Asset Management Ltd

- Complete the winding up of the Trusts and Hedge Funds.
- Final distribution to creditors should funds be available on completion of the winding up of the Trusts and Hedge Funds.
- Various administrative matters such as finalising BAS and statutory reporting to ASIC etc.

Rubicon Europe Trust

- Monitor the progress and finalisation of the receivership
- Completion of various administrative matters such as finalising BAS and unitholder enquiries.

RALF and RCPALF

- Await final distribution from the YALT once underlying litigation has been resolved;
- Complete a final distribution to the unit holders.

Contact Details

- Should you have any queries in relation to any matter raised in this report please do not hesitate to contact Himaja Paramatmuni of this office on (02) 8297 2708.

Yours faithfully

RUBICON ASSET MANAGEMENT LTD (IN LIQUIDATION)



Paul Billingham
Liquidator

Appendices

A. Liquidators Receipts and Payments

Liquidator's Statement of Receipts and Payments from 22 October 2009 to 21 October 2017

RECEIPTS	\$
ATO Interest received	1,256.18
Bank Interest	527,973.19
Cash at Bank at date of appointment	19,030.63
GST Control: GST Refund/Payment	645,250.00
Debtors	80,809.63
Dividend received	174,295.07
GST on receipts	174,384.34
Installment/Contributions	4,858.39
Management Fees	1,016,840.13
Plant & Equipment	22,479.13
Pre-appointment ATO refund	30,693.00
Refunds	980.88
Reimbursement from Receivers of REU	242,250.21
Reimbursement from Trusts	2,921,442.52
Reimbursement from RILFCPS1 (Dividend)	801.08
Transfer Funds	5,339,100.10
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	11,202,444.48

PAYMENTS	
Administrators expenses	412,240.09
Administrators remuneration	1,158,532.50
Advertising	404.40
Agents/Valuers Fees	2,270.00
Bank Charges	1,395.18
Commission Paid	5,527.25
Costs of asset sales	14,075.73
Council Charges	280.21
Custodian Fees	30,308.22
Electricity	9,837.46
First Dividend for Unsecured Creditors	114,060.94
First Dividend for Preferred (Employee) Cr	1,360.00
Gas	1,323.06
GST Other	14,546.38
GST on payments	900,952.23
Hire of Equipment	140.00
Hire purchase - interest	163.82
Insurance	9,160.46
Intercompany Loans	482.45
International Consulting Fees	33,031.31
Irrecoverable GST	24,491.93
IT expenses	98,665.85
Legal Fees	2,907,292.12
Liquidators disbursements	86,826.73
Liquidators Remuneration	3,614,478.41
Loan to Hedge Funds	400.00
PAYG Control (Non-Trading)	640.00
Postage	69.60
Printer	2,414.50
Professional Fees	46,439.61
Property Expenses	1,580.00
Purchases	16,349.12
Rent Paid (Commercial)	172,324.29
Second Dividend for Unsecured Creditors	300,000.00
Security	247.50
Stamp Duty	607.16
Stationery & Printing	32,836.73
Statutory Advertising	1,145.64
Statutory charges	3,790.00
Sub-Contractors	881,295.30
Sundry Expenses	875.00
Telephone & Fax	18,077.22
Transport / Courier	1,366.99
Waste Removal	1,804.70
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	11,038,268.09

Net Receipts and Payments

164,176.39

Cash held by Liquidator made up of:

Cheque Account - CBA	74,720.47
Investment - BOS account - CBA	29,516.63
Investment - Term deposit	60,052.40
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Total cash held by Liquidator*	164,289.50

Variance to the receipts and payments in the amount of \$113.11 relates to unrepresented cheques issued as part of the first dividend to creditors