

To the creditor as addressed

Grant Thornton Australia Limited
Level 17
383 Kent Street
Sydney NSW 2000
T +61 2 8297 2400

26 August 2019

Dear Sir / Madam,

Rubicon Asset Management Limited (In Liquidation)
ACN 095 433 720 (“RAML” or the “Company”)

As you are aware, Paul Billingham was appointed Joint and Several Administrator of the Company on 19 June 2009 pursuant to section 436A of the Corporations Act 2001 (“the Act”). Mr Billingham was subsequently appointed Liquidator by operation of section 446A of the Act on 22 October 2009 when the Company was placed into liquidation by a resolution of the creditors in a meeting convened pursuant to section 439A of the Act.

Notification of change of liquidator

On 30 July 2019, by order of the Court I was appointed Liquidator of the Company upon the retirement of Paul Billingham as Liquidator of the Company.

I act for all creditors. I am responsible for maintaining the Company’s assets, reporting to ASIC and, if funds become available, paying money owed to creditors.

My independent status and who appointed me is outlined in my Declaration of Independence, Relevant Relationships and Indemnities (DIRRI) attached at **Appendix A**.

I write to provide a brief update to the creditors with respect to the progress of the winding up of RAML and the various trusts and hedge funds, and the remaining actions to be undertaken prior to the finalisation of the winding up.

What do you need to know?

Question	Answer
What are your rights as a creditor under my appointment?	Information regarding your rights as a creditor is provided in the information sheet included at Appendix B . This includes your right to: <ul style="list-style-type: none">• Make reasonable requests for a meeting• Make reasonable requests for information

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	<ul style="list-style-type: none"> • Give directions to me • Appoint a reviewing liquidator • To replace me as liquidator. <p>I wish to draw to your attention the special right to request a meeting in the first 20 business days of a creditor's voluntary liquidation. If I receive a request for a meeting from at least 5% of known creditors that are not a related entity of Rubicon Asset Management Limited, I am required to hold a meeting, as long as the request is reasonable. The details of whether a request is reasonable or not is included in the information sheet at Appendix B.</p>
Do you have to do anything?	You should read this information. You are not required to take any further action at this stage.
Summary of Receipts and Payments	A summary of the Company's receipts and payments for the period from 22 October 2009 to 23 August 2019 is attached at Appendix C .
What has happened in the liquidation since the last update to creditors?	<p>Rubicon Asset Management Limited</p> <p>As previously advised, any cash available to be distributed as a final dividend will be paid to the ATO.</p> <p>There are still a few matters with respect to the schemes, which need to be concluded before the affairs of RAML can be fully wound up. These are further discussed below.</p> <p>Rubicon Europe Trust ("REU")</p> <p>I have been advised by the Receivers and Managers of REU that the receivership was estimated to be completed by 30 June 2019, however note that this has not yet been finalised. Accordingly, I anticipate that the winding up of REU will be completed during FY2020.</p> <p>My office continues to receive a number of unitholder enquiries relating to the status of REU in general, and off market transfer requests. We will continue to process off market transfers until such time that the winding up of REU is complete.</p> <p>An update advising the unitholders of REU of the above was posted to the Grant Thornton website on 3 July 2019.</p> <p>Rubicon Australian Leaders Fund ("RALF") and Rubicon Capital Protected Australian Leaders Fund ("RCPALF")</p> <p>As you are aware, RCPALF acted as a feeder fund for RALF, and therefore the finalisation of RCPALF is dependent on the finalisation of RALF. RALF continues to hold investments in the Yield Alpha Liquidating Trust ("YALT"), as well as cash.</p> <p>YALT advised in June 2016 that the Basis Yield Alpha Fund (Master) has settled a number of the underlying claims, with one other claim remaining that is at a relatively advanced stage. There have been no further updates on the progression of the claims.</p>
What is the cost of the liquidation	<p>I confirm that all costs associated with the application to the Court for the transfer of the appointment as Liquidator of RAML from Paul Billingham to myself was borne by Grant Thornton and not the creditors.</p> <p>By order of the Court, I am not permitted to use any remuneration approved by the creditors prior to my</p>

	<p>appointment and am required to seek approval for any fees incurred for the period of my appointment commencing on 30 July 2019.</p> <p>I will write and ask that you approve my remuneration for the work that I do in completing the liquidation. When I do, I will provide you with detailed information so that you can understand what tasks I have undertaken and the costs of those tasks.</p> <p>Included at Appendix D is my Initial Remuneration Notice. This document provides you with information about how I propose to be paid for undertaking the liquidation.</p>
What further communication will you receive?	I may also send you updates on the progress of the liquidation or proposals to approve certain matters in the liquidation at any time.
What happens next?	I will write to the members of the Committee of Inspection (“COI”) shortly calling a meeting of the COI to provide a more detailed update on the liquidation to date and the future work required to be completed prior to finalisation of the matter.
Where can you get more information?	<p>The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding liquidations and insolvency. This information is available from ARITA’s website at arita.com.au/creditors.</p> <p>ASIC also provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC’s website at asic.gov.au (search for “insolvency information sheets”).</p>

Please contact my office should you require further information. There is also information about this liquidation on my firm’s website: www.grantthornton.com.au.

Yours faithfully



Said Jahani
Liquidator

Appointment date: 30 July 2019
Contact name: Emily Cramp
Contact number: +61 2 8297 2679
Email: emily.cramp@au.gt.com

Attachments

- Appendix A - Declaration of Independence, Relevant Relationships and Indemnities
- Appendix B - Information Sheet - Creditor Rights in Liquidation
- Appendix C - Summary of Receipts and Payments
- Appendix D - Initial remuneration notice

Declaration of Independence, Relevant Relationships and Indemnities

Rubicon Asset Management Limited (In Liquidation)
ACN 095 433 720 (the Company)

Practitioner/s appointed to an insolvent entity are required to make declarations as to:

- A. their independence generally;
- B. relationships, including
 - i the circumstances of the appointment;
 - ii any relationships with the [company/debtor] and others within the previous 24 months;
 - iii any prior professional services for the [company/debtor] within the previous 24 months;
 - iv that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of ourselves, our partners, Grant Thornton Australia Limited (GTAL) (the Firm) and any of the GTAL's associated entities.

A Independence

I, Said Jahani of Grant Thornton Australia Limited have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as Liquidator of Rubicon Asset Management Limited in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to my independence. I am not aware of any reasons that would prevent me from accepting this appointment.

B Declaration of Relationships

i Circumstances of appointment

This appointment was referred to Paul Billingham of Grant Thornton by Tony McGrath of McGrath Nicol whom Mr Billingham had met professionally a number of times in his capacity as the leader of a firm also offering insolvency services. Mr McGrath had not previously referred work to Grant Thornton and I do not believe that there is a conflict of interest as a result of this relationship.

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 into liquidation and, by operation of the Act, Michael Owen and Paul Billingham, 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.

Due to the uncertainty of the finalisation of the winding up of the Company, and the dependency on other factors to progress the finalisation, it was not possible for the liquidation of the Company to be finalised prior to the date of Paul Billingham's retirement as Liquidator. Given the nature of the Liquidation, I will be able to provide sufficient oversight until such time that the factors detailed above have been resolved, and the Company can be wound up.

I have undertaken searches of the Company to obtain sufficient information to assess any conflicts of interest or potential future conflicts of interest which may arise.

I have provided no information or advice to the Company, the directors and its advisors prior to my appointment beyond that outlined in this DIRRI. I did not have any meetings with the referrer or directors of the Company prior to my appointment.

ii Relevant Relationships (excluding Professional Services to the Insolvent)

I, or a member of my firm, have, or have had within the preceding 24 months, a relationship with:

Name	Nature of relationship	Reasons
Paul Billingham	Former official liquidator	I believe that this relationship does not result in a conflict of interest or duty as Mr Billingham retired from office as liquidator of the Company on 30 July 2019 by way of Court Order.

iii Prior Professional services to the Insolvent

Paul Billingham, a member of my Firm, has provided the following professional services to Rubicon Asset Management Limited in the 24 months prior to the acceptance of this appointment:

Nature of Professional Services	Reasons
Insolvency Practitioner	I do not consider this to affect my independence as my appointment replaces Mr Billingham's appointment to enable the Liquidation to proceed and the affairs of the Company to be wound up. The work undertaken by the prior Liquidator is such that it would not be subject to review and challenge as part of my appointment.
Tax Services	I do not consider this to affect my independence as the tax services were provided to the former Liquidator to assist with meeting statutory reporting obligations that required specialist expertise provided by Grant Thornton tax practitioners. The work undertaken by the tax practitioner is such that it would not be subject to review and challenge as part of my appointment. These services were last provided prior to 30 June 2017. No other tax services have been provided from my firm subsequent to this date.

iv No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with Rubicon Asset Management Limited, an associate of Rubicon Asset Management Limited, a former insolvency practitioner appointed to Rubicon Asset Management Limited or any person or entity that has security over the whole or substantially whole of Rubicon Asset Management Limited's property that should be disclosed.

C Indemnities and up-front payments

I have not been indemnified in relation to this administration, other than any indemnities that I may be entitled to under statute and I have not received any up-front payments in respect of my remuneration or disbursements.

Dated this 26th day of August 2019



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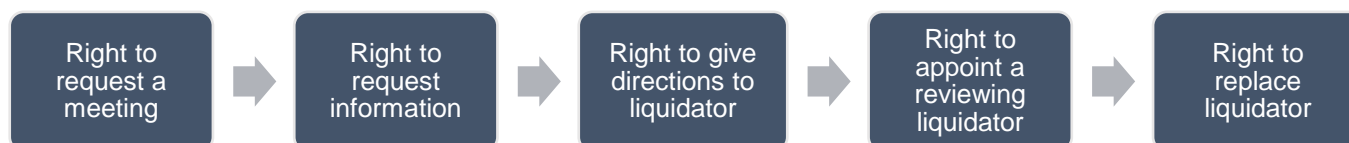
Said Jahani
Liquidator

Note:

1. If circumstances change, or new information is identified, I am required under the Corporations Act 2001 and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with my next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.
2. Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.

Creditor Rights in Liquidations

As a creditor, you have rights to request meetings and information or take certain actions:



Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors.

A meeting may be requested in the first 20 business days in a creditors' voluntary liquidation by $\geq 5\%$ of the value of the debts held by known creditors who are not a related entity of the company.

Otherwise, meetings can be requested at any other time or in a court liquidation by:

- $> 10\%$ but $< 25\%$ of the known value of creditors on the condition that those creditors provide security for the cost of holding the meeting
- $\geq 25\%$ of the known value of creditors
- creditors by resolution, or
- a Committee of Inspection (this is a smaller group of creditors elected by, and to represent, all the creditors).

If a request complies with these requirements and is 'reasonable', the liquidator must hold a meeting of creditors as soon as reasonably practicable.

Right to request information

Liquidators will communicate important information with creditors as required in a liquidation. In addition to the initial notice, you should receive, at a minimum, a report within the first three months on the likelihood of a dividend being paid.

Additionally, creditors have the right to request information at any time. A liquidator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the liquidation, and the provision of the information would not cause the liquidator to breach their duties.

A liquidator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the liquidator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) there is not sufficient available property to comply with the request
- (c) the request is vexatious

Meeting requests only:

- (d) a meeting of creditors dealing with the same matters has been held, or will be held within 15 business days

Information requests only:

- (e) the information requested would be privileged from production in legal proceedings
- (f) disclosure would found an action for breach of confidence
- (g) the information has already been provided
- (h) the information is required to be provided under law within 20 business days of the request

If a request is not reasonable due to (b), (d), (g) or (h) above, the liquidator must comply with the request if the creditor meets the cost of complying with the request.

Otherwise, a liquidator must inform a creditor if their meeting or information request is not reasonable and the reason why.

Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

If a liquidator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons.

An individual creditor cannot provide a direction to a liquidator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

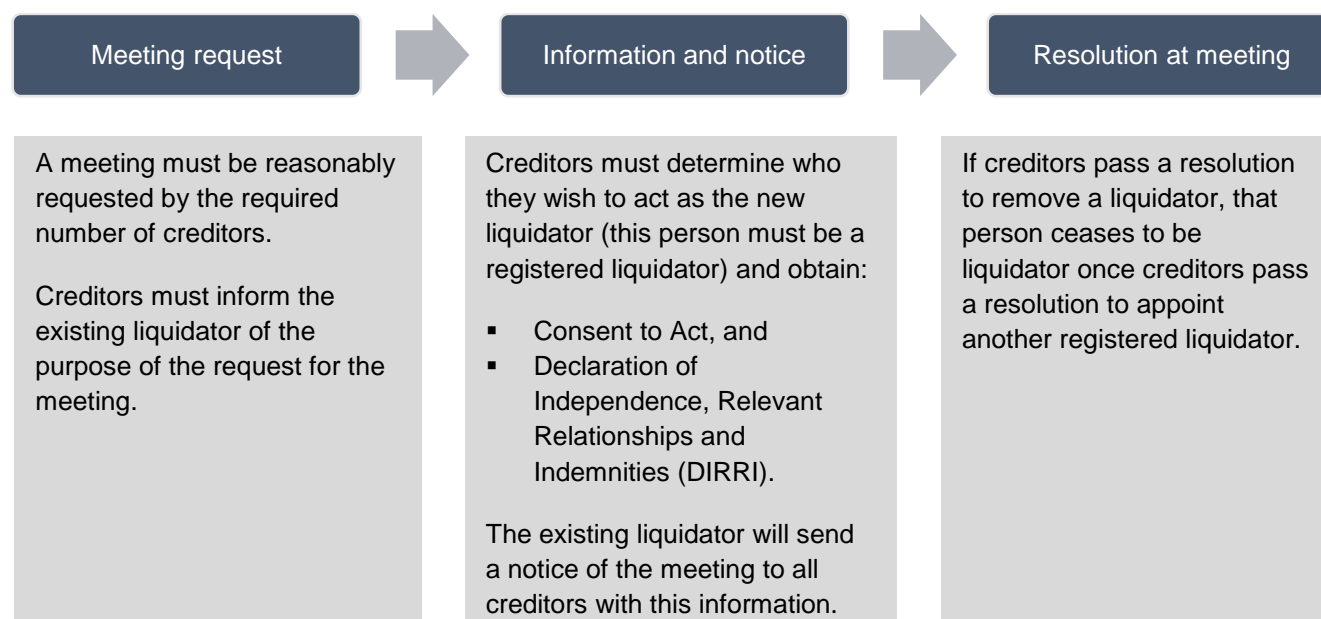
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the liquidator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator.

For this to happen, there are certain requirements that must be complied with:



For more information, go to www.arita.com.au/creditors

Liquidator's Statement of Receipts and Payments from 22 October 2009 to 23 August 2019

RECEIPTS	22-Oct-09 to 21-Oct-17	22-Oct-17 to 23-Aug-19	\$
ATO Interest received	1,256.18		1,256.18
Bank Interest	527,973.19	3,364.76	531,337.95
Cash at Bank at date of appointment	19,030.63		19,030.63
GST Control: GST Refund/Payment	645,250.00		645,250.00
Debtors	80,809.63		80,809.63
Dividend received	174,295.07		174,295.07
GST on receipts	174,384.34	6,725.00	181,109.34
Installment/Contributions	4,858.39		4,858.39
Management Fees	1,016,840.13		1,016,840.13
Plant & Equipment	22,479.13		22,479.13
Pre-appointment ATO refund	30,693.00		30,693.00
Refunds	980.88		980.88
Reimbursement from Receivers of REU	242,250.21		242,250.21
Reimbursement from Trusts	2,921,442.52		2,921,442.52
Reimbursement from RILFCPS1 (Dividend)	801.08		801.08
Transfer Funds	5,339,100.10		5,339,100.10
	11,202,444.48	10,089.76	11,212,534.24
PAYMENTS			
Administrators expenses	412,240.09		412,240.09
Administrators remuneration	1,158,532.50		1,158,532.50
Advertising	404.40		404.40
Agents/Valuers Fees	2,270.00		2,270.00
ASIC Industry Funding Levy	0.00	146.00	146.00
Bank Charges	1,395.18	13.98	1,409.16
Commission Paid	5,527.25		5,527.25
Costs of asset sales	14,075.73		14,075.73
Council Charges	280.21		280.21
Custodian Fees	30,308.22		30,308.22
Electricity	9,837.46		9,837.46
First Dividend for Unsecured Creditors	114,060.94		114,060.94
First Dividend for Preferred (Employee) Creditors	1,360.00		1,360.00
Gas	1,323.06		1,323.06
GST Other	14,546.38		14,546.38
GST on payments	900,952.23		900,952.23
Hire of Equipment	140.00		140.00
Hire purchase - interest	163.82		163.82
Insurance	9,160.46		9,160.46
Intercompany Loans	482.45		482.45
International Consulting Fees	33,031.31		33,031.31
Irrecoverable GST	24,491.93	372.51	24,864.44
IT expenses	98,665.85	659.70	99,325.55
Legal Fees	2,907,292.12		2,907,292.12
Liquidators disbursements	86,826.73	1,516.81	88,343.54
Liquidators Remuneration	3,614,478.41	38,641.81	3,653,120.22
Loan to Hedge Funds	400.00		400.00
PAYG Control (Non-Trading)	640.00		640.00
Postage	69.60		69.60
Printer	2,414.50		2,414.50
Professional Fees	46,439.61		46,439.61
Property Expenses	1,580.00		1,580.00
Purchases	16,349.12		16,349.12
Rent Paid (Commercial)	172,324.29		172,324.29
Second Dividend for Unsecured Creditors	300,000.00		300,000.00
Security	247.50		247.50
Stamp Duty	607.16		607.16
Stationery & Printing	32,836.73		32,836.73
Statutory Advertising	1,145.64		1,145.64
Statutory charges	3,790.00		3,790.00
Sub-Contractors	881,295.30		881,295.30
Sundry Expenses	875.00		875.00
Telephone & Fax	18,077.22		18,077.22
Transport / Courier	1,366.99		1,366.99
Waste Removal	1,804.70		1,804.70
	11,038,268.09	41,350.81	11,079,618.90
Net Receipts and Payments	164,176.39	(31,261.05)	132,915.34
Cash held by Liquidator made up of:			
Cheque Account - CBA	74,720.47		70,959.52
Investment - BOS account - CBA	29,516.63		0.00
Investment - Term deposit	60,052.40		62,068.93
Total cash held by Liquidator*	164,289.50		133,028.45

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 of RAML.

Initial Remuneration Notice

Rubicon Asset Management Limited (In Liquidation)

ACN 095 433 720

The purpose of the Initial Remuneration Notice is to provide you with information about how I propose my remuneration for undertaking the Creditors Voluntary Liquidation will be set.

Remuneration Methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner. They are:

- A **Time based / hourly rates:** This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.
- B **Fixed Fee:** The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.
- C **Percentage:** The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.
- D **Contingency:** The practitioner's fee is structured to be contingent on a particular outcome being achieved.

Method chosen

Given the nature of this administration I propose that my remuneration be calculated on **time based / hourly rates**. This is because:

- It ensures that creditors are only charged for work that is performed.
- The Practitioner is required to perform a number of tasks, which do not relate to the realisation of assets, for example responding to creditor enquiries, reporting to ASIC, distributing funds in accordance with the provisions of the Corporations Act or the Bankruptcy Act.
- The practitioner is unable to estimate with certainty the total amount of fees necessary to complete all tasks required in the Administration.
- The practitioner has a time recording system that can produce a detailed analysis of time spent on each type of task by each individual staff member utilised in the administration;
- Time based remuneration calculates fees upon a basis of time spent at the level appropriate to the work performed; and
- The method provides full accountability in the method of calculation.

Details of the hourly rates are included on the following page.

Explanation of Hourly Rates

The rates for my remuneration calculation is set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take in the administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

Title	Description	Hourly Rate (excl GST)
Appointee	Registered Liquidator / Trustee. Partner bringing specialist skills to Administrations and Insolvency matters. Controlling all matters relating to the assignment.	\$695
Director	Qualified accountant (CA/CPA) and may be a registered Liquidator/Trustee. Minimum 7/8+ years' experience. Likely to be appointed as a partner in due course. Highly advanced technical and commercial skills. Planning and control of all Administration and Insolvency tasks. Controlling substantial matters relating to the assignment and reporting to the appointee.	\$615
Senior Manager	Qualified accountant (CA/CPA). 7/8+ years' experience. Well developed technical and commercial skills. Planning and control of all Administration and Insolvency tasks. Controlling substantial matters relating to the assignment and reporting to the appointee.	\$590
Manager	Typically CA/CPA Qualified. 5-8 years' experience. Well developed technical and commercial skills. Planning and control of Administration and Insolvency tasks with the assistance of the appointee.	\$545
Senior Associate	Typically CA/CPA Qualified. 4+ years' experience. Co-ordinates planning and control of small to medium Administrations and Insolvency tasks. Conducts certain aspects of larger Administrations.	\$430-\$485
Associate	Typically undertaking CA/CPA Qualifications. Up to 3 years' experience. Required to conduct the fieldwork on smaller Administrations and Insolvency tasks and assist with fieldwork on medium to large Administrations and Insolvency tasks.	\$285-\$360
Secretary	Carries out all secretarial functions relating to an Administration.	\$220

Estimated remuneration

I estimate that this administration will cost approximately \$50,000.00 (excluding GST) to complete, subject to the following variables which may have a significant effect on this estimate and that I am unable to determine at this early stage in the administration:

- Further delays in the finalisation of the REU receivership; and
- Further delays in the winding up of the remaining hedge funds reliant on the settlement of the Basis Yield Alpha Fund (Master).

Disbursements

Disbursements are divided into three types:

- **Externally provided professional services** - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- **Externally provided non-professional costs** such as travel, accommodation and search fees - these are recovered at cost.
- **Internal disbursements** such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

I am not required to seek creditor approval for disbursements paid to third parties, but must account to creditors. However, I must be satisfied that these disbursements are appropriate, justified and reasonable.

I am required to obtain creditor's consent for the payment of internal disbursements where there may be a profit or advantage. Creditors will be asked to approve my internal disbursements where there is a profit or advantage prior to these disbursements being paid from the administration.

Details of the basis of recovering disbursements in this administration are provided below.

Basis of disbursement claim

Disbursement type	Rate (excl GST)
Externally provided professional services	At Cost
Externally provided non-professional services	At Cost
Internal disbursements	
Postage	At Cost
Staff vehicle use	Paid at the ATO set rate

Scale applicable for the financial year ending 30 June 2020.



Said Jahani
Liquidator

26 August 2019