Rubicon

31 March 2009

The Manager
ASX Limited
20 Bridge Street
Sydney NSW 2000

ASX Release
Rubicon America Trust (ASX: RAT)

Find attached the 2008 Annual Report for Rubicon America Trust (RAT), which has been dispatched to unitholders today. The enclosed Corporate Governance statement states that, as RAT was a member of the S&P/ASX 300 on 1 January 2008, RAT was obliged to comply with the ASX Corporate Governance Council Principles regarding the composition of the audit committee, however, this ceased to occur following the previously announced resignation of its first independent director of Rubicon Asset Management Limited (RAML) on 6 November 2008. This obligation is no longer required as RAT was not a member of the S&P/ASX 300 on 1 January 2009.

RAML requests that the suspension of the quotation of the units in RAT continue.

Yours sincerely,

Matthew Cooper

Company Secretary
Rubicon Asset Management Limited
as responsible entity for Rubicon America Trust

Rubicon

RUBICON AMERICA TRUST

ANNUAL REPORT
31 DECEMBER 2008

RUBICON AMERICA TRUST (ARSN 110 606 687)

Contents

Rubicon America Trust ARSN 110 606 687

Rubicon Asset Management Limited (ACN 095 433 720) (Manager, Rubicon, we, our, us) is the responsible entity of Rubicon America Trust (RAT).

Investments in RAT are not deposits with or other liabilities of the Manager or Allco Finance Group Limited (administrators and receivers and managers appointed) or any of their respective related bodies corporate and are subject to investment risk, including possible delays in repayment and loss of income or principal invested. None of the Manager or Allco Finance Group Limited (administrators and receivers and managers appointed) or any of their respective related bodies corporate guarantees the performance of RAT or the repayment of capital from RAT or any particular rate of return.

This report does not contain investment advice nor is it an offer to invest in units of RAT. The report has been prepared without taking into account the personal objectives, financial situation or needs of particular individuals. Before acting, we recommend potential investors speak to a financial and/or other professional adviser.

Past performance information included in this report is not an indication of future performance.

Due care and attention have been exercised in the preparation of forecast information. However, forecasts by their nature are subject to uncertainty and contingencies and actual results may vary from any forecasts provided.

Rubicon is entitled to fees for acting in the capacity of responsible entity. Allco Finance Group Limited (administrators and receivers and managers appointed), its related bodies corporate and officers and directors of those entities, may hold units in RAT from time to time.

The directors of Rubicon Asset Management Limited ("RAML"), as Responsible Entity ("RE") for Rubicon America Trust ("the Trust" or "RAT"), present their report together with the consolidated financial report of the Trust and its controlled entities for the year ended 31 December 2008.

Directors

The following persons held office as directors of the RE during the financial year up to the date of this report:

Non-Executive
David John Simpson
Raymond John Kellerman (resigned 7 November 2008)
Peter Anthony Barnes (resigned 29 December 2008)

Executive
Gordon Edward Christopher Fell (Chairman)
Matthew Raymond Cooper

Principal activity

The principal activity of the Trust during the financial year was investment in commercial real estate and commercial real estate loans (CRE loans) in the United States of America.

Total value of scheme assets

The total value of the assets of the Trust as at 31 December 2008 was $921.8 million (31 December 2007: $1,854.1 million).

Distributions

No distributions were paid or are payable by the Trust for the year ended 31 December 2008 (31 December 2007: $45,781,152).

Consistent with the announcements on 12 December 2008 and 18 December 2008, the Trust did not declare a distribution for the year ended 31 December 2008. This position is likely to continue for the foreseeable future, as it is a requirement under the terms agreed with certain of the Trust's lenders.

Under current Australian income tax legislation, the Trust is generally not liable to income tax provided its unit holders are presently entitled to all of the Trust's income in each year. Under the current circumstances surrounding the liquidity of the Trust, the RE has determined there will be no present entitlement to a distribution for the 12 month period to 31 December 2008. The Trust is liable to income tax at 46.5% on its taxable income for the year ended 31 December 2008. Accordingly, a provision for current Australian income tax has been recognised in the financial statements equal to 46.5% of the taxable income (or A$11.1 million) for the 12 months to 31 December 2008. RAT has applied for a private tax ruling in respect of offsets in the nature of capital losses that would render a nil tax payable should the request be confirmed. But if the request is denied, there is a risk that future circumstances may be such that the Trust can not meet this payment as and when it falls due in around May 2009. As announced on 12 December 2008, the Trust is carrying out the necessary cashflow analysis to determine how the tax liability can be met. The Trust has agreed with its creditors to try to ensure that a sufficient amount is reserved to meet the tax liability. However the reserve can only be used to pay the tax liability if a majority of the Noteholders approve.

Review of operations

i) Basis of preparation of the accounts

The financial report for the year ended 31 December 2008 is prepared on a liquidation basis. The financial report for the year ended 31 December 2007 was prepared on a going concern basis.

The preparation of a financial report in conformity with Australian Accounting Standards requires directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Where the directors believe this to be the case, the financial statements have provided a range of possible outcomes to assist the users of these financial statements.

Judgements made by directors in the application of Australian Accounting Standards that have significant effect on the financial report and estimates with a significant risk of material adjustments in the next period have been detailed within the Critical Accounting Estimates and Judgements note (Note 3 to the financial statements).

The directors do not consider the Trust to be a going concern and have prepared the financial statements on a liquidation basis. The following paragraphs explain why the directors do not believe the Trust to be a going concern.

Review of operations (continued)

Associated with the continuing and growing challenges facing RAT's operating and financial environment specifically, and the global real estate and credit markets generally, the circumstances that RAT faces now compared to the circumstances prevailing in the previous accounting period are, in summary as follows:

- RAT has negative net assets on a liquidation basis;
- As previously announced to the market, Rubicon Finance America ("RFA") is in default under its warehouse facility due to non payment of amounts due in December 2008 and due to a breach of financial covenants. Credit Suisse ("CS") requires cash lock up except for US$50,000 (A$72,327) per month to pay management fees and costs and US$100,000 (A$144,655) per month permitted to be applied by RFA to meet funding requirements; proceeds of asset sales have been applied to reduce the facility but asset sales are now yielding values at about or lower than the CS debt amount. Hence, there is a concern as to whether future asset sales will be sufficient to repay the CS facility (due in December 2009); and there is little prospect that CS will restructure the facility;
- As previously announced to the market, Rubicon Finance America II ("RFA II") is already in default under its US$100 million (A$144.6 million) note facility due to a breach of financial covenants; RFAII is not able to meet the interest payments to noteholders in full and there are significant concerns as to whether RFA II will be able to repay the notes in full; Negotiations are underway to restructure that facility;
- As previously announced to the market, the US REIT is in default under its note facility although it has a term sheet agreement (subject to final documentation) to restructure the note facility with a maturity date of 31 August 2010 (with a further option to extend for one year); the GSA I portfolio has been sold (with US tax due on the capital gains) to reduce debt (pay down the notes) of the US REIT; further asset sales are required over 2-3 years to repay the notes and there is concern over asset values; due to cash lock up under the terms of the US REIT note facility cash that may be made available by US REIT to RAT/RFA II is limited to management fees and 50% of interest payable to RFA II noteholders;
- As previously foreshadowed to the market, income tax may be payable (approximately A$11.1million) on the gains made on sale of the FX derivatives. RAT has applied for a private tax ruling in respect of offsets in the nature of capital losses that would render a nil tax payable should the request be confirmed. But if the request is denied, there is a risk that future circumstances may be such that the Trust can not meet this payment as and when it falls due in around May 2009. The Trust has agreed with its creditors to create a reserve to try to ensure that a sufficient amount is reserved to meet the tax liability; However the reserve can only be used to pay the tax liability if a majority of the Noteholders approve;.and
- Approximately US$120,000 - $150,000 (A$173,586 – A$216,983) per month is currently payable to NAB under the interest rate collar that RAT has with NAB (to manage interest rate risk on the Overtown II project facility, that matures in August 2009); and there is concern as to RAT's ability to refinance or repay the Overtown II project facility on maturity.

ii) Developments during the period

• Asset revaluations / impairment

Real estate. The directors have assessed an overall liquidation valuation of the Trusts real estate portfolio following consultation with independent valuers regarding what they believed a liquidation value would be. This basis has been predicated upon a scenario where there is an accelerated or "pressured" sale of the real estate assets due to continued direct pressure by the lenders to the Trust for early sale of the assets and repayment of the Trust's debt. After taking into account this valuation basis (which was not used for the prior period) and the sale of the property at 333 South Miami Avenue, Miami Florida, the sale of the GSA I portfolio, the equity accounting of RAT's interests in the IPO Portfolio, Maitland and Fiddlers Green properties, there was a reduction in the valuation of the Trust's real estate portfolio, as measured in US$, of approximately 26.9% from US$723.3 million (A$826.5 million) as at 31 December 2007 to US$529.0 million (A$765.3 million) as at 31 December 2008.

CRE loans. The Trust's accounting policy for the CRE loan portfolio is to provide a liquidation valuation, predicated upon a scenario where there is an accelerated or "pressured" sale of the CRE loan assets due to continued direct pressure by the Trust's lenders for early sale of the assets and repayment of the debt. As at 31 December 2008, this resulted in a valuation of approximately US$61.6 million (A$89.1 million). Refer to the section titled Valuation of real estate and CRE loans for a discussion of the liquidation value of the CRE loan portfolio (which was not used in the prior periods).

• Debt refinancing and covenants

Impact on debt facilities of preparation of the financial statements on a liquidation basis

In respect of the US$67.5 million (A$97.6 million) construction facility for 100 N W 6th Street, Miami, Florida ("Overtown II"), RAT, as the recourse carve-out and construction guarantor, makes a representation that there has been no material adverse change to its financial condition since the date of the most recent financial statement provided to the lender and the nature of the representations under this agreement are continuous so long as the obligations remain outstanding. Thus there is a potential event of default under the construction facility.

Review of operations (continued)

The construction lender has already issued a reservation of rights letter which alleges that a default exists under the construction loan, based upon a receiver and manager having been appointed to the Allco Finance Group Limited (Administrators appointed) (Receivers and Managers appointed) ("Allco") level. However, RAML disputes that such an appointment constitutes a default.

Under RAT's limited recourse guarantee for the Overtown II project, the guarantee triggers relate to the commission of various intentional acts (such as fraud, commission of waste, an improper transfer of the project or a voluntary bankruptcy filing) and project cost overruns and should not expose RAT to an enforcement proceeding under the guarantee so long as it continues to diligently pursue the performance of the construction obligations of the construction contractor.

Credit Suisse (CS) warehouse loan facility

On 14 March 2008, the Trust announced that it had entered into an agreement with CS to vary the terms of the loan warehouse facility from a margin call based facility to a monthly repayment facility. Repayments were to be made out of cash balances, operating cash flows and expected asset sales. During the period, the Trust sold certain CRE loans and one real estate asset (One Riverview Square, Miami) and used the funds to part repay the CS facility (refer below for details). In addition, on 10 March 2008, the Trust announced that, consistent with the change in its foreign exchange hedging policy announced on 29 February 2008, the Trust had completed the unwinding of all of its foreign currency hedges generating net cash flow of approximately A$34.6 million (pre tax) for the Trust. These cash proceeds were applied to reduce the outstanding balance under the CS facility.

As at the date of this report, the amount outstanding under the CS facility was approximately US$81.8 million (A$118.3 million). On 25 August 2008, the Trust announced that it had executed documentation in relation to the variation of the warehouse facility with CS. Key terms of the amendments were:

- waiver of the requirement to repay a total of US$114 million (A$164.9 million) on 15 August 2008;
- include a requirement for the loan balance to be reduced to US$50 million (A$72.3 million) by 30 December 2008 with a final maturity of 30 December 2009;
- restoration of mark to market margin calls from 1 January 2009;
- revised financial covenants on the Borrower; and
- the payment of a consent fee of US$1.5 million (A$2.2million) plus an extension fee based on the facility outstanding at 30 December 2008. This fee was US$1 million (A$1.4 million).

CS issued a reservation of rights letter on 10 November 2008 following the announcement of the appointment of an administrator and receivers and managers to Allco, (the ultimate parent company of RAML) and the announcement of the appointment of receivers and managers to Rubicon Holdings (Australia) Limited ("RHAL") (the parent company of RAML). In this letter CS reserved the rights and remedies under the facility.

CS issued a further reservation of rights letter on 6 January 2009 following the repayments due under the facility by 30 December 2008 not being met (as foreshadowed in an announcement on 2 January 2009). CS stated that they have the right to make a margin call and/ or declare an event of default and reserved their rights and remedies under the facility.

On 12 February 2009, CS issued an Irrevocable Instruction Letter and Amendment which imposes a cash lock up on all interest receipts subject to limited exceptions. The Loan Servicer is required to apply all collections and amounts received on account of the Repurchased Loans in the following order:

- first, to the Loan Servicer in payment of its fees pursuant to the Servicing Agreement;
- second, to the Seller (RFA) in an amount not exceeding US$100,000 (A$144,655) per month in order for any Purchased Asset and any senior tranches thereto to remain performing;
- third, the Seller (RFA) in an amount equal to US$50,000 (A$72,327) per month); and
- fourth, the remainder to the Buyer (Credit Suisse).

On 20 February 2009, the Trust sold one of the Loans for US$2.4 million (A$3.5 million). At the same date, these proceeds were remitted to Column Financial Inc. ("CS") in full to pay down current borrowing.

RFA II notes

As announced on 29 January 2009, 1 December 2008, 29 August 2008 and 8 August 2008, the Trust is negotiating an amendment in respect of the US$100 million (A$144.7 million) facility with note holders. Key proposed terms of the amendments are:

- August 2011 maturity;
- no change in interest margin; no prepayment penalty;
- financial covenants waived until maturity;
- additional security in the form of a pledge of equity in Rubicon Finance America LLC;
- no distributions permissible to the Trust's unit holders until maturity; and

Review of operations (continued)

- waiver of the defaults expected to be caused by covenant breaches following the release of the Trust's financial statements

These amendments are subject to formal documentation.

US REIT notes

As announced on 29 January 2009, 1 December 2008 and 29 August 2008, the Trust entered into a term sheet agreement with the Noteholders under the US REIT (the Issuer) US$169 million Note Issue (A$ 244.5 million) which amends the note issue and is subject to certain other conditions. The current outstanding balance of the USREIT notes is US$99.4 million(A$143.8 million) after repayment using the proceeds of the sale of the GSA I portfolio. The key terms of that term sheet agreement are:

- the maturity of the Notes will be 31 August 2010;
- the Issuer will have the option of extending the maturity by one year provided certain leverage and net asset tests are met including that the Notes outstanding are prepaid to one-third of the current outstanding;
- no prepayment penalty;
- the interest margin until 31 August 2010 will remain unchanged and will be increased by 300 basis points during the extension period to 31 August 2011 (if applicable).
- the default expected to be caused upon release of RAT financial statements by a breach of the financial covenants of the Guarantor will be waived;
- distributions from the USREIT limited to 50% of interest due under RFA II note issue and related to RFA II documentation costs, the servicing of preferred shares and management fees;
- the payment of a consent fee of US$1.69 million (A$2.5 million) plus a paydown fee of 1.5% of the Notes outstanding if the Notes are not paid down to US$45 million (A$65.1 million) or less outstanding by 5 June 2009 plus an extension fee of 4% of Notes outstanding in excess of US$90 million (A$130.2 million) following the repayment from the proceeds of the GSA I sale;
- the Issuer will agree to new financial covenants based on leverage and interest service coverage, fixed charge coverage and debt service coverage which will apply with effect from 31 March 2009. The financial covenants applicable to RAT as the Guarantor will cease to apply; and
- net proceeds from sales of real estate assets of the Issuer or the Issuer's subsidiaries must be applied to prepay the Notes at par.

These amendments are subject to formal documentation. Following the sale of GSAI, the consent fee of US$1.69 million (A$2.5 million) and an extension fees of US$0.3 million (A$.5 million) was paid to the Noteholders. RAT will not act as a guarantor to any fee as yet unpaid or to any increased margin where applicable.

Other debt

The debt owing to Key National Association US$10.9 million (A$15.8 million) which was secured against the 1300 Summit Street, Kansas City property was refinanced during the year with a new maturity date of 1 September 2009. The debt can be further extended to 1 September 2010 subject to meeting certain conditions. Should the Trust be unable to secure an extension of this facility, it is possible that Key National Association may exercise its security, resulting in a possible loss of value for the Trust.

Impact of asset revaluations

The Responsible Entity ("RE") has undertaken an analysis of the impact of the asset revaluations on:

- all senior debt at the property level;
- the Credit Suisse warehouse facility to Rubicon Finance America LLC (RFA);
- the US$169 million (A$244.5 million) of senior notes issued by Rubicon US REIT, Inc (the REIT notes)- the current outstanding balance of the notes is US$99.4 million (A$143.8 million); and
- the US$100 million (A$144.7 million) unsecured subordinated notes issued by Rubicon Finance America II, LLC (RFA II) (the RFA II notes).

A summary of the impact is set out below:

Debt	**Impact of asset revaluations**
Senior debt at the property level	No impact
RFA - CRE warehouse facility	Breach of financial covenants (details below) (1)
REIT notes	Not applicable as facility is being restructured (2)
RFA II notes	Not applicable as facility is being restructured (3)

(1) As announced on 2 January 2009, the CRE warehouse facility is in default and the lender, Credit Suisse, has issued a letter reserving its rights to act on the event of default. No acceleration of the facility has occurred to date. On 12 February 2009, CS issued an irrevocable Instruction Letter and Amendment which imposes lock up on all net cash flow subject to limited exceptions detailed above.

Review of operations (continued)

(2) As announced on 1 December 2008, the Trust has reached a term sheet agreement (subject to formal documentation) to restructure its US REIT note facility. The US REIT notes were paid down by approximately US$69.6 million (A$100.7 million) from the net proceeds of the GSA I sale. It is proposed that the revised financial covenants in this facility are to apply from 31 March 2009.

(3) As announced on 29 January 2009,1 December 2008, 29 August 2008 and 8 August 2008, the RFA II note facility is currently being renegotiated. It is proposed that there will be no financial covenants in the amended facility.

The impact on the financial covenants(1) of the asset revaluations on liquidation basis is set out below. This information was foreshadowed in an announcement made by the Trust on 29 January 2009, with the ratios based on estimated 31 December 2008 earnings for the Trust, as opposed to actual earnings as set out in the table below:

Covenant	**Hurdle**	**31 December 2008 (actual) (2)**	**Estimated as at 31 December 2008(2)**	**Affected Borrower**	**Breach**
Adjusted Tangible Net Worth (ATNW) to CS Debt	> 2.25:1	(1.16:1)(3)	1.40:1	RFA	Yes
Indebtedness to ATNW	<= 6.5	(7.46:1) (3)	6.20	RFA	No

(1) The US REIT and RFA II are currently in default of the financial covenants under their respective note facilities. However, the Trust has entered into a term sheet agreement with US REIT noteholders to restructure its note facility and on execution of formal documentation amended financial covenants will apply from 31 March 2009. Under ongoing negotiations between RFA II and its noteholders to restructure the RFA II note facility it is proposed that there will be no financial covenants in the RFA II note facility hence financial covenants for this facility are also not shown in this table.

(2) The ratios moved due to changes required to present the financial statements on a liquidation basis (as compared with a going conern basis) including additional write downs on property valuations on a liquidation basis of US$78.3 million (A$113.3 million), liquidation valuation adjustment on CRE loans of US$162.2 million (A$166.7 million) and write off of capitalised borrowing costs of US$10.1 million (A$14.6 million).

(3) The calculation of ATNW does not include subordinated debt as the net assets are negative.

Under Australian Accounting Standards, where there has been a breach of debt covenants, the relevant debt must be disclosed as a current liability in the balance sheet.

The current status of discussions with the note holders under the RFA II and US REIT note issues and the outcome of the restructuring of the CS loan warehouse facility (to Rubicon Finance America) have been set out above.

- **Leasing update**

Throughout 2008, the RAT portfolio maintained an occupancy level of over 98%, with approximately 83% of the income generated by tenants representing US Federal, State and Local Governmental agencies. Approximately 70% of the total income was generated by US Federal Government tenants.

During the 12 months ending 31 December 2008, 29 lease transactions encompassing 400,608 Square Feet ("SF") have been executed. This leasing activity is broken down as follows:

	Area (sf)	**Number of leases**
New	63,268	8
Expansion	45,648	5
Renewal	291,692	16
Total	400,608	29

Of the total leasing activity, approximately 299,609 SF (7 transactions) were transacted within the GSA I portfolio. As noted above, the 14-asset, 3.1M SF GSA I portfolio was sold by RAT to Urban America in December 2008.

The GSA II portfolio continues to be 100% occupied with no scheduled lease expirations before 15 January 2011. Thus, no new leasing activity was required on the GSA II assets.

Review of operations (continued)

Key lease expirations

For the 12 months of 2009, leases representing approximately 5.8% of the total rental income for RAT are scheduled to expire. These expirations represent 22 leases totaling approximately 246,772 SF or 7.36% of RAT's total square footage.

	Area (sf) Expiring	Number of leases	% of Total Revenue	% of Total Area
GSA II	2,330	2	.05%	.07%
RubiconPark I	198,008	13	4.52%	5.9%
RubiconPark II	14,258	3	.37%	.43%
RubiconMadden	32,176	4	.85%	.96%
Total	246,772	22	5.79%	7.36%

The Trust is actively working towards the re-leasing of this space.

• Asset sales

Real estate. In respect of the real estate portfolio, the following sales / conditional sales were announced during the period:

- On 15 April 2008, the Trust announced that it had sold the property, One Riverview, Miami, for US$49.6 million (A$71.7 million), which was approximately US$2.7 million (A$3.9 million) above the Trust's valuation
- On 10 December 2008, the Trust announced that it had sold the GSA I portfolio for US$485 million (A$701.6 million)

Since 31 December 2008:

On 2 January 2009, the Trust announced that it had entered into a conditional purchase and sale agreement (PSA) with Kaufman & Jacobs, LLC to sell four of the GSA II real estate properties (Robert Duncan Plaza, Richmond, Baltimore, and Beacon Station) covering 0.68 million square feet for US$175.0 million (A$253.1 million). The sale is conditional upon the completion of due diligence and the assumption of the mortgage debt. The sale price is approximately US$26.9 million (A$38.9 million) lower than the revaluation of the assets as at 30 June 2008.

CRE loans. In respect of the CRE loan portfolio, the following loans were repaid or sold during the period:

Date	CRE Loan	Sale / repayment	Loan amount $'million	Value of sale / repayment $'million	Discount to par value %
29 January 2008	MLM Montpelier	Sale	US$3.0 (A$4.4)	US$2.8 (A$4.1)	6
12 March 2008	Landmark	Sale	US$13.3 (A$19.2)	US$10.5 (A$15.1)	21
4 April 2008	Seaford Holdings	Sale	US$1.0 (A$1.5)	US$0.9 (A$1.4)	6
7 May 2008	West Erie	Sale	US$0.5 (A$0.7)	US$0.4 (A$0.7)	11
27 May 2008	Riverview	Sale	US$1.4 (A$2.0)	US$1.0 (A$1.6)	21
12 June 2008	Anaheim Magure	Sale	US$6.6 (A$9.5)	US$2.9 (A$4.3)	55
1 July 2008	Cerritos	Sale	US$1.5 (A$2.2)	US$1.3 (A$1.9)	15
1 July 2008	Sun Villlage	Sale	US$1.5 (A$2.1)	US$1.4 (A$2.0)	3
18 July 2008	Albuquerque	Repayment	US$18.4 (A$26.6)	US$18.3 (A$26.5)	-
6 August 2008	222 Kearny Street	Sale	US$36.2 (A$52.4)	US$27.7 (A$40.0)	24

Review of operations (continued)

Date	CRE Loan	Sale / repayment	Loan amount $ 'million	Value of sale / repayment $'million	Discount to par value %
7 August 2008	West Adams	Sale	US$6.5 (A$9.4)	US$5.6 (A$8.0)	15
12 August 2008	Mission Falls	Sale	US$14.9 (A$21.6)	US$9.3 (A$13.4)	38
23 August 2008	Westlake	Repayment	US$0.7 (A$1.0)	US$0.7 (A$1.0)	-
20 February 2009	RCG Ventures	Sale	US$6.0 (A$8.7)	US$2.4 (A$3.5)	60

• Hedging

Consistent with the announcement made on 29 February 2008, on 10 March 2008, the Trust announced that it had completed the unwinding of its foreign currency hedges, generating cash flow of approximately A$34.6 million (pre tax).

i) Current strategy

As a result of the current significant issues facing the Trust as set out in this report, and in the context of the continuing volatility in the global credit and real estate markets, the current strategy of the Trust has been, and continues to be, to where-ever possible divest the assets of the Trust in such a way as to optimise the outcome for all stakeholders. For certain assets, a "pressured" sale approach towards the sale of the assets has been taken due to continued direct pressure by lenders for early sale of the assets and repayment of the debt.

ii) Ongoing risks

Ongoing risks to the Trust's future performance include:

- **Lenders enforcing their rights in respect of debt facilities which are currently in breach of certain terms**

On 12 February 2009, CS issued an Irrevocable Instruction Letter and Amendment which imposes a cash lock up on all interest receipts subject to limited exceptions. The Loan Servicer is required to apply all collections and amounts received on account of the Repurchased Loans in the following order:

- first, to the Loan Servicer in payment of its fees pursuant to the Servicing Agreement;
- second, to the Seller (RFA) in an amount not exceeding US$100,000 (A$144,655) per month in order for any Purchased Asset and any senior tranches thereto to remain performing;
- third, to the Seller (RFA) in an amount equal to US$50,000 (A$72,327) per month); and
- fourth, to the remainder to the Buyer (Credit Suisse).

The CS facility matures in December 2009. The sale process of the RFA mezzanine loans assets is continuing and the debt facility is being reduced by the net sale receipts. There is a risk that sales will not be sufficient to repay the facility by the maturity date. CS has an unsecured financial guarantee provided by RAT. There is a risk of CS enforcing this guarantee and RAT not having the funds to pay the debt in full.

The US REIT is in breach of its financial covenants under its note facility. The noteholders have not enforced their rights and RAT has a term sheet agreement with the noteholders to restructure the facility, subject to formal documentation. The noteholders have the benefit of an unsecured financial guarantee provided by RAT.

RFA II facility is in breach of its financial covenants under the US$100m (A$144.7 million) note facility. The noteholders have not enforced their rights and RAT is in discussions with the noteholders to restructure the facility. The noteholders have an unsecured financial guarantee provided by RAT.

• Failure of asset sale program to generate sufficient net proceeds to meet debt repayment requirements as they fall due

The current volatility in the global real estate markets is causing continued pressure on asset values due not only to the lower availability of finance, but also a reduced number of buyers of real estate and CRE loan assets. The lack of buyers and sustained pressure on asset values may result in the amount and timing of receipt of net proceeds of any asset sales not meeting the Trust's current expectations and creating additional financial pressure on the Trust. Also, asset sales may not be completed according to the refinancing timetable of the Trust.

The table below sets out the debt that will fall due in the 12 months from the date of this report. There is an ongoing risk that asset sales can not be completed in such a way as to meet these debt repayments as and when they fall due:

ii) Ongoing risks (continued)

Borrowing Entity	Rubicon Finance America LLC	Rubicon Finance America II LLC	Rubicon US REIT Inc	Rubicon GSA II	Rubicon Overtown II LLC
Lender	Column Financial Inc. (CRE loan warehouse facility)	The Bank of New York Trust Company as trustee for the noteholders (RFA II notes)`	Wilmington Trust as trustee for the note holders (US REIT notes)	Key National Association	Artesia Mortgage Capital Corporation
Facility	US$350.0 million (A$506.3 million) Master Repurchase Agreement to finance CRE Loan	US$100.0 million (A$144.7 million) unsecured subordinated note facility	US$169.0 million (A$244.5 million) unsecured note facility	US$12.6 million (A$18.2 million) secured facility (secured over real estate at 1300 Summit St Kansas City)	US$67.5 million (A$97.6 million) construction facility
Outstanding amount	US$81.8million (A$118.3million)	US$100.0 million (A$144.7 million)	US$99.4 million (A$143.8 million)	US $10.9 million (A$15.8 million)	US$25.7 million (A$37.2 million)
Repayment due	US$81.8 million (A$118.8 million)	Nil, subject to the terms of the amended facility being agreed [(1)]	Nil, subject to the terms of the amended facility being agreed [(1)]	US$10.9 million (A$15.8 million) unless the facility is extended	US $25.7 million (A$37.2 million)
Maturity date	31 Dec 2009	31 Aug 2011[(1)] (for the proposed amended facility)	31 Aug 2010 (extendable to 31 Aug 2011 such extension is subject to certain conditions being met. There is no certainty that the conditions will be met)[(1)]	1 Sep 2009	1 Jun 2009

[(1)] Reflects the items that are being negotiated but are not yet final with the RFA II and USREIT noteholders.

There is a risk there that the sale prices obtained from the sale of assets may not be sufficient to pay the debts in full.

• Net Tangible Asset (NTA) erosion

Asset sales at prices lower than current carrying values will cause further erosion in the NTA of the Trust. There is a significant risk in the current environment that this will occur in order to meet the debt repayment schedule. This would result in additional negative NTA for the Trust.

• Treatment of taxable income

At 31 December 2008, the Trust had an estimated income tax liability of A$11.1 million. Subsequently, however, during March 2009, the Trust applied for a private tax ruling in respect of a request to claim certain capital losses as offsets against the taxable income generated by the foreign exchange profits. If this request is upheld, the tax liability will be nil. If the request is denied, the Trust will have an estimated tax liability of A$11.1 million. Given the nature of the Trust's structure, it is possible that the Trust may continue to

ii) Ongoing risks (continued)

generate taxable income in the future which the Trust may not be in a position to pass onto to unitholders in the form of a distribution. In addition, if the Trust becomes liable for the tax liability, there is a risk that future circumstances may be such that the Trust can not meet these tax liabilities as and when they fall due. As stated above, as announced on 12 December 2008, the Trust is carrying out the necessary cashflow analysis to determine how the tax liability can be met, including from the proceeds of asset sales. In addition, the Trust has agreed with the USREIT Noteholders to create a reserve to try to ensure that a sufficient amount is reserved to meet the 2008 year tax liability; however the reserve can only be used to pay the tax liability if a majority of the Noteholders approve.

• Valuation of real estate and CRE loans

The global market for many types of real estate and CRE loans has been severely affected by the recent volatility in global financial markets. The lower levels of liquidity and volatility in the banking sector have translated into a general weakening of market sentiment towards real estate and the number of real estate and CRE loan transactions has significantly reduced.

The directors have assessed an overall liquidation valuation of the Trusts real estate portfolio following consultation with independent valuers regarding what they believed a liquidation value would be. This basis has been predicated upon a scenario where there is an accelerated or "pressured" sale of the real estate assets due to continued direct pressure by lenders for early sale of the assets and repayment of the debt.

The directors have assessed an overall liquidation valuation of the Trust's CRE loan portfolio taking into account:

- CRE loans disposed after the balance sheet date-agreed sales price less estimated costs to sell;
- CRE loans for which sales contracts have been signed, however the contracts are conditional, and subject to the due diligence valued using the director's best estimate of the likely ultimate sales price less estimated costs to sell; and
- All other CRE loans have been stated at the directors' best estimate of the future cash proceeds to be received from either disposal or repayment of the loans.

The current lack of comparable market evidence relating to pricing assumptions and market drivers means that there is less certainty in regard to valuations and the assumptions applied to valuation inputs. The period of time needed to negotiate a sale in this environment may also be significantly prolonged.

The directors' valuation of the Trust's real estate portfolio following consultation with independent valuers, and the CRE loan portfolio has been adjusted to reflect market conditions at the end of the reporting period. While this represents the best estimate of liquidation value as at the balance sheet date, the current market uncertainty means that if investment properties or CRE loans are sold in the future the price achieved may be higher or lower than the liquidation value recorded in the financial statements. In addition, the basis of the valuation may be required to be changed. For example, a different result may be achieved if, due to future events, the Trust was required to present liquidation valuations based upon the wind up of the Trust in an orderly market with assets sold on an orderly basis, or the seizure of the assets by the lenders to the Trust resulting in a potentially forced sale of the assets under the control of the relevant lenders (in this circumstance RAML has no control over the approach to sale adopted by the banks).

Accordingly, the Trust may incur an additional loss on sale due to not being able to achieve the values recognised in the financial statements.

• Foreign exchange risk

With the full settlement of the Trust's foreign exchange hedges, the Trust is now exposed to foreign exchange movements in the A$/US$ rate. The value of the A$ has been subject to significant fluctuations with respect to the US$ in the past and may be subject to significant fluctuations in the future.

• Rubicon America Trust's relationship with Allco Finance Group Limited

The RE and Manager of Rubicon America Trust is RAM, a wholly owned subsidiary of Rubicon Holdings (Aust) Limited (Receivers and Managers appointed) ("RHAL"). The ultimate parent of RHAL is Allco.

The Trust receives the benefit and is reliant upon, a number of management, administration and other services from RAML, RHAL and Rubicon Advisory LLC, entities related to Allco. RAML and its related entities also assist with the arrangement of financing for the Trust and its underlying property and loan structures and provide proposals to the Trust in relation to potential assets sales.

On 4 November 2008, Allco announced that voluntary administrators and receivers and managers had been appointed to Allco and certain of its subsidiaries. Subsequently, on 7 November 2008, the directors of RHAL determined that RHAL was no longer able to continue trading as a going concern and invited National Australia Bank (NAB) (as the secured lender to RHAL) to appoint a receiver to RHAL's assets ("the Receiver"). A change in the ownership of RAML would constitute a change of control event in respect of the US$169 million (A$244.5 million) USREIT notes. Unless this change of ownership is approved by a majority of the noteholders, it could lead to an event of default under that facility, which in turn, if it results in acceleration of the notes, could lead to an event of

ii) Ongoing risks (continued)

default under each of the Credit Suisse warehouse debt facility and the US$100 million (A$144.7 million) RFA II notes. In turn this would allow each of the three groups of lenders to enforce the guarantees given by the Trust.

Following the acquisition of RHAL by Allco on 19 December 2007, the executive directors and all Sydney based senior executives who provide services to RAML became employees of Allco. Following the appointment of voluntary administrators and receivers and managers to Allco, all Sydney based senior executives who provide services to RAML were employed by RHAL, with the exception of RAML's executive directors who were employed by RAML. Executives based in Chicago who provide services to RAML are employed by entities domiciled in their respective jurisdictions.

While the receivership of Allco and RHAL has no immediate impact on the Trust, this situation may not be a sustainable platform for the future management of the Trust.

- **RAML being removed as RE**

RHAL obtained an Investment Management Insurance package (IMI policy) on behalf of its subsidiaries (including RAML, which is required to have professional indemnity (PI) and crime/fraud cover in place as part of its Australian Finance Services Licence (AFSL) requirements). As a result of the appointment of the Receivers and Managers to RHAL, however, RAML was informed that the entire IMI policy entered into run-off mode (meaning that the policy would only cover RAML for certain acts, and only in respect of the period prior to the date the Receivers and Managers were appointed (being 7 November 2008) until expiry of the policy on 1 May 2009. RAML informed the Australian Securities and Investments Commission ("ASIC") of this potential breach of its AFSL and has been actively seeking replacement cover via its insurance broker. As a result of this process, no replacement cover has been found to date and it is now unlikely that replacement cover will be forthcoming.

On 17 February 2009, RAML received a letter from ASIC stating that ASIC would be reviewing RAML's application for a no-action letter (in respect of the AFSL licence breach). ASIC also advised that, since Section 912A(1)(b) of the Corporation Act 2001 states that an AFSL holder must comply with the conditions of its licence, including the maintenance of an insurance policy covering PI and fraud, it is also considering commencing action to suspend or cancel RAML's licence. To assist ASIC with its decisions, RAML has advised ASIC generally of the possible effects on the members of the registered schemes for which RAML acts as responsible entity were ASIC to cancel or suspend RAML's licence.

If ASIC suspends or cancels RAML's AFSL, RAML will no longer be in compliance with its obligations under section 601 of the Corporations Act. At this time this risk is unquantifiable due to uncertainty on ASIC's potential actions, and while timing is uncertain, it is expected that this process will take some time to complete. However, the possible consequences include the appointment of a liquidator to wind up the Trust if a replacement for RAML as RE cannot be found and lenders to the Trust taking steps to accelerate their debt and taking enforcement action.

Results

	Consolidated		**Parent**	
	31 Dec 2008 $'000	31 Dec 2007 $'000	**31 Dec 2008 $'000**	31 Dec 2007 $'000
Net Property income	**86,103**	93,277	**-**	-
Share of net (loss)/ profit in associates	**(57,399)**	14,124	**-**	-
Commercial real estate interest income	**23,164**	27,407	**-**	-
Net (loss)/ profit attributable to the Unitholders	**(586,862)**	50,149	**(598,792)**	135,596
Distribution paid and payable	**-**	45,781	**-**	45,781
Distributions to minority interest holders (12.5%)	**20**	17	**-**	-
Distributions (cents per unit)	**-**	11.38	**-**	11.38

Liquidation value of property investments

The directors have assessed an overall liquidation valuation of the Trust's real estate portfolio following consultation with independent valuers regarding what they believed a liquidation value would be. This basis has been predicated upon a scenario where there is an accelerated or "pressured" sale of the real estate assets due to continued direct pressure by the banks for early sale of the assets and repayment of the Trust's debt.

	Carrying value pre – revaluations *	Carrying value post – revaluations	Carrying value pre – revaluations *	Carrying value post – revaluations
	USD	USD	AUD	AUD
	$'000	$'000	$'000	$'000
Consolidated	527,973	421,503	763,739	609,724
Associates	155,311	107,561	224,665	155,592

*This amount is not the cost of the property. It is the carrying value immediately prior to the 31 December 2008 revaluation.

Liquidation value of commercial real estate loans

The Trust's accounting policy for the CRE loan portfolio is to provide a liquidation valuation, predicated upon a scenario where there is an accelerated or "pressured" sale of the CRE loan assets due to continued direct pressure by the banks for early sale of the assets and repayment of the Trust's debt.

As at 31 December 2008, this resulted in a valuation of approximately US$61.6 million (A$89.1 million).

Units on issue

The movement in units on issue during the half-year is set out below:

	Consolidated		Parent	
	31 Dec 2008 Units	31 Dec 2007 Units	31 Dec 2008 Units	31 Dec 2007 Units
Value of units on issue				
Opening balance	403,278,467	394.553,283	403,278,467	394.553,283
Units issued under dividend reinvestment plan	-	11,120,396	-	11,120,396
Shares bought back on market and cancelled	-	(2,395,212)	-	(2,395,212)
Closing balance	403,278,467	403,278,467	403,278,467	403,278,467

Information on the current directors

Gordon Edward Christopher Fell/ Executive Chairman

Gordon is the Executive Chairman of RAML. Previously, he was an executive director and Executive Chairman – Real Estate at Allco Finance Group Limited (ASX: AFG). Prior to founding the Rubicon Group, he was the Joint Chief Executive of Ord Minnett, an independent Australian investment bank which was acquired in 2000 by Chase Manhattan (now JP Morgan). Prior to that, he was Head of Corporate Finance at Ord Minnett. Before joining Ord Minnett he was a Director of Schroders Australia Corporate Finance and a management consultant with McKinsey & Company. Gordon holds a Bachelor of Science (Honours) and Bachelor of Laws (Honours) from the University of Sydney. He received a Doctor of Philosophy from Oxford University, where he was a Rhodes Scholar. He is a Trustee of Sydney Grammar School and a former Chairman of Opera Australia and director of The Smith Family.

Matthew Raymond Cooper / Executive Director

Matthew is the COO of RAML. Matthew has over 19 years experience in investment banking, asset management and accounting. Previously he was the COO – Real Estate at Allco Finance Group Limited (ASX: AFG) and a director within the investment banking team of Ord Minnett. Prior to that, he was with UBS Warburg Corporate Finance, spending six years with the Bank. Matthew holds a Bachelor of Commerce from Victoria University (New Zealand). He received a Master of Applied Finance from Macquarie University and is a Chartered Accountant (New Zealand).

Information on the current directors (continued)

David John Simpson / Non - Executive Director

David has over 20 years experience as a corporate lawyer, specialising in large scale mergers and acquisitions, both public and private, and international offerings of debt and equity securities. He was a partner in Freshfields Bruckhaus Deringer (Freshfields), one of the world's largest law firms and before that a partner in one of Australia's leading law firms, Allen Allen & Hemsley (now Allens Arthur Robinson) (Allens). From 1991 to 2004 he was based in Asia as a corporate lawyer in Indonesia from 1991 to 1997 and Singapore from 1997 to 2004. He was the managing partner of both the Allens and the Freshfields offices in Singapore and has worked on some of the largest transactions in South Asia. David holds a Bachelor of Economics and Bachelor of Laws (Honours) from the University of Sydney and a Master of Laws from Cambridge University.

Directors' interests in units

The directors of the RE (and their director related entities) did not hold any units in RAT as at the balance date. The number of units in the Trust held by RAML, its affiliates and other schemes managed by RAML are set out below:

31 December 2008

Unitholder	Number of units held	Interest held %	Number of units acquired	Number of units disposed	Distributions paid/payable by the Trust $'000
Rubicon Strategic Trust	**-**	**-**	**-**	**(46,056,227)**	**-**

31 December 2007

Unitholder	Number of units held	Interest held %	Number of units acquired	Number of units disposed	Distributions paid/payable by the Trust $'000
Rubicon M&A Fund	-	-	-	(4,184,257)	119
Rubicon Special Events Master Fund	-	-	-	(4,242,018)	121
Rubicon Strategic Trust	46,056,227	11.42%	46,056,227	-	3,931

Meetings of Directors

The number of directors' meetings (including meetings of Board appointed committees) and the number of meetings attended by each of the directors of the RE during the year were:

	Full meeting of directors		**Audit, Risk, Management & Compliance Committee**		**Related Party Committee Meetings**	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Gordon Edward Christopher Fell	6	6	-	-	-	-
Matthew Raymond Cooper	6	6	6	6	-	-
David John Simpson	6	6	6	6	-	-
Raymond John Kellerman (resigned 7 November 2008)	5	5	5	5	-	-
Peter Anthony Barnes (resigned 29 December 2008)	6	6	6	6	-	-

Significant changes in the state of affairs

Details of significant changes to the state of affairs of the Trust are set out in the 'Review of Operations' above.

Matters subsequent to the end of the financial period

Matters subsequent to the end of the financial period have been set out in the sections titled 'review of operations'.

Other than the matters noted above, in the opinion of the directors, no other matter or circumstance has arisen since 31 December 2008 and to the date of this report that has significantly or may significantly affect:

(i) the operations of the Trust in future;
(ii) the results of those operations in future; and
(iii) the state of affairs of the Trust in future financial periods.

Likely developments and expected results of operations

Additional information as to the likely developments in operations and the expected result of these operations has not been included because the directors believe it is likely to result in unreasonable prejudice to the Trust.

Indemnification and insurance of officers and auditors

During the financial year ended 31 December 2008, the RE paid insurance premiums in relation to an investment manager's insurance policy providing insurance cover to both the Trust and the officers of the RE. The Trust reimburses the RE a proportion of the premium based on the benefit it receives under the policy. So long as the officers of the RE act in accordance with the Trust Constitution and the Corporations Act 2001, the officers remain indemnified by the RE which in turn is indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust. The auditor of the Trust is in no way indemnified out of the assets of the Trust.

RHAL obtained an Investment Management Insurance package (IMI policy) on behalf of its subsidiaries (including RAML, which is required to have professional indemnity (PI) and crime/fraud cover in place as part of its Australian Finance Services Licence (AFSL) requirements). As a result of the appointment of the Receivers and Managers to RHAL, however, RAML was informed that the entire IMI policy entered into run-off mode (meaning that the policy would only cover RAML for certain acts, and only in respect of the period prior to the date the Receivers and Managers were appointed (being 7 November 2008) until expiry of the policy on 1 May 2009. RAML informed ASIC of this potential breach of its ASFL and has been actively seeking replacement cover via its insurance broker. As a result of this process, no replacement cover has been found to date and it is now unlikely that replacement cover will be forthcoming.

On 17 February 2009, RAML received a letter from ASIC stating that ASIC would be reviewing RAML's application for a no-action letter (in respect of the AFSL licence breach). ASIC also advised that, since Section 912A(1)(b) of the Corporation Act 2001 states that an AFSL holder must comply with the conditions of its licence, including the maintenance of an insurance policy covering PI and fraud, it is also considering commencing action to suspend or cancel RAML's licence. To assist ASIC with its decisions, RAML has advised ASIC generally of the possible effects on the members of the registered schemes which RAML acts as responsible entity were ASIC to cancel or suspend RAML's licence. While timing is uncertain, it is expected that this process will take some time to complete.

Fees paid to and interests held in the Trust by the RE or its associates

Fees paid to the RE and its associates out of Trust property during the financial year are disclosed in Notes 4 and 27 of the financial statements.

No fees were paid out of Trust property to the directors of the RE during the financial year.

The interests in the Trust held by the RE or its associates as at the end of the financial year are disclosed in Note 27 of the financial statements.

Environmental regulation

To the best of the directors' knowledge, the operations of the Trust have been undertaken in compliance with the applicable environmental regulations in each jurisdiction where the Trust operates.

Auditor's independence

The RE of the Trust may decide to employ the auditor on assignments additional to the statutory audit duties where the auditor's expertise and experience with the Trust are important.

Details of the amounts paid to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the financial year are disclosed in note 7 to the financial statements.

No current officers have been partners of PricewaterhouseCoopers at a time when that firm was the auditor of the Trust.

The Board of Directors of the RE has considered the position and, in accordance with the advice received from the Audit, Risk Management and Compliance Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out in note 7 to the financial statement, did not compromise the auditor independence requirements of the Corporation Act 2001 for the following reasons:

(i) all non-audit services have been reviewed by the Audit, Risk Management & Compliance Committee to ensure that they do not impact the integrity and objectivity of the auditors; and

(ii) none of the services undermine the general principles relating to auditor independence as set out in APES 110, Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision making capacity for the Trust, acting as advocate for the Trust or jointly sharing economic risk and rewards.

Auditor's independence declaration

The Trust's auditor has provided a written declaration under section 307C of the Corporations Act 2001 that to the best of his knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
(ii) the applicable Australian code of professional conduct in relation to the audit.

The declaration is provided on page 16 and forms part of this Director's Report.

Rounding of amounts to the nearest thousand dollars

The Trust is a registered scheme of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission relating to 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Signed in accordance with a resolution of the directors:
Gordon Edward Christopher Fell

Chairman

Gordon Fell

Rubicon Asset Management Limited
Sydney 20 March 2009.

PRICEWATERHOUSECOOPERS

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Auditor's Independence Declaration

As lead auditor for the review of Rubicon America Trust for the year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Rubicon America Trust and the entities it controlled during the period.

Victor Clarke
Partner
PricewaterhouseCoopers

Sydney
20 March 2009

RUBICON AMERICA TRUST
INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	Consolidated 31 Dec 2008 $'000	Consolidated 31 Dec 2007 $'000	Parent 31 Dec 2008 $'000	Parent 31 Dec 2007 $'000
Property income					
Property rental income		**131,290**	138,452	**-**	-
Property expenses		**(45,187)**	(45,175)	**-**	-
Net property income		**86,103**	93,277	**-**	-
Commercial real estate interest income		**23,164**	27,407	**-**	**-**
Other income					
Net gain on remeasurement of derivatives to fair value		**227**	16,952	**1,592**	18,330
Distributions from related parties		**-**	-	**33,404**	111,179
Other operating income		**-**	1,092	**-**	-
Total other income		**227**	18,044	**34,996**	129,509
Total net income		**109,494**	138,728	**34,996**	129,509
Expenses					
Manager's fee	4	**(6,882)**	(6,761)	**(1,425)**	(1,353)
Liquidation value adjustments - loans to controlled entities		**-**	-	**(90,561)**	-
Provision for impairment on commercial real estate loans		**-**	(4,414)	-	-
Loss on sale of CRE loans		**(25,055)**	-	**-**	-
Liquidation value adjustments - CRE loans		**(192,549)**	-	**-**	-
Loss on sale of property investments		**(52,807)**	-	**-**	-
Liquidation value adjustments - property investments		**(266,085)**	**-**	**-**	-
Fair value adjustments - property investments		**-**	51,563	**-**	-
Rubicon Finance America acquisition costs		**-**	(15,304)	**-**	-
Liquidation value adjustments - investment in controlled entities		-	-	**(470,781)**	-
Fair value adjustments - investment in controlled entities		**-**	**-**	**-**	50,558
Loss on recognition of parent entity guarantee of controlled entities' liabilities		**-**	**-**	**(99,065)**	**-**
Other operating expenses	5	**(4,278)**	(3,346)	**(1,895)**	(2,177)
Liquidation expenses	6	**(156)**	-	**(140)**	
Total expenses		**(547,812)**	21,738	**(663,867)**	47,028
Operating (loss) / profit before financing costs		**(438,318)**	160,466	**(628,871)**	176,537
Interest income		**813**	1,521	**4,417**	3,402
Finance costs		**(99,413)**	(91,532)	**(1,025)**	(1,172)
Amortisation / Write off of capitalised borrowing costs and acquisition costs		**(10,660)**	(9,024)	**-**	(9,024)
Net finance costs		**(109,260)**	(99,035)	**3,392**	(6,794)
Share in net (losses) / profits of associates accounted for using the equity method	28(c)	**(57,399)**	14,124	-	-
Net (loss) / profit before tax		**(604,977)**	75,555	**(625,479)**	169,743
Income tax benefit	8	**18,115**	25,406	**26,687**	30,147
Net (loss) / profit for the year		**(586,862)**	50,149	**(598,792)**	139,596
Net (loss) / profit attributable to unitholders		**(586,862)**	50,149	**(598,792)**	139,596
Net (loss) / profit attributable to minority interest		**(20)**	-	-	-
		(586,882)	50,149	**(598,792)**	139,596

	Notes	Cents per unit			
(Loss) / Earnings per unit to unitholders:	9				
Basic (loss) / earnings per unit		**(145.53)**	12.45	**(148.48)**	34.65
Diluted (loss) / earnings per unit		**(145.53)**	12.45	**(148.48)**	34.65

The above income statements are to be read in conjunction with the accompanying notes.

RUBICON AMERICA TRUST
BALANCE SHEETS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	Consolidated 31 Dec 2008 $'000	Consolidated 31 Dec 2007 $'000	Parent 31 Dec 2008 $'000	Parent 31 Dec 2007 $'000
Assets					
Current assets					
Cash and cash equivalents	24	**19,770**	10,834	**12,010**	3,130
Cash and cash equivalents - restricted cash	25	**135,685**	32,175	**-**	2,116
Receivables	10	**25,889**	22,971	**2,091**	47,948
Derivative financial instruments		**-**	36,828	**-**	36,828
Commercial real estate loans	11	**89,091**	13,733	**-**	-
Property investments	12	**609,724**	53,723	**-**	-
Property under construction	13	**31,101**	13,165	**-**	-
Investments accounted for using the equity method	15	**8,469**	-	-	-
Investments in controlled entities	14	**-**	-	**43,144**	-
Other assets		**2,051**	-	**-**	-
Total current assets		**921,780**	183,429	**57,245**	90,022
Non-current assets					
Commercial real estate loans	11	**-**	333,591	**-**	-
Property investments	12	**-**	1,281,350	**-**	-
Investments in controlled entities	14	**-**	-	**-**	513,473
Investments accounted for using the equity method	15	-	55,454	**-**	-
Other		**-**	235	-	-
Total non-current assets		**-**	1,670,630	**-**	513,473
Total assets		**921,780**	1,854,059	**57,245**	603,495
Liabilities					
Current liabilities					
Payables	16	**14,929**	18,612	**462**	610
Derivative financial instruments		**902**	3,188	**902**	1,791
Provisions	18	**156**	-	**140**	-
Borrowings	17	**1,029,315**	281,292	**-**	-
Parent entity guarantee of controlled entities' liabilities	2 (vi)	**-**	-	**99,065**	-
Distribution payable	19	**-**	11,481	**-**	11,473
Income tax liabilities	20	**15,596**	-	**14,583**	-
Deferred tax liabilities	20	**3,656**	-	**3,656**	-
Total current liabilities		**1,064,554**	314,573	**118,808**	13,874
Non-current liabilities					
Borrowings	17	**-**	1,114,666	**-**	-
Deferred tax liabilities	20	**-**	42,198		52,373
Total non-current liabilities		**-**	1,156,864	**-**	52,373
Total liabilities		**1,064,554**	1,471,437	**118,808**	66,247
Net assets		**(142,774)**	382,622	**(61,563)**	537,248
Equity					
Contributed equity	21	**401,448**	401,467	**401,731**	401,750
Reserve	22(a)	**(22,021)**	(83,526)	**-**	-
(Carried forward loss) / undistributed income	23	**(522,363)**	64,519	**(463,294)**	135,498
Total parent equity interest		**(142,936)**	382,460	**(61,563)**	537,248
Minority interest		**162**	162	**-**	-
Total equity		**(142,774)**	382,622	**(61,563)**	537,248

The above balance sheets are to be read in conjunction with the accompanying notes.

RUBICON AMERICA TRUST
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	Consolidated		Parent	
		31 Dec 2008 $'000	31 Dec 2007 $'000	**31 Dec 2008 $'000**	31 Dec 2007 $'000
Total equity at the beginning of the year		**382,622**	438,557	**537,248**	434,545
Deconsolidation adjustment - minority interest		**-**	(24,183)	**-**	-
Total equity at the beginning of the year net of minority interest		**382,622**	414,374	**537,248**	434,545
Exchange differences on translation of foreign operations		**61,505**	(44,753)	**-**	-
Net income recognised directly in equity		**61,505**	(44,753)	**-**	-
(Loss) / profit for the year		**(586,882)**	50,149	**(598,792)**	139,596
Total recognised income and expense for the year		**(586,882)**	5,396	**(598,792)**	139,596
Transactions with unitholders in their capacity as unitholders:					
Contributions of equity, net of transaction costs and buy-back of units	21(a)	**(19)**	8,650	**(19)**	8,888
Distributions provided for or paid	19	**-**	(45,781)	**-**	(45,781)
Total transactions with unitholders		**(19)**	(37,131)	**(19)**	(36,893)
Transactions with minority interest:					
Distributions provided for or paid	19	**-**	(17)	**-**	-
Total transactions with minority interest for the year		**-**	(17)	**-**	**-**
Total equity at the end of the year		**(142,774)**	382,622	**(61,563)**	537,248
Total recognised (expense) and income for the financial year is attributable to:					
Unitholders of the Trust		**(586,862)**	50,149	**(598,792)**	139,596
Minority interest		**(20)**	**-**	**-**	-
Total (expense) and income		**(586,882)**	50,149	**(598,792)**	139,596

The above statements of changes in equity are to be read in conjunction with the accompanying notes.

RUBICON AMERICA TRUST
CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	**Consolidated**		**Parent**	
		31 Dec 2008	31 Dec 2007	**31 Dec 2008**	31 Dec 2007
		$'000	$'000	**$'000**	$'000
Cash flows from operating activities					
Property rental income received		**131,681**	139,936	**-**	-
Property expenses paid		**(47,053)**	(54,151)	**-**	-
Managers fees paid		**(7,049)**	(6,218)	**(1,425)**	(1,437)
Other operating expenses paid		**(4,901)**	148	**(1,763)**	(2,943)
Commercial real estate loan interest income received		**27,466**	26,906	**-**	-
Interest income received		**813**	1,521	**4,410**	3,401
Income received from associates		**3,723**	4,753	-	-
Finance costs paid		**(81,386)**	(79,050)	**(1,025)**	8
Income and withholding taxes paid		**(7,878)**	-	**(7,446)**	-
Net Proceeds from settlement of derivatives		**31,984**	-	**35,120**	
Realised foreign exchange gain		**-**	7,262	**-**	6,196
Loss on capital hedging release		**-**	(1,066)	**-**	-
Net cash inflow from operating activities	26	**47,400**	40,041	**27,871**	5,225
Cash flows from investing activities					
Payments for investments in controlled entities		-	-	**(453)**	-
Payment for capital expenditure on property investments		**(12,657)**	(7,454)	**-**	-
Payments to establish Rubicon Finance America		**-**	(14,684)	**-**	-
Payments for property under construction		**(17,782)**	(13,165)	**-**	-
Payments for CRE loan investments		**(5,181)**	(368,927)		(1,172)
Payment for investment in associates		**-**	(160)	**-**	-
Proceeds from sale of property investments		**647,640**	-	**-**	-
Proceeds from sale of CRE loans		**-**	15,519	**-**	-
Proceeds from repayment of CRE loans		**110,687**	-	**-**	-
Distributions received from investments		**-**	-	**36,482**	71,291
Net cash inflow / (outflow) from investing activities		**722,707**	(388,871)	**36,029**	70,119
Cash flows from financing activities					
Proceeds received from intercompany		**-**	-	**3,063**	-
Proceeds from borrowings		**17,393**	600,193	**(51,118)**	-
Repayment of borrowings		**(635,828)**	(210,668)	**-**	(34,643)
Proceeds from issue of new units		**-**	11,225	**-**	11,225
Payment for share buy-back		**(19)**	(2,737)	**(19)**	(2,337)
Distributions paid to unitholders		**(11,481)**	(44,774)	**(11,473)**	(44,783)
Distributions paid to minority interests		**(20)**	(18)	**-**	-
Net cash (outflow) / inflow from financing activities		**(629,955)**	353,221	**(59,547)**	(70,538)
Net increase in cash and cash equivalents		**140,152**	4,391	**4,353**	4,806
Cash and cash equivalents at the beginning of the year		**43,009**	41,332	**5,246**	440
Effects of exchange rate changes on cash and cash equivalents		**(27,706)**	(2,714)	**2,411**	-
Cash and cash equivalents at the end of the year (i)	24 & 25	**155,455**	43,009	**12,010**	5,246

The above cash flow statements are to be read in conjunction with the accompanying notes.
(i) Cash at the end of the period ended 31 December 2008 includes AUD$135,684,652 amount of restricted cash (2007: $A32,174,618).
There is no restricted cash for the parent entity for year ended 31 December 2008 (2007: A$2,115,772).

RUBICON AMERICA TRUST

ARSN 110 606 687

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

Contents **Page**

Note 1. Basis of preparation of the accounts

The financial report covers Rubicon America Trust ("the Trust" or "RAT") as a consolidated entity.

The financial report for the year ended 31 December 2008 is prepared on a liquidation basis. The financial report for the year ended 31 December 2007 was prepared on a going concern basis.

The general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001 as they apply on a liquidation basis.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report of the Trust complies with International Financial Reporting Standards ("IFRS").

The preparation of a financial report in conformity with Australian Accounting Standards requires directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Where the directors believe this to be the case, the financial statements have provided a range of possible outcomes to assist the users of these financial statements.

Judgements made by directors in the application of Australian Accounting Standards that have significant effect on the financial report and estimates with a significant risk of material adjustments in the next period have been detailed within the Critical Accounting Estimates and Judgements note (Note 3).

The directors do not consider the Trust to be a going concern and have prepared the financial statements on a liquidation basis. The following paragraphs explain why the directors do not believe the Trust to be a going concern.

Associated with the continuing and growing challenges facing RAT's operating and financial environment specifically, and the global real estate and credit markets generally, the circumstances that RAT faces now compared to the circumstances prevailing in the previous accounting period are, in summary as follows:

- RAT has negative net assets on a liquidation basis;
- Rubicon Finance America ("RFA") is in default under its warehouse facility due to non payment of amount due in December 2008 and due to a breach of financial covenants. Credit Suisse ("CS") requires cash lock up except for US$50,000 (A$72,327) per month to pay management fees and costs and US$100,000 (A$144,655) per month permitted to be applied by RFA to meet funding requirements; proceeds of asset sales have been applied to reduce the facility but asset sales are now yielding values at about or lower than the CS debt amount. Hence, there is a concern as to whether asset sales will be sufficient to repay the CS facility (due in December 2009). There is little prospect that CS will restructure the facility;
- Rubicon Finance America II ("RFA II") is in default under its US$100 million (A$144.6 million) note facility due to a breach of financial covenants. RFA II is not able to meet the interest payments to noteholders in full and there are significant concerns as to whether RFA II will be able to repay the notes in full. Negotiations are underway to restructure that facility;
- The US REIT is in default under its note facility although it has a term sheet agreement (subject to documentation) to restructure the note facility with a maturity date of 31 August 2010 (with a further option to extend for one year); the GSA I portfolio has been sold (with US tax due on the capital gains) to reduce debt (pay down the notes) of the US REIT. Further asset sales are required over 2-3 years to repay the notes and there is concern over asset values; cash that may be made available by US REIT to RAT/RFA II is limited to management fees and 50% of interest payable to RFA II noteholders;
- Income tax may be payable (approximately A$11.1million) on the gains made on sale of the FX derivatives. RAT has applied for a private tax ruling in respect of offsets in the nature of capital losses that would render a nil tax payable should the request be confirmed. But if the request is denied, there is a risk that future circumstances may be such that the Trust can not meet this payment as and when it falls due in around May 2009. The Trust has agreed with its creditors to create a reserve to try to ensure that a sufficient amount is reserved to meet the tax liability. However the reserve can only be used to pay the tax liability if a majority of the Noteholders approve; and
- Approximately US$120,000 - $150,000 (A$173,586 – A$216,983) per month is currently payable to NAB under the interest rate collar that RAT has with NAB (to manage interest rate risk on the Overtown II project facility, that matures in August 2009). There is concern as to RAT's ability to refinance or repay the Overtown II project facility on maturity.

- **Changes at the ownership of the Rubicon Asset Management Limited ("RAML")**

The Responsible Entity ("RE") and Manager of Rubicon America Trust is RAML, a wholly owned subsidiary of RHAL (Aust) Limited (Receivers and Managers appointed) ("RHAL"). The ultimate parent of RHAL is Allco Finance Group Limited (Administrators appointed) (Receivers and Managers appointed) ("Allco").

Note 1. Basis of preparation of the accounts (continued)

The Trust receives the benefit and is reliant upon, a number of management, administration and other services from RAML, RHAL and Rubicon Advisory LLC, entities related to Allco. RAML and its related entities also assist with the arrangement of financing for the Trust and its underlying property and loan structures and provide proposals to the Trust in relation to potential assets sales.

Following the acquisition of RHAL by Allco on 19 December 2007, the executive directors and all Sydney based senior executives who provide services to RAML became employees of Allco. Following the appointment of voluntary administrators and receivers and managers to Allco, all Sydney based senior executives who provide services to RAML were employed by RHAL, with the exception of RAML's executive directors who were employed by RAML. Executives based in Chicago who provide services to RAML are employed by entities domiciled in their respective jurisdictions.

While the receivership of Allco and RHAL has no immediate impact on the Group, this situation may not be a sustainable platform for the future management of the Group.

In addition, RHAL obtained an Investment Management Insurance package (IMI policy) on behalf of its subsidiaries (including RAML, which is required to have professional indemnity (PI) and crime/fraud cover in place as part of its Australian Finance Services Licence (AFSL) requirements). As a result of the appointment of the Receivers and Managers to RHAL, however, RAML was informed that the entire IMI policy entered into run-off mode (meaning that the policy would only cover RAML for certain acts, and only in respect of the period prior to the date the Receivers and Managers were appointed (being 7 November 2008) until expiry of the policy on 1 May 2009. RAML informed the Australian Securities and Investments Commission ("ASIC") of this potential breach of its AFSL and has been actively seeking replacement cover via its insurance broker. As a result of this process, no replacement cover has been found to date and it is now unlikely that replacement cover will be forthcoming.

On 17 February 2009, RAML received a letter from ASIC stating that ASIC would be reviewing RAML's application for a no-action letter (in respect of the AFSL licence breach). ASIC also advised that, since Section 912A(1)(b) of the Corporation Act 2001 states that an AFSL holder must comply with the conditions of its licence, including the maintenance of an insurance policy covering PI and fraud, it is also considering commencing action to suspend or cancel RAML's licence. To assist ASIC with its decisions, RAML has advised ASIC generally of the possible effects on the members of the registered schemes for which RAML acts as RE were ASIC to cancel or suspend RAML's licence. While timing is uncertain, it is expected that this process will take some time to complete.

If ASIC suspends or cancels RAML's AFSL, RAML will no longer be in compliance with its obligations under section 601 of the Corporations Act. At this time this risk is unquantifiable due to uncertainty on ASIC's potential actions, and while timing is uncertain, it is expected that this process will take some time to complete. However, the possible consequences include the appointment of a liquidator to wind up the Trust if a replacement for RAML as RE cannot be found. In addition, suspension or cancellation may ultimately lead to lenders to the Trust taking steps to accelerate their debt and taking enforcement action.

i) Current strategy

As a result of the current significant issues facing the Trust as set out in this report, and in the context of the continuing volatility in the global credit and real estate markets, the current strategy of the Trust has been, and continues to be, to where-ever possible divest the assets of the Trust in such a way as to optimise the outcome for all stakeholders. For assets, a "pressured" sale approach towards the sale of the assets has been taken due to continued direct pressure by lenders for early sale of the assets and repayment of the debt.

ii) Ongoing risks

Ongoing risks to the Trust's future performance include:

• Lenders enforcing their rights in respect of debt facilities which, as previously announced, are currently in breach of certain terms

The Trust is in breach of its covenants on certain of its debt facilities (see Note 17). There is risk that the lenders may accelerate their facilities due to these breaches.

• Failure of asset sale program to generate sufficient net proceeds to meet debt repayment requirements as they fall due and pay the debts in full

There is a risk that the sale prices obtained from the sale of assets may not be sufficient to meet the Trust's debts in full.

• Net Tangible Asset (NTA) erosion

There is risk that further movements in asset values will further erode the NTA of the Trust which is already negative on a liquidation basis.

Note 1. Basis of preparation of the accounts (continued)

• Treatment of taxable income

At 31 December 2008, the Trust had an estimated income tax liability of A$11.1 million. Subsequently, however, during March 2009, the Trust applied for a private tax ruling in respect of a request to claim certain capital losses as offsets against the taxable income generated by the foreign exchange profits. If this request is upheld, the tax liability will be nil. If the request is denied, the Trust will have an estimated tax liability of A$11.1 million. Given the nature of the Trust's structure, it is possible that the Trust may continue to generate taxable income in the future which the Trust may not be in a position to pass onto unitholders in the form of a distribution. In addition, if the Trust becomes liable for the tax liability, there is a risk that future circumstances may be such that the Trust can not meet these tax liabilities as and when they fall due.

• Valuation of real estate and CRE loans

The global market for many types of real estate and CRE loans has been severely affected by the recent volatility in global financial markets. The lower levels of liquidity and volatility in the banking sector have translated into a general weakening of market sentiment towards real estate and the number of real estate and CRE loan transactions has significantly reduced.

The current lack of comparable market evidence relating to pricing assumptions and market drivers means that there is less certainty in regard to valuations and the assumptions applied to valuation inputs. The period of time needed to negotiate a sale in this environment may also be significantly prolonged.

The directors' valuation of the Trust's real estate portfolio following consultation with independent valuers, and the CRE loan portfolio has been adjusted to reflect market conditions at the end of the reporting period. While this represents the best estimate of liquidation value as at the balance sheet date, the current market uncertainty means that if investment properties or CRE loans are sold in future the price achieved may be higher or lower than the liquidation value recorded in the financial statements. In addition, the basis of the valuation may be required to be changed. For example, a different result may be achieved if, due to future events, the Trust was required to present liquidation valuations based upon the wind up of the trust in an orderly market with assets sold on an orderly basis, or the seizure of the assets by the banks resulting in a potentially forced sale of the assets under the control of the relevant banks (in this circumstance RAML has no control over the approach to sale adopted by the banks).

Accordingly, the Trust may incur an additional loss on sale due to not being able to achieve the values recognised in the financial statements.

• Foreign exchange risk

With the full settlement of the Trust's foreign exchange hedges, the Trust is now exposed to foreign exchange movements in the A$/US$ rate. The value of the A$ has been subject to significant fluctuations with respect to the US$ in the past and may be subject to significant fluctuations in the future.

As at 31 December 2008, the balance of the foreign currency translation reserve was $22.0 million negative (i.e. a debit reserve). Under Australian Accounting Standards, the cumulative amount of the exchange differences deferred in the reserve will be recognised in profit or loss when the related controlled entity is disposed.

It is not possible to estimate the final amount that will be so recognised as the balance of this reserve will be adjusted depending on future movements in applicable foreign currency rates.

There will be no resulting impacts on net assets.

• RAML being removed as RE

As a result of RAML not holding an Investment Management Insurance package (IMI policy), required under section 912A(1)(b) of the Corporation Act 2001 ASIC is reviewing potential actions in respect of RAML's AFSL licence breach. One of the implications of this process is that RAML's licence may be revoked as RE for the Trust. The consequences of this are still unknown but may result in review, default, or acceleration events for the Trust's borrowings.

Further, if RAML's licence is cancelled or suspended and a replacement RE is not found, it may be necessary to wind up RAT.

• Rubicon America Trust's relationship with Allco

Please refer to the section above on "Changes at the ownership of the RE"

Note 2. Summary of significant accounting policies

Liquidation basis of accounting

The directors have applied the requirements of paragraph 23 of AASB 101- Presentation of Financial Statements which states that "When the financial report is not prepared on a going concern basis, that fact shall be disclosed, together with the basis on which the financial report is prepared and the reason why the entity is not regarded as a going concern."

Accordingly, the financial report has been prepared on a liquidation basis. In determining the appropriate accounting policies to adopt on a liquidation basis, the directors have assumed that the lenders to the Trust will continue to pressure the trust to sell assets as quickly as possible, but will allow the directors to dispose of the assets in an orderly manner.

Please note the above assumptions are referred to as the liquidation assumptions throughout this financial report.

In adopting the liquidation basis, the directors have modified the measurement basis for the following assets and liabilities from that required under the relevant Australian Accounting Standards:

(i) Property Investments
(ii) Property Under Construction
(iii) Commercial Real Estate (CRE) Loans
(iv) Provisions and Trust Wind Up Provisions
(v) Borrowing Costs
(vi) Financial Assets and liabilities
(vii) Classification of assets and liabilities

Given the uncertainties in valuing assets on a liquidation basis, it is likely that the valuation of assets included within these financial statements may differ from the actual results.

In adopting the liquidation basis, the directors have continued to apply the disclosure requirements of Australian Accounting Standards to the extent they are relevant to the liquidation basis, and modified them where considered appropriate. In particular, the financial report does not include all of the disclosures required by the following standards:

- AASB 7 Financial Instruments: Disclosures
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors with respect to changes in accounting policy
- AASB 112 Income Taxes with respect to disclosure of unrecognised deferred tax assets

Comparative information has been provided where it is considered appropriate to assist in the understanding of the current financial position of the Trust and movements in that financial position since the previous reporting period. Comparative information has not been restated, and is on a going concern basis.

The following are the revised accounting policies which have been adopted for the current year, together with the previous accounting policy which was adopted in prior years:

(i) Property Investments - 2008 (liquidation value)

Property investments are investments in properties which are held either to earn rental income or for capital gain.

Property investments are valued using the director's best estimate of the future cash proceeds from disposal of the property less estimated costs to sell. The director's best estimate has been determined based on advice from an external valuation company, having an appropriate recognised professional qualification and recent market experience in the location and category of property being valued. The estimate is based on a fair value (being the amount for which the a property can be exchanged on the date of the valuation between a willing buyer and a willing seller, in an arms length transaction after proper marketing wherein parties had each acted knowledgably, prudently and without compulsion), adjusted to recognise the time frame in which the assets are now expected to be disposed, and the resultant discount from fair value which is estimated will arise.

Estimated costs to sell have been deducted from the liquidation value.

Any gain or loss from a change in the liquidation value (from the fair value adopted at 31 December 2007) is recognised in the income statement. Any gain or loss from the disposal of an asset has been recognised in the income statement.

As a result of adoption of the liquidation basis, all investment properties have been classified as current assets.

Note 2. Summary of significant accounting policies (continued)

Property Investments - 2007 (fair value estimation)

Property investments are investments in properties which are held either to earn rental income or for capital appreciation or both. Property investments are stated at fair value. An external valuation company, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio on a rolling three year basis. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller, in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The valuations are prepared by considering the aggregate of the net annual rents receivable from the properties and where relevant, associated costs. A yield which reflects the specific risks inherent in the net cash flows is then applied to the annual rentals to arrive at the property valuation. Valuations reflect, where appropriate, type of tenants, future rent reviews and foreseeable market conditions. A change in any of these factors could have a significant impact on the value of the Trust's property investments.

Any gain or loss from a change in fair value is recognised in the income statements.

All property acquisition costs in respect of properties acquired are capitalised into the value of the property investments at the time of purchase to reflect the total acquisition cost in the balance sheet. Additions and other expenditure on property investments which are capital in nature are capitalised as incurred.

Property Investments Held for Sale - 2007 (fair value less costs estimation)

Property investments held for sale are stated at the lower of the carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The Trust's accounting policy at 31 December 2007 was to state property investments held for sale at the lower of the carrying amount and fair value less costs to sell. The Trust changed its accounting policy at 30 June 2008 to more correctly comply with the requirements of AASB 5 which excludes investment properties from the scope of the measurement provisions of the standard. Accordingly from 30 June 2008 the Trust did not deduct costs to sell in measuring property investments held for sale.

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non current asset is recognised at the date of the derecognition.

(ii) Property Under Construction - 2008 (liquidation value)

Property under construction is stated at the director’s best estimate of the liquidation value of the development net of estimated selling costs. The estimate is based on the costs incurred to date, adjusted to recognise the time frame in which the asset is now expected to be disposed, the resultant discount from cost which is estimated will arise. This valuation reflects the director's current expectation that construction will be completed prior to disposal of the asset.

Property Under Construction - 2007 (lower of cost or fair value estimation)

Property under construction is stated at the aggregate of the property acquisition and construction costs. During the period of construction the asset will be carried at the lower of cost or the value that the directors believe is recoverable.

The recoverable amount of an asset is the higher of the fair value of the asset less selling costs, and the value in use.

Property under construction is subject to review for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The expected net cash flows included in determining recoverable amounts of the non-current asset are discounted to their present values using a market-determined, risk-adjusted discount rate.

At completion of construction of a building, the non-current asset is reclassified as an investment property and independently revalued.

Note 2. Summary of significant accounting policies (continued)

(iii) Commercial Real Estate (CRE) Loans - 2008 (liquidation value)

CRE loans are classified as loans and receivables which are initially recorded at fair value which is based on the original purchase price plus any related transaction costs.

For 2008, CRE loans have been stated at liquidation value. The liquidation value has been determined using the following assumptions:

• CRE loans disposed after the balance sheet date - agreed sales price less estimated costs to sell.
• CRE loans for which sales contracts have been signed, however the contracts are conditional, and subject to the due diligence - valued using the directors' best estimate of the likely ultimate sales price less estimated costs to sell. In each case the current best estimate is the contracted sales price.
• All other CRE loans have been stated at the directors' best estimate of the future cash proceeds to be received from either disposal or repayment of the loans.

Given the range of uncertainties and outcomes, the directors have presented a sensitivity analysis for any unsold CRE loans which has been detailed within Note 30.

Any gain or loss from a change to the liquidation value (from the amortised cost value at 31 December 2007) is recognised in the income statement. Any gain or loss from the disposal of an asset has been recognised in the income statement.

As a result of the adoption of the liquidation basis, all CRE loans are classified as current assets.

Commercial Real Estate (CRE) Loans - 30 June 2008 (fair value estimation)

CRE loans are classified as loans and receivables which are initially recorded at fair value which is based on the original purchase price plus any related transaction costs. CRE loans are subsequently measured at amortised cost, using the effective interest method less any impairment losses with impairment reviewed on an on-going basis.

In assessing impairment, the Trust first assesses whether objective evidence of impairment exists individually for each CRE loan. If the Trust determines that no objective evidence of impairment exists for an individually assessed loan, it includes the asset in a group of all of the CRE loans and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment is, or continues to be, recognised are not included in a collective assessment of impairment. If there is objective evidence that an impairment of CRE loans has been incurred, the amount of the charge is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The calculation of the present value of the estimated future cash flows reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

The carrying amount of the asset is reduced through the use of a provision account and the amount of the loss is recognised in the income statement.

Note 2. Summary of significant accounting policies (continued)

(iv) Provisions - 2007 and 2008

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Trust Liquidation Provision - 2008

The Trust has provided for the present obligation of liquidation costs to the Trust, including legal, audit and accountancy costs. The best estimate of these obligations has been determined by the director’s using their experience and knowledge at the present time. This amount has been recognised as a provision in the balance sheet and an expense through the income statement. The provision has not been discounted as it is expected that the expenses will be realised in the short term.

The amount of the provision will be reassessed at each reporting date based on the best estimate of future obligations. Any adjustment will be recognised as an expense.

The financial statements do not recognise any future asset or liability with respect to the operating activities of the Trust between balance date and the date of ultimate wind up of the Trust. The results of operations in that period will be recognised in the income statements in the financial periods in which it arises.

(v) Borrowing Costs - 2008

As the Trust's borrowings have been reclassified as current liabilities and a number of liabilities are in default, any previously capitalised borrowing costs have been written off in the income statement, as any remaining benefit of the costs is negligible.

Borrowing costs incurred in drawing funds under a loan are transaction costs which are offset against the proceeds of the loan and are included in the effective interest rate calculation.

Other borrowing costs are expensed as incurred except to the extent they are directly attributable to the acquisition and, construction or production of a qualifying asset. Qualifying assets are assets that necessarily take a substantial period of time to reach the stage of their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the assets until the assets are ready for their intended use or sale.

Borrowing Costs - 2007

Borrowing costs incurred in establishing loan facilities are capitalised and amortised over the term of the facilities.

Borrowing costs incurred in drawing funds under a loan are transaction costs which are offset against the proceeds of the loan and are included in the effective interest rate calculation.

Other borrowing costs are expensed as incurred except to the extent they are directly attributable to the acquisition and, construction or production of a qualifying asset. Qualifying assets are assets that necessarily take a substantial period of time to reach the stage of their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the assets until the assets are ready for their intended use or sale.

Note 2. Summary of significant accounting policies (continued)

(vi) Financial Assets and liabilities - 2008 (liquidation value)

Interests held by the Trust in controlled entities are measured at liquidation value in the parent entity's financial report and are determined based on the net tangible asset backing of the controlled entity, calculated on similar accounting policies to those adopted by the Trust.

Where the Trust has guaranteed any of the controlled entities' liabilities, a liability is booked for the fair value of the guarantee. The fair value of the guarantee has been calculated as the difference between the value of the assets of the controlled entity less the value of its liabilities, which are subject to the guarantee, calculated using the same accounting policies as set out in this financial report. The amount has not been discounted as it is due and payable in the short term given the adoption of the liquidation basis.

Financial Assets and liabilities - 2007 (fair value estimation)

Interests held by the Trust in controlled entities are measured at fair value in the parent entity's financial report and are determined based on the net tangible asset backing of the controlled entity calculated on similar accounting policed to those adopted by the Trust.

(vii) Classification of assets and liabilities - 31 December 2008

Each of the Trust's assets and liabilities are classified as current at 31 December 2008, reflecting the fact that the financial statements are being prepared on a liquidation basis.

With respect to assets the RE is in the process of selling the Trust's assets to repay debt. Whilst there is no certainty that all assets will be sold within 12 months of balance date, the RE is actively seeking to sell the assets.

With respect to liabilities, certain of the Trust's borrowings are in default, or otherwise due and payable within 12 months (see Note 17). With respect to all other liabilities, the liabilities will be repaid out of proceeds of asset sales in accordance with the relevant security arrangements for each asset. As such, whilst there is no certainty as to the timing of repayment of the liabilities, the liabilities have been classified as current.

Classification of assets and liabilities - 2007

Each of the Trust's assets and liabilities were classified as current or non current depending on their nature. In particular:

(i) borrowings were classified as current liabilities unless the Trust had an unconditional right to defer settlement of the liability for at least 12 months after reporting date.
(ii) property investments were classified as non-current, unless they were classified as held for sale.

Property investments were classified as held for sale when the asset's carrying amount will be recovered principally through a sale transaction. To be so classified, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sale must be highly probable.

Note 2. Summary of significant accounting policies (continued)

The following accounting policies have been adopted consistently throughout the current and prior year:

(a) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements of the Trust incorporate the assets and liabilities of the Trust's controlled entities as at 31 December 2008, and their results for the financial year then ended. The effects of all transactions between entities in the consolidated entity have been eliminated in full.

Where control of an entity is obtained during a year, its results are included in the income statement from the date on which control commences. Where control of an entity ceases during a year, its results are included for that part of the period during which control existed.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Trust.

Intercompany transactions, balances and unrealised gains on transactions between the entities within the group are eliminated. Unrealised losses are eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Trust.

(ii) Associates

Under the equity method, the investment in associates is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of profit or loss of the investee after the date of acquisition. The investor's share of profit or loss of the investee is recognised in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustment to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's equity that have not been recognised in the investee's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The investor's share of those changes is recognised directly in equity of the investor.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the consolidated entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Australian dollars, which is the Trust's functional and presentation currency.

(ii) Transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the date the fair value was determined.

(iii) Foreign controlled entities

Foreign controlled entities assets and liabilities are translated into Australian dollar at rates of exchange current at the relevant reporting date, while their income and expenditure are translated at the average of rates ruling during the year. Exchange differences arising on translation are recorded in the foreign currency translation reserve.

(c) Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) or consumption tax payable to taxation authorities.

(i) Rent

Rental income is recognised in the income statement on a straight-line basis over the lease term for leases with fixed rent review clauses. In all other circumstances rental income is brought to account on an accruals basis.

(ii) Recoverable outgoings

Revenues associated with tenant reimbursements are recognised in the period in which the expenses are incurred based upon the tenant lease terms.

(iii) Commercial real estate interest income

Interest income is brought to account on an accruals basis using the effective interest rate method and, if not received at the balance date, is reflected in the balance sheet as a receivable.

(iv) Interest income

Interest income is brought to account on an accruals basis, if not received at the balance date, is reflected in the balance sheets as a receivable.

(iv) Distribution income

Income from dividends and distributions are recognised when declared.

Note 2. Summary of significant accounting policies (continued)

(d) Expenses

Expenses are brought to account on an accruals basis and, if not paid at the balance date, are reflected in the balance sheets as a payable.

(i) Manager's fees

Asset management fees payable to the Responsible Entity are recognised as an expense as the services are received and for the performance fee component in accordance with the Trust Constitution when performance criteria for the fee is met.

(ii) Net finance costs

Net financing costs comprise interest expenses on borrowings calculated using the effective interest rate method. Interest income is recognised in the income statement as it accrues, using the effective interest method.

(e) Leasing fees

Leasing fees incurred are capitalised and amortised over the lease periods to which they relate.

(f) Lease incentives

Prospective lessees may be offered incentives as an inducement to enter into operating leases. These incentives may take various forms including cash payments, rent free periods, or a contribution to certain lessee costs such as fit out costs or relocation costs.

The costs of incentives are recognised as a reduction of rental income on a straight-line basis from the earlier of the date which the tenant has effective use of the premises or the lease commencement date to the end of the lease term. The carrying amount of the lease incentives is reflected in the fair value of property investments.

(g) Income tax

(i) Australian taxation

Under current Australian income tax legislation, the Trust is generally not liable to income tax provided its unitholders are presently entitled to all of the Trust's income in each year. As a result, no current or deferred Australian income tax expense, assets or liabilities were previously recognised in the financial statements.

Under the current circumstances surrounding the liquidity of the Trust the RE has determined a nil distribution for 12 months period ended 31 December 2008. The Trust will be liable to income tax at 46.5% on its taxable income for the year ended 31 December 2008. Accordingly, a provision for current Australian income tax has been recognised in the financial statements equal to 46.5% of the taxable income for the 12 months to 31 December 2008.

(ii) Overseas taxation

Rubicon US REIT Inc. (US REIT), a controlled entity of the Trust, has elected to be taxed as a Real Estate Investment Trust (REIT) under US federal taxation law, and on this basis, will generally not be subject to US income taxes on that portion of the REIT's taxable income or capital gains which are distributed to the US REIT's shareholders, provided that the US REIT complies with the requirements of the US Internal Revenue Code of 1986 and maintains its REIT status.

The consolidated entity may ultimately realise a capital gain or loss on disposal of its property investments, which if not distributed, may attract US income tax liability. Alternatively, if the gain is distributed, a US withholding tax liability may arise and give rise to a foreign tax credit which would be available to the Trust’s unitholders.

Temporary differences between the carrying values of assets in the balance sheet and their associated tax cost base, principally due to property revaluations and tax depreciation, give rise to a deferred tax liability which is recognised in the balance sheet and the corresponding tax expense in the income statement.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The relevant income tax rate of 35% (the current US income tax and withholding tax rate for REIT distributions) is applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 2. Summary of significant accounting policies (continued)

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, restricted cash held at Escrow accounts and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, which is based on the invoiced amount less any impairment losses.

Trade receivables are generally due for settlement within 30 days of recognition. Impairment is reviewed on an on-going basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the provision is recognised in the income statements.

(j) Derivatives and other financial instruments

The Trust and its controlled entities have entered into fixed rate funding and interest rate swap agreements to mitigate exposure to increasing interest rates. In addition, historically the Trust had entered into foreign currency contracts to hedge against the risk to income and the initial capital investment of adverse movements in exchange rates. Consistent with its change in foreign exchange hedging policy announced on 29 February 2008, on 10 March 2008 the Trust announced that it had fully unwound its foreign currency hedges. Derivative financial instruments are not held for speculative purposes.

Derivatives are recognised at fair value on inception. Changes in the fair value of any derivative instruments are recognised immediately in the income statements.

(k) Payables

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Trust and are stated at cost. The amounts are unsecured and are usually paid within 30 to 60 days of recognition.

(l) Distributions

In accordance with the Trust's constitution, the Trust distributes its distributable income to unitholders by cash or equivalents. Distributions are provided for when they are approved by the Board of Directors of the Responsible Entity and announced. As discussed in note 1, the Trust does not expect to pay a distribution in the foreseeable future.

(m) Borrowings

Interest bearing borrowings are initially recognised at fair value less attributable transaction costs.

Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between proceeds and redemption values being recognised in the income statement over the period of the borrowings on an effective interest basis.

(n) Contributed equity

Ordinary units are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

When the Trust reacquires its own ordinary units as the result of unit buy-back, those units are deducted from equity and are cancelled. No gain or loss is recognised in the income statement and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(o) Undistributed income

In accordance with the Trust's Constitution, amounts may be transferred from undistributed income to fund distributions.

(p) (Loss) / Earnings per unit

Basic earnings per unit is determined by dividing net profit attributable to the Trust by the weighted average number of units on issue during the financial year.

Diluted earnings per unit is determined by dividing net profit attributable to the Trust by the weighted average number of units on issue and dilutive potential units on issue during the financial year.

(q) Segment reporting

Segment income, expenditure, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of cash, receivables (net of allowances) and investments. Any asset used jointly by segments are allocated based on reasonable estimates of usage.

Note 2. Summary of significant accounting policies (continued)

(r) Goods and Services Tax

Revenues and expenses are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the tax authorities is included as a current asset or current liability in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the ATO is classified as operating cash flows.

(s) Rounding

The Trust is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(t) Minority interest

Minority interest in the results and equity in the subsidiaries is shown separately in the income statement and balance sheet respectively.

(u) New accounting standards and interpretations not yet adopted

Certain new accounting standards, amendments to standards and interpretations have been published that are not mandatory for 31 December 2008 reporting periods. The following standards and amendments are available for early adoption but have not been applied by the Consolidated Entities in these financial statements:

Revised AASB 101 Presentation of Financial Statement introduces as a financial statement (formerly “primary” statement) the “statement of comprehensive income”. The revised standard does not change the recognition, measurement or disclosure of transactions and events that required by other AASBs. The revised AASB 101 will become mandatory for the Consolidated Entities' 30 June 2010 financial statements. The Consolidated Entities have not yet determined the potential effect of the revised standard on the Consolidated Entities' disclosures;

AASB 8 Operating Segments introduces the “management approach” to segment reporting. AASB 8, which becomes mandatory for the Consolidated Entities' 30 June 2010 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the Group’s Chief Operating Decision Maker in order to assess each segment’s performance and to allocate resources to them. Currently, the Consolidated Entities present segment information in respect of its business and geographical segments;

Revised AASB 123 Borrowing Costs removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset. The revised AASB 123 will become mandatory for the Consolidated Entities' 30 June 2010 financial statements and will have no impact on future earnings as this is consistent with current accounting policy; and

Revised AASB 127 Consolidated and Separate Financial Statements changes the accounting for investments in subsidiaries. Key changes include: the remeasurement to fair value of any previous investment when control is obtained/lost, with any resulting gain or loss being recognised in profit or loss; and the treatment of increases in ownership interest after control is obtained as transactions with equity holders in their capacity as equity holders. The revised standard will become mandatory for the Consolidated Entities' 30 June 2010 financial statements. The Consolidated Entities have not yet determined the potential effect of the revised standard on the Consolidated Entity's financial report.

Revised AASB 140 Investment Property (effective from 1 July 2009) will require the Trust to classify assets that are being constructed or developed for future use as investment properties, rather than AASB 116 Property, Plant and Equipment.

The application of these standards will not affect the amount recognised in the financial statements.

Note 3. Critical accounting estimates and judgements

The Trust makes a number of estimates and assumptions in preparing these financial statements under the liquidation basis of accounting. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods if relevant.

The estimates and assumptions that have significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are highlighted below :

• The adoption of the liquidation basis of accounting (Note 1)

• The liquidation assumption adopted (Note 2)

• Liquidation value of Property Investments (Note 2 (i))

• Liquidation value of Property Under Construction (Note 2 (ii))

• Liquidation value of CRE Loans (Note 2 (iii))

• Measurement of current and deferred tax liabilities (Note 2 (g))

Estimates and judgements are continually evaluated and are based on best information available at the time of signing these financial statements. This predominantly incorporates the use of historical experience, external evidence and the director's best estimates of the outcome of future events.

The directors believe that the estimates used in preparing the financial statements are reasonable but recognise that there is a wide range of possible scenarios which could arise which may result in a materially different outcome in future periods. As a result, actual results may differ from those reported.

Note 4. Manager's fee

In accordance with the Trust's constitution, the Manager is entitled to receive the following fees from the Trust, comprising a base management fee and performance fee. Refer to note 27 for further information.

(a) Base management fee

For the period to 30 June 2006, a base management fee up to 0.23% per annum (exclusive of GST) of the gross asset value of the Trust's direct and indirect proportionate interest in property and other assets was payable by the Trust and/or the US REIT to the Manager and/or Rubicon Advisory LLC monthly in arrears.

From 1 July 2006, a base management fee up to 0.20% per annum (exclusive of GST) of the gross asset value of the Trust's direct and indirect proportionate interest in property and other assets was payable by the Trust and/or the US REIT to the Manager and/or Rubicon Advisory LLC monthly in arrears.

As disclosed in the December 2006 Explanatory Statement, the Manager bought out the Asset Management Agreement with Greenwich Group International LLC (Greenwich) and assumed the US asset management responsibility previously performed by Greenwich. The Greenwich fee was equal to the Manager fee of 0.20% per annum. From this point the Manager's fee increased to 0.40% per annum (exclusive of GST) of the gross asset value of the Trust's direct and indirect proportionate interest in the property and other assets. The Manager's fee is payable by the Trust and/or the US REIT to the Manager and/or Rubicon Advisory LLC monthly in arrears.

(b) Performance fee

For the period to 30 June 2006, a performance fee up to 20% (excluding GST) of any excess return of the ASX accumulation index for units in the Trust over a hurdle of 12% per annum subject to a prior high water mark is payable by the Trust, annually in arrears. The performance fee is shared equally by the Manager and the Asset Manager.

From 1 July 2006, Rubicon and/ or Rubicon Advisory Limited is entitled to a performance fee if RAT increases in market value in any six month period ended 30 June or 31 December exceeds that of the S&P/ ASX 200 Property Accumulation Index (Index). The performance fee is payable in either cash or RAT units and the entitlement is calculated as follows:

• 5% of the total increased RAT unitholders' value relative to the Index; plus
• 15% of the total increased RAT unitholders' value relative to 2% above the index.

The manager is required to earn back any underperformance accrued in previous periods prior to being entitled to a performance fee.

There is a cap on the total of the base management fee and performance fee of 1.0% per annum of the value of Trust’s direct or indirect proportionate interest in properties and other assets at the end of each financial year, or greater period from the time the excess accrued. If the combined amount of fees is above 1.0% per annum, the excess will be carried forward into the following year. Fees carried forward will be paid before any performance fee earned in the then current period is paid. Where the Trust outperforms the Index for a period of three years or more than the accrual of the performance fee, the accrued balance will be paid at the end of that period. This payment of outstanding fees will not be capped. Accordingly, it is feasible that the aggregate of the base management fee and performance fee could exceed 1.0% of RAT’s assets after three years of cumulative out performance.

No performance fees were paid during the year.

(c) Manager's fee calculation

The total manager's fee for the financial year is detailed as follows:

	Consolidated		**Parent**	
	31 December 2008 $'000	31 December 2007 $'000	**31 December 2008 $'000**	31 December 2007 $'000
Base management fee	**6,882**	6,761	**1,425**	1,353
Total management fee	**6,882**	6,761	**1,425**	1,353

Note 5. Other operating expenses	Consolidated		Parent	
	31 December 2008	31 December 2007	**31 December 2008**	31 December 2007
	$'000	$'000	**$'000**	$'000
Registry and compliance fees	**131**	250	**130**	247
Insurance	**254**	184	**254**	179
Legal fees	**705**	172	**249**	131
Printing and supplies	**26**	146	**26**	139
Professional fees	**2,052**	1,181	**923**	551
Custodian and loan servicer fees	**229**	374	**229**	374
Marketing and advertising expenses	**109**	195	**77**	169
Debt Establishment cost written off	**-**	127	**-**	127
Commercial real estate loan fees	**154**	153	**-**	-
Commercial real estate loan software	**410**	151	**-**	-
Other	**208**	413	**7**	260
Total other expenses	**4,278**	3,346	**1,895**	2,177

Note 6. Liquidation Expenses	Consolidated		Parent	
	31 December 2008	31 December 2007	**31 December 2008**	31 December 2007
	$'000	$'000	**$'000**	$'000
Legal fees	**20**	-	**20**	-
Valuation fees	**16**	-	**-**	-
Audit fees	**70**	-	**70**	-
Tax consultant	**50**	-	**50**	-
Total liquidation expenses	**156**	-	**140**	**-**

Note 7. Auditor's remuneration	Consolidated		Parent	
	31 December 2008	31 December 2007	**31 December 2008**	31 December 2007
	$'000	$'000	**$'000**	$'000
During the financial year, the auditor of the Trust, PricewaterhouseCoopers, earned the following remuneration :				
(a) Assurance Services				
Audit services				
Audit and review of financial reports and other audit work under Corporation Act 2001 PricewaterhouseCoopers Australian firm	**771**	490	**771**	466
Related practices of PricewaterhouseCoopers Australian firm	**72**	-	**-**	-
Total remuneration for audit services	**843**	490	**771**	466
Other assurance services				
Due diligence services PricewaterhouseCoopers Australian firm	-	61	-	-
Related practices of PricewaterhouseCoopers Australian firm	-	5	-	5
Total remuneration for other assurance services	**-**	66	**-**	5
Total remuneration for assurance services	**843**	556	**771**	471
(b) Taxation services				
International tax consulting, tax advice on mergers and acquisitions and capital raising PricewaterhouseCoopers Australian firm	**151**	450	**-**	85
Related practices of PricewaterhouseCoopers Australian firm	**286**	33	**140**	32
Total remuneration for taxation services	**437**	483	**140**	117

Note 8. Income Tax Benefit

	Consolidated		Parent	
	31 December 2008	31 December 2007	**31 December 2008**	31 December 2007
(a) Income Tax Benefit	**$'000**	$'000	**$'000**	$'000
Current				
US withholding tax and state tax expense	**(8,891)**	-	**(7,446)**	-
Current Australian tax expense	**(11,140)**	-	**(11,140)**	-
Reversal of deffered tax liability recognised in prior period	**38,146**	25,406	**45,273**	30,147
Total	**18,115**	25,406	**26,687**	30,147

(b) Reconciliation of income tax expense

Profit/(loss) before tax for the year	**(604,977)**	75,555	**(625,479)**	169,743
Deferred tax asset at the Australian rate of 30% (2007: 30%)	**(181,493)**	22,667	**(187,644)**	50,923
Tax effect of amounts that are not assessible	**-**	(22,667)	**-**	(50,923)
Deferred tax assets not recognised (i)	**166,685**	**-**	**174,075**	**-**
Difference between Australian tax rate and US withholding tax rate	**(1,270)**	-	**(1,064)**	-
Impact of distribution income being taxed at 46.5%	**(3,953)**	-	**(3,953)**	-
Reversal of deferred tax liability recognised in prior period	**38,146**	25,406	**45,273**	30,147
	18,115	25,406	**26,687**	30,147

(i) A deferred tax asset on unrealised capital losses has not been recognised as it is not probable that the Trust will have sufficient capital gains in the future to utilise the losses.

Note 9. (Loss) / Earnings per unit

		Consolidated	
		31 December 2008	31 December 2007
		Cents per unit	Cents per unit
Basic (loss) / earnings per unit		**(145.53)**	12.45
Diluted (loss) / earnings per unit		**(145.53)**	12.45
Earnings used in the calculation of basic earnings per unit and diluted earnings per unit	$'000	**(586,882)**	50,149
Weighted number of units used in the calculation of basic earnings per unit and basic distributable income per unit		**403,278,467**	402,814,861
Weighted number of units used in the calculation of diluted earnings per unit and diluted distributable income per unit		**403,278,467**	402,814,861

Note 10. Receivables

	Consolidated		Parent	
	31 December 2008	31 December 2007	**31 December 2008**	31 December 2007
	$'000	$'000	**$'000**	$'000
Rent receivable (i)	**20,677**	14,041	**-**	-
Commercial real estate interest receivable (i)	**2,477**	2,754	**7**	-
Tax recoverable	**44**	4,577	**-**	-
Distribution receivable	**170**	-	**-**	-
Intercompany receivable	**-**	-	**1,863**	47,821
Prepaid expenses	**2,455**	1,546	**155**	74
GST receivable	**66**	53	**66**	53
Total Receivables	**25,889**	22,971	**2,091**	47,948

(i) Rents and commercial real estate interest income are received monthly in arrears.

Note 11. Commercial real estate loans

	Consolidated		Parent	
	31 December 2008	31 December 2007	**31 December 2008**	31 December 2007
	$'000	$'000	**$'000**	$'000
Current				
Commercial real estate loans	**89,091**	17,102	**-**	-
Allowance for impairment loss	**-**	(3,369)	**-**	-
Total current commercial real estate loans	**89,091**	13,733	-	-
Non current				
Commercial real estate loans	**-**	334,619	**-**	-
Allowance for impairment loss	**-**	(1,028)		
Total non current commercial real estate loans	**-**	333,591	**-**	**-**

The CRE loans have been recognised at liquidation value for year ended 31 December 2008. Refer to Note 2 (iii).

As at 31 December 2008, the Column Financial Inc. US$85.4 million (A$123.5 million) borrowing is secured against the CRE loans (refer to Note 17).

On 20 February 2009, the Trust sold one of the CRE loans for approximately US$2.4 million (A$3.5 million). At the same date, the proceeds were remitted to Column Financial Inc. in full to pay down current borrowings.

Note 12. Property investments	**31 Dec 2008 US$'000**	31 Dec 2007 US$'000	**31 Dec 2008 A$'000**	31 Dec 2007 A$'000
Fair value - property investment held for sale (i)	**-**	47,013	**-**	53,723
Fair value (ii)	**-**	1,121,310	**-**	1,281,350
Total fair value	**-**	1,168,323	**-**	1,335,073
Liquidation value (iii)	**421,503**	-	**609,724**	-

(i) Fair value is determined by the purchase and sale agreement on One Riverview Square, Miami (Miami).

(ii) Fair value is determined by an independent valuer,Thomas B. McDonnell, MAI, CB Richard Ellis.

(iii) Liquidation value. Refer to Note 2 above for the basis of the valuation.

	Consolidated			
Property investment reconciliation	**31 Dec 2008 US$'000**	31 Dec 2007 US$'000	**31 Dec 2008 A$'000**	31 Dec 2007 A$'000
Carrying amount - opening	**1,168,323**	1,307,157	**1,335,073**	1,657,566
Deconsolidation adjustments	**-**	(188,790)	**-**	(215,735)
Acquisitions and additions	**10,788**	4,853	**12,657**	5,924
Write off of development costs	**(1,779)**	**-**	**(2,087)**	-
Lease incentives	**-**	1,254	**-**	1,530
Rent straight lining	**(498)**	1,742	**(584)**	2,127
Disposals	**(552,025)**	-	**(647,640)**	
Net (loss) from fair value adjustments	-	(4,906)	-	(2,160)
Net (loss) from liquidation value adjustments	**(203,306)**	-	**(259,478)**	-
Classified as held for sale or disposals	**-**	47,013	**-**	53,723
Foreign currency translation difference	**-**	-	**171,783**	(167,902)
Carrying amount - closing	**421,503**	1,168,323	**609,724**	1,335,073

Note 13. Property under construction

	Consolidated			
	31 December 2008	31 December 2007	**31 December 2008**	31 December 2007
	US$'000	US$'000	**$'000**	$'000
Carrying amount - opening	**11,521**	-	**13,165**	-
Acquisition and construction costs	**14,129**	11,521	**16,576**	13,165
Capitalised interest	**1,027**	-	**1,205**	**-**
Net loss from liquidation value adjustments	**(5,177)**	-	**(6,607)**	**-**
Foreign currency translation difference	**-**		**6,762**	
Carrying amount - closing	**21,500**	11,521	**31,101**	13,165

Note 14. Investment in controlled entities

2008 Entity	**Date of Control**	**Country of Incorporation**	**Class of securities**	**Consolidated Interest (%)**	**Parent Entity Carrying Amount ('$000)**
Direct Control					
Rubicon US REIT Inc.	28-Oct-04	United States	Ordinary	100.0	**43,144**
Rubicon Cayman Holdings	21-Dec-05	Cayman Islands	Ordinary	100.0	**-**
					43,144
Indirect control through Rubicon US REIT Inc					
Rubicon GSA I , LLC	3-May-05	United States	Ordinary	100.0	**-**
Rubicon GSA II, LLC	10-Mar-06	United States	Ordinary	100.0	**-**
Rubicon Overtown II, LLC	9-Mar-07	United States	Ordinary	100.0	**-**
					-
Indirect control through Rubicon Cayman Holdings					
Rubicon Finance America, LLC	20-Oct-06	United States	Ordinary	100.0	**-**
Rubicon Finance America II, LLC	16-Nov-06	United States	Ordinary	100.0	**-**
Rubicon Finance America III, LLC	18-Dec-06	United States	Ordinary	100.0	**-**
Rubicon Mezzanine Loan Fund I, LLC	4-Jan-07	United States	Ordinary	100.0	**-**
Rubicon Investments America, LLC	4-Jan-07	United States	Ordinary	100.0	**-**
Milwaukee Landmark Member, LLC	13-Feb-08	United States	Ordinary	100.0	**-**
Landmark on the Lake, LLC	12-Mar-08	United States	Ordinary	100.0	**-**
					-
2007					
Entity					
Direct Control					
Rubicon US REIT Inc.	28-Oct-04	United States	Ordinary	100.0	513,473
Rubicon Cayman Holdings	21-Dec-06	Cayman Islands	Ordinary	100.0	-
					513,473
Indirect control through Rubicon US REIT Inc					
Rubicon Park I , LLC	18-Nov-04	United States	Ordinary	80.0	-
Rubicon Park II , LLC	18-Nov-04	United States	Ordinary	80.0	-
Rubicon GSA I , LLC	3-May-05	United States	Ordinary	100.0	-
Rubicon GSA II, LLC	10-Mar-06	United States	Ordinary	100.0	-
Rubicon Madden I, LLC	13-Dec-05	United States	Ordinary	80.0	-
					-
Indirect control through Rubicon Cayman Holdings					
Rubicon Finance America, LLC	20-Oct-06	United States	Ordinary	100.0	-
Rubicon Finance America II, LLC	16-Nov-06	United States	Ordinary	100.0	-
Rubicon Finance America III, LLC	18-Dec-06	United States	Ordinary	100.0	**-**
Rubicon Mezzanine Loan Fund I, LLC	4-Jan-07	United States	Ordinary	100.0	**-**
Rubicon Investments America, LLC	4-Jan-07	United States	Ordinary	100.0	**-**
					-

Note 15. Investments accounted for using the equity method

	Consolidated		Parent	
	31 December 2008	31 December 2007	**31 December 2008**	31 December 2007
Investment in associates	**8,469**	55,454	**-**	-

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are carried at liquidation value by the parent entity (refer to note 28).

The Trust has applied equity accounting to its interests in Rubicon Park I, LLC, Rubicon Park II, LLC and Rubicon Madden I, LLC from 1 January 2007. The Trust assessed the operation of the related operating agreements and concluded that it can not, in any way, use its level of ownership to unilaterally control the joint ventures. Therefore the above entities are treated as associates. The Trust's investments are recognised as the Trust's share of net assets of these entities, calculated on similar accounting policies to those adopted by the Trust. The profit and loss of the Trust will include the share of the profit and loss of these entities.

Note 16. Payables

	Consolidated		Parent	
	31 December 2008	31 December 2007	**31 December 2008**	31 December 2007
	$'000	$'000	**$'000**	$'000
Trade creditors and accruals	**6,694**	4,212	**64**	44
Prepaid income	**847**	1,749	**-**	-
Accrual for legal and CRE Loan Servicer fees	**89**	629	**-**	-
Accrual for custodian fees	**58**	158	**58**	158
Accrual for audit fees	**237**	305	**237**	305
Interest on bank loans	**6,600**	7,195	**-**	7
Management fees and recharges	**393**	385	**103**	12
Property taxes payable	**-**	3,725	**-**	-
Sundry Creditors	**11**	172	**-**	2
Withholding Tax Payable	**-**	82	**-**	82
Total current liabilities – payables	**14,929**	18,612	**462**	610

Note 17. Borrowings	Consolidated 31 Dec 2008 $'000	Consolidated 31 Dec 2007 $'000	Parent 31 Dec 2008 $'000	Parent 31 Dec 2007 $'000
Current				
Secured bank loans	**640,193**	250,386	**-**	-
Capitalised borrowing costs	**-**	(2,694)	**-**	-
Senior unsecured debt securities	**389,122**	-	**-**	-
	1,029,315	247,692	**-**	
Current - secured against individual assets held for sale				
Secured bank loans	**-**	33,885	**-**	-
Capitalised borrowing costs	**-**	(285)	**-**	-
Total current borrowings - assets held for sale	**-**	33,600	**-**	-
Non-current				
Secured bank loans	**-**	1,131,221	**-**	-
Senior unsecured debt securities	**-**	**-**	**-**	-
Capitalised borrowing costs	**-**	(16,555)	**-**	-
Total non-current borrowings	**-**	1,114,666	**-**	-

Set out below is a summary of the Trust's current secured bank facilities in USD (excluding capitalised borrowing costs) as at 31 December 2008:

Current - secured bank loans

Lender	Facility US$'000	Original Term (years)	Balance US$'000	Interest Rate %	Contractual Expiry	Security
Artesia Mortgage Capital Corporation	67,500	2	25,708	Libor plus 1.25%(i)	June 2009	100 N W 6th Street, Miami, Florida
Column Financial Inc.(ii) & (v)	350,000	3	85,407	Libor plus1.6774%(iii)	December 2009	Secured over the CRE loan assets. RAT parent has also guaranteed interest and principal repayments
Key National Association	12,600	10	10,897	6.890%	September 2009 (iv)	1300 Summit Street, Kansas City Missouri
Artesia Mortgage Capital Corporation	41,000	30	40,153	6.240%	August 2034	2600 Lord Baltimore Drive, Maryland (GSA II)
Artesia Mortgage Capital Corporation	14,145	30	13,951	5.500%	May 2033	10350 NW 112th Avenue Miami, Florida (GSA II)
Artesia Mortgage Capital Corporation	18,000	30	17,227	5.320%	November 2033	1970 E Parham Road, Richmond, Virginia (GSA II)
Artesia Mortgage Capital Corporation	41,500	30	41,500	5.040%	May 2034	333 SW First Avenue, Portland, Oregon
Interest rate differential	-	-	5,854			
Artesia Mortgage Capital Corporation	6,225	30	5,957	5.320%	November 2033	8505 West Hackmore Drive, Boise, Idaho (GSA II)
JP Morgan Chase Bank, NA	35,000	10	34,601	6.350%	November 2017	1949 & 2121 South State Street, Tacoma, Washington (GSA II)
Branch Banking and Trust Company	33,000	19	29,913	7.500%	June 2021	24100 Amador Street, Hayward, California (GSA II)
Artesia Mortgage Capital Corporation	46,000	30	46,000	5.570%	November 2034	1325 Broadway Plaza, Fresno, California (GSA II)
Artesia Mortgage Capital Corporation	17,888	30	17,120	5.320%	November 2033	1249 & 1387 S Vinnell Way, Boise, Idaho (GSA II)
Deutsche Banc Mortgage Capital	22,000	5	22,000	6.080%	August 2011	2901 Leon C. Simon Drive, New Orleans, Louisiana (GSA II)
Artesia Mortgage Capital Corporation	36,100	30	34,469	5.493%	September 2033	2851 Junction Avenue, San Jose, California (GSA II)
Artesia Mortgage Capital Corporation	12,800	30	11,809	5.970%	August 2032	2000 K Street Bakersfield, California
Total current - secured bank loans (US$'000)	**753,758**		**442,566**			
Total current - secured bank loans (A$'000)	**1,090,348**		**640,193**			

(i) The Trust has a zero cost interest rate collar that restricts the base interest rate on this facility to be no greater than 6.0% and no less than 3.46%. The undrawn portion of this loan can only be used for the development of the property under construction.
(ii) The unused balance on this facility is unavailable (see undrawn balances reconciliation).
(iii) The interest rate spread is a weighted average of the current portfolio for month ended 31 December 2008.
(iv) Borrower has an option to extend this facility for one year ended September 2010.

Note 17. Borrowings (continued)

(v) *Column Financial Inc. CRE loan warehouse facility (Credit Suisse (CS))*
As at the date of this report, the amount outstanding of the CS facility was US$81.8 million (A$118.3 million).

On 14 March 2008, the Trust announced that it had entered into an agreement with CS to vary the terms of the CRE loan warehouse facility from a margin call based facility to a monthly repayment facility. Repayments were to be made out of cash balances, operating cash flows and expected asset sales. During the period, the Trust sold certain CRE loans and one real estate asset (One Riverview Square, Miami) and used the funds to part repay the CS facility (refer below for details). In addition, on 25 July 2008, the Trust announced that, consistent with the change in its foreign exchange hedging policy announced on 29 February 2008, the Trust had completed the unwinding of all of its foreign currency hedges generating net cash flow of approximately A$34.6 million (pre tax) for the Trust. These cash proceeds were applied to reduce the balance under the CS facility.

On 25 August 2008, the Trust announced that it had executed documentation in relation to a variation of the warehouse facility with CS. Key terms of the variation were:
• Waiver of the requirement to repay a total of US$114 million (A$164.9 million) on 15 August 2008;
• A requirement for the loan to be reduced to US$50 million (A$72.3 million) by 30 December 2008 with a final maturity of 30 December 2009;
• Restoration of mark to market margin calls from 1 January 2009;
• Revised financial covenants on the Borrower and
• The payment of a consent fee of US$1.5 million (A$2.2 million) plus an extension fee based on the facility outstanding at 30 December 2008. This extension fee was US$1 million (A$1.4 million).

The amended financial covenants are:

• The Trust maintains Adjusted Tangible Net Worth (ATNW) to be at least 2.25 times the outstanding balance under the CS facility
• The ratio of the Trust's debt to the ATNW shall not exceed 6.5:1.

CS issued a reservation of rights letter on 10 November 2008 following the announcement of the appointment of an administrator and receivers and managers to Allco, (the ultimate parent company of RAML) and the announcement of the appointment of receivers and managers to Rubicon Holdings (Australia) Limited ("RHAL") (the parent company of RAML). In this letter CS reserved the rights and remedies under the facility.

CS issued a further reservation of rights letter on 6 January 2009 following the repayments due under the facility by 30 December 2008 not being met. CS stated that they have the right to make margin calls and/ or declare an event of default. CS reserved its rights and remedies under the facility.

On 12 February 2009, CS issued an Irrevocable Instruction Letter and Amendment which imposes a cash lock up on all interest receipts. The Loan Servicer is required to apply all collections and amounts received on account of the Repurchased Loans in the following order:
(i) first, the Loan Servicer in payment of its fees pursuant to the Servicing Agreement;
(ii) second, the Seller (RFA) in an amount equal to Fifty Thousand Dollars (USD$50,000) each month;
(iii) third, the Seller (RFA) an amount not exceeding One Hundred Thousand Dollars (USD$100,000) in order for any Purchased Asset and any senior tranches thereto to remain performing; and
(iv) fourth, the Buyer (i.e. CS).

On 20 February 2009, the Trust sold one of the CRE loan for approximately US$2.4 million (A$3.5 million). At the same date, the proceeds were remitted to Column Financial Inc. in full to pay down current borrowings.

Note 17. Borrowings (continued)

Set out below is a summary of the Trust's current unsecured debt facilitates in USD as at 31 December 2008:

Current - unsecured bank loans

Lender	Facility US$'000	Original Term (years)	Balance US$'000	Interest Rate %	Contractual Expiry	Security
Wilmington Trust Company, as trustee (iii)	129,000	15	129,000	7.67% (i)	August 2010	Senior unsecured. RAT parent has guaranteed interest and principal repayments
Wilmington Trust Company, as trustee (iii)	40,000	10	40,000	Libor plus 2.7% (ii)	August 2010	Senior unsecured. RAT parent has guaranteed interest and principal repayments
The Bank of New York Trust Company (iv)	100,000	30	100,000	7.905%	August 2011	Senior unsecured. RAT parent has guaranteed interest and principal repayments
Total current - unsecured bank loans (US$'000)	**269,000**		**269,000**			
Total current - unsecured bank loans (A$'000)	**389,122**		**389,122**			
Total borrowings (US$'000)	**1,022,758**		**711,566**			
Total borrowings (A$'000)	**1,479,470**		**1,029,315**			

The Issuer has breached existing financial covenants in respect of the Guarantor. The Issuer is in the process of negotiating new financial covenants with each respective lender.

Further information in relation to the above unsecured bank loans are detailed as follows:

(i) 7.67% fixed until August 2010 thereafter 10.67% p.a. if the extension option is exercised.

(ii) Floating at a rate of 3 month Libor plus 2.70% p.a. until 31 August 2010, thereafter 3 month Libor plus 5.70% p.a. if the extension option is exercised.

(iii) US REIT notes

The Trust entered into a term sheet agreement with the Noteholders under the US REIT (the Issuer) US$169 million Note Issue (A$ 244.5 million) which amends the note issue and is subject to certain other conditions. The current outstanding balance of the USREIT notes is US$99.4 million(A$143.8 million) after repayment using the proceeds of the sale of the GSA I portfolio. The key terms of that term sheet agreement are:

• The maturity of the Notes will be 31 August 2010;

• The Issuer will have the option of extending the maturity by one year provided certain leverage and net asset tests are met including that the Notes outstanding are prepaid to one-third of the current outstanding;

• No prepayment penalty

• The interest margin until 31 August 2010 will remain unchanged and will be increased by 300 basis points during the extension period to 31 August 2011 (if applicable).

• The default expected to be caused upon release of RAT financial statements by a breach of the financial covenants of the Guarantor will be waived;

• Distributions from the USREIT limited to 50% of interest due under RFA II note issue and related to RFA II documentation costs, the servicing of preferred shares and management fees;

• The payment of a consent fee of US$1.69 million (A$2.5 million) plus a paydown fee of 1.5% of the Notes outstanding if the Notes are not paid down to US$45 million (A$65.1 million) or less outstanding by 5 June 2009 plus an extension fee of 4% of Notes outstanding in excess of US$90 million (A$130.2 million) following the repayment from the proceeds of the GSA I sale;

• The Issuer will agree to new financial covenants based on leverage and interest service coverage, fixed charge coverage and debt service coverage which will apply with effect from 31 March 2009. The financial covenants applicable to RAT as the Guarantor will cease to apply; and

• Net proceeds from sales of real estate assets of the Issuer or the Issuer’s subsidiaries must be applied to prepay the Notes at par.

These amendments are subject to formal documentation. Following the sale of GSA I, the consent fee of US$1.69 million (A$2.5 million) and an extension fees of US$0.3 million (A$.5 million) was paid to the Noteholders. RAT will not act as a guarantor to any fee as yet unpaid or to any increased margin where applicable.

(iv) RFA II notes

The Trust is negotiating an amendment in respect of the US$100 million (A$144.7 million) facility with note holders. Key proposed terms of the amendments are:

• August 2011 maturity
• No change in interest margin; no prepayment penalty
• Financial covenants waived until maturity; no distribution to equity investors
• Additional security in the form of the pledge of equity in Rubicon Finance America
• No distributions permissible to the Trust's unit holders until maturity
• Waiver of the defaults expected to be caused by covenant breaches following the release of the Trust's financial statements

These amendments are subject to formal documentation.

In addition, the Trust's joint ventures hold a total of US$131.8 million (A$190.6 million) interest bearing liabilities split between current US$1.2 million (A$1.7 million) and non-current of US$130.6 million (A$188.9 million) , refer Note 28 (d).

Concerning the Trust's development in the near future and its likely impact on existing borrowings, please refer to Note 1.

Note 17. Borrowings (continued)

Bank loan facilities	Consolidated 31 Dec 2008 US$'000	Consolidated 31 Dec 2007 US$'000	Parent 31 Dec 2008 A$'000	Parent 31 Dec 2007 A$'000
Total facilities	**1,022,758**	1,441,758	**-**	-
Used at balance date	**(705,712)**	(1,232,345)	**-**	-
Unused at balance date*	**317,046**	209,413	**-**	-

*The unused balance includes US$264.6 million undrawn CRE loan warehouse facility which can only be used to acquire CRE loans and US$41.8 million undrawn development loan which can only be used in relation to 100 N W 6th Street, Miami, Florida.

Note 18. Provisions

	Consolidated 31 December 2008 $'000	Consolidated 31 December 2007 $'000	Parent 31 December 2008 $'000	Parent 31 December 2007 $'000
Provision for liquidation expenses	**156**	-	**140**	-
Total provisions	**156**	-	**140**	-

Movement in provisions

Movements in provisions during the financial year are set out below:

Consolidated 2008	**Consolidated $'000**	**Parent $'000**
Carrying value at the start of the year	**-**	**-**
Charged/(credited) to the income statement		
- additional provisions recognised	**156**	**140**
Carrying amount at the end of the year	**156**	**140**

Note 19. Distributions paid and payable

	Consolidated 31 December 2008 Cents per unit	31 December 2008 $'000	31 December 2007 Cents per unit	31 December 2007 $'000
31 March 2007 (paid)	-	-	2.845	11,225
30 June 2007 (paid)	-	-	2.845	11,542
30 September 2007 (paid)	-	-	2.845	11,541
31 December 2007 (payable) (i)	-	-	2.845	11,473
Total distributions - RAT units	**-**	**-**	11.380	45,781
Total distribution		**-**		45,781

The Trust is not expected to pay distributions in the future.

(i) In year 2007, US REIT paid $17,649 to 125 Series A Cumulative Non-Voting Preferred shares. The "liquidation" value of each share is US$1,000. Dividends are paid at the rate of 12.5% per annum. $8,207 was payable as at 31 December 2007.

Note 20. Income tax liabilities

	Consolidated 31 December 2008 $'000	Consolidated 31 December 2007 $'000	Parent 31 December 2008 $'000	Parent 31 December 2007 $'000
Current				
Income tax liability	**15,596**	-	**14,583**	-
Opening deferred tax liability balance	**42,198**	22,225	**52,373**	22,226
Deconsolidation adjustment	**-**	(2,623)	**-**	-
Reduction in US capital gains deferred tax liabilities as a result of reduction in value of assets	**(46,317)**	-	**(45,274)**	-
Transfer of deferred tax liability to current income tax liability after disposal of GSA 1 properties	**(3,443)**	22,596	**(3,443)**	30,147
Foreign currency translation movement	**11,218**	-	**-**	-
Closing deferred tax liability balance	**3,656**	42,198	**3,656**	52,373

Capital gains on the future sales of the Trust's investments are subject to US withholding tax pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA), at a withholding tax rate of 35% if the capital gain is distributed but if the proceeds from the disposal are reinvested in a qualifying asset, the tax payable can be deferred and 'rolled over' into the tax cost base of the qualifying asset. All deferred tax movements are recorded through the Income Statements. The movements relate to one type of temporary difference which is expected to be settled in more than 12 months. Income tax liability has included US$2.8 million (AUD$3.4 million) of Foreign Investment in Real Property Tax which are required for the sale of interests held by non-resident aliens and foreign corporations in real property located within the United States (FIRPTA) for year ended 31 December 2008.

Note 21. Contributed equity

	Consolidated		Consolidated	
	31 December 2008 Units	31 December 2007 Units	**31 December 2008 $'000**	31 December 2007 $'000
(a) Value of units on issue				
Opening balance	**403,278,467**	394,553,283	**401,467**	392,817
Issue of units	**-**	-	**-**	-
Units issued under dividend reinvestment plan	**-**	11,120,396	**-**	11,225
Units bought back on-market and cancelled	**-**	(2,395,212)	**-**	(2,015)
Cost of issue of units	**-**	-	**-**	(532)
Buy-back transaction costs	**-**	-	**(19)**	(28)
Closing balance	**403,278,467**	403,278,467	**401,448**	401,467

The buy back transaction costs are in relation to the buy backs executed in the 2007 year.

Note 22. Reserve

	Consolidated		Parent	
	31 December 2008	31 December 2007	**31 December 2008**	31 December 2007
(a) Foreign currency translation reserve	**$'000**	$'000	**$'000**	$'000
Balance at the beginning of the year	**(83,526)**	(38,773)	**-**	**-**
Movement for the year	**61,505**	(44,753)	**-**	**-**
Balance at the end of the year	**(22,021)**	(83,526)	**-**	**-**

(b) Nature and purpose of reserve

Foreign currency translation reserve
Exchange rate differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 1(c).

Note 23. Undistributed (loss) / income

	Consolidated		Parent	
	31 December 2008 $'000	31 December 2007 $'000	**31 December 2008 $'000**	31 December 2007 $'000
Undistributed income at the beginning of the year	**64,519**	60,168	**135,498**	41,684
Net (loss) / profit attributable to unitholders	**(586,882)**	50,149	**(598,792)**	139,595
Distributions provided for or paid	**-**	(45,781)	**-**	(45,781)
Distributions to US REIT Preference A unit holders	**-**	(17)	**-**	
Undistributed (loss) / income at the end of the year	**(522,363)**	64,519	**(463,294)**	135,498

Note 24. Cash and cash equivalents

Cash as at 31 December 2008 as shown in the Cash Flows Statements are reconciled to the related items in the Balance Sheets as follows:

	Consolidated		Parent	
	31 December 2008	31 December 2007	**31 December 2008**	31 December 2007
Current	**$'000**	$'000	**$'000**	$'000
Australian dollar operating accounts	**2,704**	2,689	**2,704**	2,689
US dollar operating accounts	**12,064**	8,145	**4,304**	441
Term deposit	**5,002**	-	**5,002**	-
Cash and cash equivalents	**19,770**	10,834	**12,010**	3,130

Note 25. Cash and cash equivalents - Restricted Cash

	Consolidated		Parent	
Current	**31 December 2008**	31 December 2007	**31 December 2008**	31 December 2007
Restricted cash held at property level (i)	**12,668**	28,624	-	-
Restricted cash held at DLA Piper LLP (US) (ii)	**123,017**	-	-	-
Restricted cash held in Credit Suisse Escrow account (iii)	-	3,551	-	2,116
Cash and cash equivalents - Restricted Cash	**135,685**	32,175	**-**	2,116

(i) Cash held by the lenders in escrow accounts for payment of real estate taxes, payment of insurance premium, reimbursement of tenant improvements and capital expenditure.
(ii) Net proceeds from GSA I sale that are held at DLA Piper LLP (US).
(iii) Restricted cash held by Credit Suisse in relation to collateral for foreign exchange transactions. This account was closed in October 2008 after the Trust closed the interest rate swap in October 2008.

Note 26. Cash flow reconciliation

	Consolidated		Parent	
	31 December 2008 $'000	31 December 2007 $'000	**31 December 2008 $'000**	31 December 2007 $'000
Reconciliation of net profit to net cash flow from operating activities				
Net (loss) / profit for the year	**(586,862)**	50,149	**(598,792)**	139,595
Adjustments				
Capital expenditure on investment properties	**-**	1,172	**-**	1,172
Payments to establish Rubicon Finance America	**-**	14,684	**-**	-
Foreign exchange movement on non operating income	**(3,019)**	-	**(2,411)**	-
Write off / Amortisation of capitalised borrowing costs and debt establishment costs	**14,138**	6,904	**-**	-
Distribution received	**-**	-	**(33,404)**	(111,179)
Loss on disposal of CRE loans	**25,055**	-	**-**	-
Loss on disposal of property investments	**52,807**	-	**-**	-
Bad debt written off	**1,874**	**-**	**90,561**	**-**
Liquidation adjustments - property investments	**266,085**	**-**	**-**	**-**
Fair value adjustments - property investments	**-**	(51,563)	**470,781**	(50,558)
Liquidation adjustments - equity accounted investments	**79,134**	**-**	**-**	**-**
Liquidation adjustments - CRE loans	**190,675**	**-**	**-**	**-**
Fair value adjustments - equity accounted investments	**-**	(14,735)	-	-
Deferred tax benefit	**(38,146)**	**-**	**(45,273)**	**-**
Other	**-**	(435)	**-**	**-**
Net cash provided by operating activities before changes in assets and liabilities	**1,741**	6,176	**(118,538)**	(20,970)
Changes in assets and liabilities during the year				
(Increase)/decrease prepayments	**-**	423	**-**	44
(Increase)/decrease investment in associates	**(17,405)**	5,799	**-**	-
(Increase)/decrease investments in controlled entities	**-**	**-**	**-**	446
(Increase)/decrease investment properties	**2,671**	(2,127)	**-**	-
(Increase)/decrease commercial real estate loan assets	**-**	3,749	**-**	-
(Increase)/decrease accounts receivable	**2,576**	(1,737)	**273**	-
(Increase)/decrease other assets	**(1,816)**	4,197	**-**	317
Increase/(decrease) amortised borrowing cost	**-**	9,024	**-**	9,024
Increase/(decrease) borrowings	**20,054**	**-**	**-**	-
Increase/(decrease) provisions	**156**	(1,434)	**99,205**	140
Increase/(decrease) payables and trade creditors	**(6,898)**	1,321	**(148)**	(1,789)
Increase/(decrease) deferred tax	**(3,443)**	25,406	**-**	30,148
Increase/(decrease) income tax provision	**15,596**	-	**11,140**	-
Increase/(decrease) unrealised hedge gain/(loss)	**(2,660)**	(13,944)	**(889)**	(13,925)
Increase/(decrease) other liabilities	**36,828**	3,188	**36,828**	1,790
Net cash flows from operating activities	**47,400**	40,041	**27,871**	5,225

Note 27. Related party disclosures

Responsible entity
The RE and Manager of RAT is RAML (ACN 095 433 720), a wholly owned subsidiary of RHAL. The ultimate parent of RHAL is Allco Finance Group Limited (ACN 077 721 129) (Administrators appointed) (Receivers and Managers appointed) ("Allco"). On 4 November 2008, Allco announced that voluntary administrators and receivers and managers had been appointed to Allco and certain of its subsidiaries. Subsequently, on 7 November 2008, RAML announced that the directors of RHAL determined that RHAL was no longer able to continue trading as a going concern. National Australia Bank ("NAB") as the secured lender to RHAL was invited by the directors of RHAL to appoint a receiver to RHAL's assets (Receiver). Following the invitation of the RHAL's Board, NAB placed RHAL into Receivership on 11 November 2008. The RE has not been placed into receivership.

The registered office of the RE and the Trust is Level 2, 287-289 New South Head Road, Edgecliff, NSW 2027, Australia.

Directors
The names of persons who were directors of RAML at any time during the year are as follows:

Gordon Edward Christopher Fell
Matthew Raymond Cooper
David John Simpson
Raymond John Kellerman (resigned 7 November 2008)
Peter Anthony Barnes (resigned 29 December 2008)

The Trust has accrued $451,809 as payable to RAML and its associates for base management fees for the year ended 31 December 2008 (2007: $Nil).

Transactions with related parties are set out below:

	Consolidated			**Parent**		
	For the six months to		**For the year ended**	**For the six months to**		**For the year ended**
	31 Dec 08 $'000	30 Jun 08 $'000	**31 Dec 08** **$'000**	31 Dec 08 $'000	30 Jun 08 $'000	**31 Dec 08** **$'000**
Base management fee	3,394	3,488	**6,882**	696	729	**1,425**
Aggregate amounts paid to the related parties at balance date as at 31 December 2008	3,394	3,488	**6,882**	696	729	**1,425**
			For the year 31 Dec 07 $'000			For the year 31 Dec 07 $'000
Aggregate amounts paid to the related parties at balance date as at 31 December 2007			13,872			2,525

The above fees and transactions were all based on market rates and on normal commercial terms and conditions.

Directors' interests in Trust units

The directors of the RE (and their director related entities) did not held any units in RAT at the balance sheet date.
The number of units in the Trust held by RAML, its affiliates and other schemes managed by RAML, are as follows:

31 December 2008

Unitholder	**Number of units held**	**Interest held** **%**	**Number of units acquired**	**Number of units disposed**	**Distributions paid/payable by the Trust** **$'000**
Rubicon Strategic Trust	**-**	**-**	**-**	**(46,056,227)**	**-**

31 December 2007

Unitholder	Number of units held	Interest held %	Number of units acquired	Number of units disposed	Distributions paid/payable by the Trust $'000
Rubicon M&A Fund	-	-	-	(4,184,257)	119
Rubicon Special Events Master Fund	-	-	-	(4,242,018)	121
Rubicon Strategic Trust	46,056,227	11.4%	46,056,227	-	3,931

Note 28. Investments in Associates

(a) Carrying amounts

Information relating to associates is set out below.

Consolidated

Name of company	Principal activity	Ownership interest	31 Dec 2008	Ownership interest	31 Dec 2007
		%	$'000	%	$'000
Rubicon Park I, LLC	Real estate	80	**6,443**	80	24,398
Rubicon Park II, LLC	Real estate	80	**2,026**	80	8,605
Rubicon Madden I, LLC	Real estate	80	-	80	22,451
			8,469		55,454

Each of the above associates is incorporated in the United States.

(b) Movements in carrying amounts

	Consolidated 31 Dec 2008	31 Dec 2007
	$'000	$'000
Carrying amount at the beginning of the financial year	**55,454**	-
Deconsolidation adjustment	**-**	46,358
Contributed equity	**10,804**	160
Share of profits after income tax	**(57,399)**	6,765
Share of increment/(decrement) on property revaluation	**-**	14,735
Share of liquidation value adjustment - property investments	**(5,526)**	-
Share of deferred tax expense	**12,154**	(7,810)
Distributions received	**(7,018)**	(4,754)
Carrying amount at the end of the financial year	**8,469**	55,454

(c) Share of associates' profits or losses

(Loss) / Profit before income tax	**(69,553)**	14,124
Income tax benefit	**12,154**	-
(Loss) / Profit after income tax	**(57,399)**	14,124

Note 28. Investments in Associates (continued)

(d) Summarised financial information of associates

31 December 2008		**Rubicon Park I, LLC [ii]**		**Rubicon Park II, LLC [ii]**		**Rubicon Madden I, LLC [ii]**		**Total [iii]**
Trust's share of:		**Ownership Interest**	**RAT Interest $'000**	**Ownership Interest**	**RAT Interest $'000**	**Ownership Interest**	**RAT Interest $'000**	**RAT Interest $'000**
Property investments	(1)	80.0%	64,917	80.0%	28,584	80.0%	62,092	**93,501**
Other assets		80.0%	8,480	80.0%	514	80.0%	5,430	**8,994**
Assets			73,397		29,098		67,522	**102,495**
Borrowings	(2)	86.6%	65,124	100.0%	26,261	81.5%	72,594	**91,385**
Deferred tax liability [i]		100.0%	-	100.0%	-	100.0%	-	**-**
Other liabilities		80.0%	1,829	89.3%	812	80.0%	3,600	**2,641**
Liabilities			66,953		27,073		76,194	**94,026**
Net Assets [iii]			6,444		2,025		(8,672) [iii]	**8,469**
Revenues [iv]			13,633		6,613		15,361	**35,607**
Profit [ii]		75%	(23,118)	72%	(7,844)	85%	(26,437)	**(57,399)**

(i) Deferred tax is calculated for the Trust on the Trust's share of any asset revaluations.

(ii) For Rubicon Park I, LLC and Rubicon Park II, LLC the Trust's share of profit is 80% adjusted for the level of debt held. The Trust is liable for 86.6% of the borrowings within Rubicon Park I, LLC therefore is attributed 86.6% of the interest expense and loan amortisation costs, reducing the Trust's interest in profit to 75%. Again, the Trust is liable for 100% of borrowings within Rubicon Park II, LLC therefore is attributed 100% of interest expense and loan amortisation costs, reducing the Trust's interest in profit to 72%. For Rubicon Madden I, LLC the Trust is entitled to an interest of 85% of net operating profit for three years to April 2009, from that date the Trust's share will be 80%.

(iii) There would be no net asset impact if the Rubicon Madden I, LLC assets were sold at the liquidation value indicated above as the debt associated with Rubicon Madden I, LLC is not guaranteed by any entity of RAT. As a result, the total RAT's interest is sum of Rubicon Park I, LLC and Rubicon Part II, LLC interest only.

(iv) Gross property revenue for the year.

Note 28. Investments in Associates (continued)

(d) Summarised financial information of associates (continued)

31 December 2007		Rubicon Park I, LLC		Rubicon Park II, LLC		Rubicon Madden I, LLC		Total
		Ownership	RAT Interest	Ownership	RAT Interest	Ownership	RAT Interest	RAT Interest
Trust's share of:		Interest	$'000	Interest	$'000	Interest	$'000	$'000
Property investments	(1)	80.0%	77,782	80.0%	31,580	80.0%	79,534	188,896
Other assets		80.0%	5,425	80.0%	448	80.0%	4,881	10,754
Assets			83,207		32,028		84,415	199,650
Borrowings	(2)	86.5%	51,358	100.0%	21,490	80.0%	55,858	128,706
Deferred tax liability (i)		100.0%	6,008	100.0%	1,305	100.0%	2,863	10,176
Other liabilities		80.0%	1,444	80.0%	627	80.0%	3,243	5,314
Liabilities			58,810		23,422		61,964	144,196
Net Assets			24,397		8,606		22,451	55,454
Revenues			11,444		4,973		14,257	30,674
Profit (ii)		75.0%	5,264	70.0%	1,893	85.0%	6,967	14,124

(i) Deferred tax is calculated for the Trust on the Trust's share of any asset revaluations.

(ii) For Rubicon Park I, LLC and Rubicon Park II, LLC the Trust's share of profit is 80% adjusted for the level of debt held. The Trust is liable for 86.5% of the borrowings within Rubicon Park I, LLC therefore is attributed 86.5% of the interest expense and loan amortisation costs, reducing the Trust's interest in profit / loss to 75%. Again, the Trust is liable for 100% of borrowings within Rubicon Park II, LLC therefore is attributed 100% of interest expense and loan amortisation costs, reducing the Trust's interest in profit to 70%. For Rubicon Madden I, LLC the Trust is entitled to an interest of 85% of net operating profit for three years to April 2009, from that date the Trust's share will be 80%.

Note 28. Investments in Associates (continued)

(d) Summarised financial information of associates (continued)

(1) **Property investment**

	31 Dec 2008 US$'000	31 Dec 2007 US$'000	**31 Dec 2008 A$'000**	31 Dec 2007 A$'000
Fair value (i)	**-**	165,304	**-**	188,896
Total fair value	**-**	165,304	**-**	188,896
Liquidation value (ii)	**107,561**	-	**155,593**	-

(i) Fair value is determined by an independent valuer, Thomas B. McDonnell, MAI, CB Richard Ellis.

(ii) Liquidation value. Refer to Note 2 for the basis of the valuation.

Note 28. Investments in Associates (continued)

(d) Summarised financial information of associates (continued)

(2) **Lender**	**Owner-ship**	**Facility US$'000**	**Term (years)**	**Balance US$'000**	**Trust's share US$'000**	**Interest Rate %**	**Expiry**	**Security**
Borrowings								
Bear Stearns Commercial Inc	86.6%	52,000	7	52,000	**45,020**	4.865%	January 2012	Property investments which comprise the initial portfolio of the Rubicon America Trust
Allstate Life Insurance Company	100.0%	19,275	7	18,154	**18,154**	4.390%	June 2011	2301 Maitland Centre, Parkway, Maitland, Orange County, Florida
Artesia Mortgage Capital Corporation	81.5%	61,600	10	61,600	**50,184**	5.519%	April 2016	6399 & 6501 South Fiddler's Green Circle, Greenwood Village, Colorado
Total borrowings **US$'000**		132,875		131,754	**113,358**			
A$'000		192,210		190,589	**163,978**			

Note 28. Investments in Associates (continued)

		Consolidated	
(e)	**Share of associates' expenditure commitments, other than for the supply of inventories**	**31 Dec 2008**	31 Dec 2007
		$'000	$'000
	Capital commitments	**-**	157
		-	157

(f) Contingent liabilities of associates
There are no contingent liabilities.

Note 29. Key management personnel disclosures

The key management personnel of RAT and its controlled entities during the year is RE and its directors.

(a) Directors
The directors of the Responsible Entity are set out in Note 27.

(b) Executives
There were no executives employed by the Trust or its controlled entities at any time during the year.

(c) Remuneration of directors

(i) Executive directors
Following the result of the acquisition of RHAL by Allco on 19 December 2007, the Executive Directors of the RE became employees of Allco. Following the appointment of voluntary administrators and receivers and managers to Allco, the executive directors were employed by RAML from 1 December 2008. The Board is responsible for overseeing remuneration and human resources policies and practices of the group. The Board consists of one independent director. The remuneration practices have been structured to be competitive and to ensure the group can attract and retain the talent needed to achieve both short and long term success, while maintaining a strong focus on teamwork, individual performance and the interest of the shareholders. Total remuneration is delivered through base salary and annual performance bonus.

(ii) Non-executive directors
The Non-Executive Directors are employees of the RE and are paid an annual fee for their services on the Board, Audit, Risk Management and Compliance Committee and Related Party Committee of the Board. The total remuneration paid to Non-Executive Directors is set out in the remuneration table below. The amount paid to Non-Executive Directors is reviewed from time to time and approved by the Board. Non-Executive Directors are not provided with retirement benefits other than statutory superannuation and do not receive option or bonus payments.

(iii) Remuneration of directors
The remuneration of each director of RE is set out in the following table. The remuneration amounts have been calculated by estimating the time spent during the year by each of the directors working on matters relevant to the Trust, including preparing for and attending board meetings. The remuneration of the directors who resigned during the year, has been calculated up to the date of their resignation.

December 2008		**Primary**		**Post-employment**		**Equity**	**Total**
Name	**Cash salary & fees**	**Cash bonus**	**Non-monetary benefits**	**Options**	**Retirement benefits**	**Options**	
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Directors							
Gordon Edward Christopher Fell	**134**	**-**	**-**	**-**	**12**	**-**	**146**
Matthew Raymond Cooper	**72**	**-**	**-**	**-**	**7**	**-**	**79**
Raymond John Kellerman	**24**	**-**	**-**	**-**	**2**	**-**	**26**
David John Simpson	**28**	**-**	**-**	**-**	**3**	**-**	**31**
Peter Anthony Barnes	**28**	**-**	**-**	**-**	**3**	**-**	**31**
Total	**286**	**-**	**-**	**-**	**27**	**-**	**313**

December 2007		Primary		Post-employment		Equity	Total
Name	Cash salary & fees	Cash bonus	Non-monetary benefits	Options	Retirement benefits	Options	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Directors							
Gordon Edward Christopher Fell	83	1,996	-	-	6	-	2,085
Matthew Raymond Cooper	42	664	-	-	6	-	712
Raymond John Kellerman	20	-	-	-	2	-	22
David John Simpson	20	-	-	-	2	-	22
Peter Anthony Barnes	20	-	-	-	2	-	22
Total	185	2,660	-	-	18	-	2,863

Note 29. Key management personnel disclosures (continued)

(d) Options and loans

There were no loans or Trust options granted as part of directors' remuneration in respect to their position as director of the RE.

(e) Other transactions with the Trust

The terms and conditions of the transactions by the Trust with directors and their director related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

Note 30. Financial Risk Management

The financial statements have been prepared on a liquidation basis, as set out in Note 1.

This financial risk management note has been prepared to provide an overview of how the RE is managing key financial and related risks, reflecting the change in the Trust's financial position since the previous year.

Comparative information is provided where applicable to understanding the Trust's current financial and related risks.

The Trust is exposed to a range of financial and other risks as a result of the various assets and liabilities it holds, in particular arising from its:

• Property investments
• CRE loan portfolio
• Borrowings held
• Derivative instruments held

Risk management is carried out by the management of the RE on behalf of the Trust as approved by the Board of Directors. As a result of the current financial position of the Trust, the management is constrained in terms of the risk management options available to the Trust.

(a) Capital risk management

The RE has concluded that the Trust is not a going concern for the reasons set out in Note 1. The RE's current objective in managing the trust's capital is to act in the best interests of unitholders and current creditors. The RE is seeking to sell assets in an orderly manner and use the proceeds from such asset sales to repay debt in accordance with the Trust's obligations under its loan documents.

As set out in Notes 1 and 17, the Trust is currently in default on various of its borrowings, and as such, whilst the timing of asset sales is currently under the control of the RE, the RE is unable to ensure that this continues to be the case. During the year, the Trust sold both CRE Loan assts and real estate assets (refer to Note 11 and Note 17 respectively for further details). The proceeds of these were used to pay down existing debt.

The Trust maintained its policy of not paying distributions and is not currently expected to pay distributions to unitholders.

In the best interests of the unitholders the directors have voluntarily suspended the Trust from trading on Australian Stock Exchange.

Based on the liquidation values adopted in this financial report, the equity remaining in the Trust for unitholders is negative. Given the uncertainties in valuing assets on a liquidation basis, it is likely that the valuations of assets included within these financial statements may differ from the actual results.

If there is any equity left for unitholders after disposal of assets and repayment of all liabilities, the directors will consider the most appropriate method of dealing with that equity in the best interests of unitholders at that time.

(b) Market risk

(i) Foreign exchange risk

The Trust undertakes transactions in a range of financial instruments including:
• Investments in foreign operations and
• Holding a commercial real estate loan portfolio.

The Trust has previously managed this risk through foreign currency hedges, however, during the year the Trust has removed all of its foreign currency hedges, generating a favourable pre tax cash flow of A$34.6 million. Although by removing these hedges the Trust is no longer exposed to the risk of potential margin calls in relation to foreign exchange hedges, any remaining equity in the Trust is now exposed to movements in the spot A$/US$ rate.

The foreign exchange fluctuation risk for the CRE loan book and the commercial real estate assets is hedged by matching US$ debt funding with the currency of the assets. As a result, any foreign currency fluctuations in the CRE loan assets and commercial real estate assets are partially offset by the corresponding movements in foreign currency liabilities. The economic effectiveness of the foreign currency borrowing has been adversely impacted by the revised valuation of assets.

Note 30. Financial Risk Management (continued)

The following is a summary of the Trust's exposures to foreign currency risk:

Consolidated 31 December 2008	Australia A$'000	United States A$'000	Total A$'000
Assets			
Cash and cash equivalents	**12,010**	**7,760**	**19,770**
Cash and cash equivalents - restricted cash	**-**	**135,685**	**135,685**
Receivables	**2,091**	**23,798**	**25,889**
Property Investments	**-**	**609,724**	**609,724**
Property under construction	**-**	**31,101**	**31,101**
Investment in associates	**-**	**8,469**	**8,469**
Commercial real estate loans	**-**	**89,091**	**89,091**
Other current assets	**-**	**2,051**	**2,051**
Total assets	**14,101**	**907,679**	**921,780**
Liabilities			
Payables	**(462)**	**(14,467)**	**(14,929)**
Provisions	**(140)**	**(16)**	**(156)**
Income tax payable	**(14,583)**	**(1,013)**	**(15,596)**
Derivative financial instruments	**(902)**	**-**	**(902)**
Current interest bearing liabilities	**-**	**(1,029,315)**	**(1,029,315)**
Deferred tax liabilities	**(3,656)**	**-**	**(3,656)**
Total liabilities	**(19,743)**	**(1,044,811)**	**(1,064,554)**
Net assets	**(5,642)**	**(137,132)**	**(142,774)**

Consolidated 31 December 2007	Australia A$'000	United States A$'000	Total A$'000
Assets			
Cash and cash equivalents	573	10,261	10,834
Cash and cash equivalents - restricted cash	2,116	30,059	32,175
Receivables	127	22,844	22,971
Derivative financial instruments	36,828	-	36,828
Other current assets	-	1,335,073	1,335,073
Investment properties	-	347,324	347,324
Other non current assets	-	68,854	68,854
Total assets	39,644	1,814,415	1,854,059
Liabilities			
Payables	305	18,002	18,307
Provisions	305	-	305
Current interest bearing liabilities	-	281,292	281,292
Derivative financial instruments	1,791	1,397	3,188
Non current interest bearing liabilities	-	1,114,666	1,114,666
Distribution payable	11,481	-	11,481
Other non current liabilities	-	42,198	42,198
Total liabilities	13,882	1,457,555	1,471,437
Net assets	25,762	356,860	382,622

(ii) Cash flow and liquidation value interest rate risk

The Trusts is exposed to interest rate risk from both borrowings used to acquire property investments and CRE loans.

The Trust has previously managed interest rate risk through interest rate swaps however, during the year the Trust unwound interest rate swaps of notional principal value of US$77 (A$111.4 million) for a pre tax loss of US$5.3 million (A$7.7 million). After adjusting this loss with the balance in the collateral account, US$1.9 million (A$2.8 million) was released. As a result the Trust is now exposed to interest rate risk on its CRE loan portfolio.

During the year the Trust has continued to service interest payments on it's debt from the operating cash flows, however the Trust is exposed to interest rate penalties, conditional on the Trust meeting banking covenants and repayment schedules:

• the RFA facility with CS has default interest rate of the greater of the pricing rate (margin that currently applies under the facility) plus 3% and the Mortgage Interest Rate;

• the USREIT note facility has a default interest rate of 7.67% up to 31 August 2010; and 10.67% thereafter for the fixed interest component of the Note issue and LIBOR plus 2.70% up to 31 August 2010; and LIBOR plus 5.70% thereafter for the variable interest component of the note issue;

• the loan facilities for the property assets have penalty charges of 4% for the loans apart from New Orleans and Kansas City that are 5%.

Note 30. Financial Risk Management (continued)

To date no penalty interest has been imposed by the lenders.

The Trust has an interest rate 'collar' derivative for the Overtown development project. Under the derivative the Trust pays a base rate minimum of 3.46% and a maximum of 6.00%. This derivative expires on 17 August 2009. As interest rates have fallen sharply this instrument is out of the money i.e. the applicable base rate is lower than 3.46%.

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The exposure to credit risk is monitored on an ongoing basis.

The Trust's main credit risk is the exposure to the quality of tenants within the property investments and the value of security of properties associated with the CRE loans. Any tenants who have defaulted on their tenancy agreement expose the Trust to cash shortfalls in servicing the debt and recovering any unpaid amounts. Tenancy profiles also have a direct effect on the property valuations and hence put pressure on the covenants for the property investments held directly by the Trust and the senior debt providers on the CRE loans. The Trust performs full credit checks on tenants prior to entering into an agreement however, as a result of the global credit crisis, credit worthiness of tenants have changed from the initial assessment, leaving the Trust exposed to defaults.

The maximum amount of exposure to credit risk at the reporting date is the carrying amount of the financial assets as set out below :

	United States $'000	Australia $'000	Total $'000
Cash and bank balances	**143,445**	**12,010**	**155,455**
Receivables	**23,798**	**2,091**	**25,889**
Commercial real estate loans	**89,091**	**-**	**89,091**
Total	**256,334**	**14,101**	**270,435**

(d) Liquidity risk

The Trust specifically has CRE loans and property investment debt.

The Trust is currently in default on a number of its facility, and is in continuous negotiation with impacted lenders.

Details on the current position and the status of negotiations of the various debt facilities has been provided within Note 17 and the related risks are set out in Note 1.

(e) Real estate risk

The global market for many types of real estate has been severely affected by the recent volatility in global financial markets. The lower levels of liquidity and volatility in the banking sector have translated into a general weakening of market sentiment towards real estate and the number of real estate transactions has significantly reduced.

With continued pressures on property values as a result of the availability of finance, property valuations have sharply declined. This has put pressure on banking covenants (in particular gearing ratios) and the CRE loans.

(f) Liquidation value risk

The following table demonstrates the impact on the Trust's net assets at 31 December 2008 from adoption of different assumptions for the liquidation value of the Trust's key assets:

	% change in value	**Adjusted net assets – decrease in liquidation value assumed**	**Adjusted net assets – increase in liquidation value assumed**
		$'000	**$'000**
Net assets per balance sheet		**(142,774)**	**(142,774)**
Increase / decrease in liquidation value of Property Investments with all other assets / liabilities remaining constant	**+ / - 10 %**	**(207,703)**	**(77,845)**
Increase / decrease in liquidation value of CRE loans with all other assets / liabilities remaining constant	**+ / - 10 %**	**(151,683)**	**(133,865)**
Increase / decrease in liquidation value of: • Property Investments; and • CRE loans with all other assets / liabilities remaining constant	**+ / - 10 %**	**(216,613)**	**(68,935)**

Note 31. Segment information

Business segment

The Trust is a listed property trust which invests in the US property market and commercial real estate (CRE) loan assets.

Consolidated	Property investments	CRE loan assets	Corporate	Total
31 December 2008	**$'000**	**$'000**	**$'000**	**$'000**
Segment revenue				
Property rental revenue	**131,290**	**-**	**-**	**131,290**
Commercial real estate loan interest income	**-**	**23,164**	**-**	**23,164**
Net foreign exchange gain	**-**	**(1,365)**	**1,592**	**227**
Total segment revenue	**131,290**	**21,799**	**1,592**	**154,681**
Segment result	**(363,474)**	**(149,272)**	**(74,136)**	**(586,882)**
Segment assets and liabilities				
Segment assets				
Cash and cash equivalents	**7,273**	**487**	**12,010**	**19,770**
Cash and cash equivalents - restricted cash	**135,685**	**-**	**-**	**135,685**
Property investments	**609,724**	**-**	**-**	**609,724**
Commercial real estate loans	**-**	**89,091**	**-**	**89,091**
Other segment assets	**64,703**	**2,578**	**229**	**67,510**
Total assets	**817,385**	**92,156**	**12,239**	**921,780**
Segment liabilities				
Borrowings	**(761,115)**	**(268,200)**	**-**	**(1,029,315)**
Other segment liabilities	**(20,460)**	**(2,134)**	**(12,645)**	**(35,239)**
Total liabilities	**(781,575)**	**(270,334)**	**(12,645)**	**(1,064,554)**
Net assets	**35,810**	**(178,178)**	**(406)**	**(142,774)**
31 December 2007				
Segment revenue				
Property rental revenue	138,452	-	**-**	138,452
Commercial real estate loan interest income	-	27,407	**-**	27,407
Fair value adjustments to investment properties	51,563	-	**-**	51,563
Net foreign exchange gain / (loss)	-	-	6,196	6,196
Net gain on re-measurement of derivatives to fair value	-	(1,378)	12,134	10,756
Other operating income	-	1,092	-	1,092
Total segment revenue	190,015	27,121	18,330	235,466
Segment result	(45,260)	(23,776)	119,185	50,149
Segment assets and liabilities				
Segment assets				
Cash and cash equivalents	33,232	4,531	5,246	43,009
Property investments	1,335,073	-	**-**	1,335,073
Investment in commercial real estate loans	-	347,323	**-**	347,323
Other segment assets	88,771	2,929	36,954	128,654
Total assets	1,457,076	354,783	42,200	1,854,059
Segment liabilities				
Borrowings	(1,053,201)	(342,758)	-	(1,395,958)
Other segment liabilities	(57,783)	(3,822)	(13,874)	(75,479)
Total liabilities	(1,110,984)	(346,580)	(13,874)	(1,471,437)
Net assets	346,093	8,203	28,326	382,622

Note 31. Segment information (continued)

Geographical segments

The Trust has investments the US property market and US commercial real estate loans and investments in other assets, primarily cash, in the United States and Australia.

Consolidated	**Australia**	**United States**	**Consolidated**
31 December 2008	**$'000**	**$'000**	**$'000**
Segment revenue			
Property rental revenue	**-**	**131,290**	**131,290**
Commercial real estate loan interest income	**-**	**23,164**	**23,164**
Net foreign exchange gain / (loss)	**1,592**	**(1,365)**	**227**
Total segment revenue	**1,592**	**153,089**	**154,681**
Segment result	**(74,136)**	**(512,746)**	**(586,882)**
Segment assets and liabilities			
Segment assets			
Cash and cash equivalents	**12,010**	**7,760**	**19,770**
Cash and cash equivalents - restricted cash	**-**	**135,685**	**135,685**
Property investments	**-**	**609,724**	**609,724**
Investment in commercial real estate loans	**-**	**89,091**	**89,091**
Other segment assets	**229**	**67,281**	**67,510**
Total assets	**12,239**	**909,541**	**921,780**
Segment liabilities			
Borrowings	**-**	**(1,029,315)**	**(1,029,315)**
Other segment liabilities	**(12,645)**	**(22,594)**	**(35,239)**
Total liabilities	**(12,645)**	**(1,051,909)**	**(1,064,554)**
Net assets	**(406)**	**(142,368)**	**(142,774)**
31 December 2007			
Segment revenue			
Property rental revenue	-	138,452	138,452
Commercial real estate loan interest income	-	27,407	27,407
Fair value adjustments to investment properties	-	51,563	51,563
Net foreign exchange gain / (loss)	6,196	-	6,196
Net gain on re-measurement of derivatives to fair value	12,134	(1,378)	10,756
Other operating income	-	1,092	1,092
Total segment revenue	18,330	217,136	235,466
Segment result	119,185	(69,037)	50,149
Segment assets and liabilities			
Segment assets			
Cash and cash equivalents	5,246	37,763	43,009
Property investments	-	1,335,073	1,335,073
Investment in commercial real estate loans	-	347,323	347,323
Other segment assets	36,954	91,700	128,654
Total assets	42,200	1,811,859	1,854,059
Segment liabilities			
Borrowings	-	(1,395,958)	(1,395,958)
Other segment liabilities	(13,874)	(61,605)	(75,479)
Total liabilities	(13,874)	(1,457,563)	(1,471,437)
Net assets	28,326	354,296	382,622

Note 32. Contingent liability

The parent entity and Trust had contingent liabilities at 31 December 2008 (31 December 2007: Nil) in respect of:

(i) Guarantees
For information about guarantees given by the Trust and the parent entity, please refer to Note 17.

(ii) Associates and Joint Ventures
For contingent liabilities relating to associates and joint ventures refer to Note 17 and Note 28.

Note 33. Capital commitments

The following amounts represent capital expenditure on property investments and CRE loans contracted for at the reporting date but not recognised as liabilities payable:

	Consolidated			
	31 December 2008 US$'000	31 December 2007 US$'000	**31 December 2008 $'000**	31 December 2007 $'000
Real Estate				
Payable:				
(i) Within one year				
• 999 E Street NW, Washington DC	**-**	540	**-**	617
• Alameda County, Hayward	**-**	278	**-**	318
• 1433 W. Loop S. Office Bldg, Houston	**-**	136	**-**	155
• Providence	**-**	100	**-**	114
• Veteran's Admin Blgd, San Diego	**-**	68	**-**	78
• Centennial I and II, Tacoma	**-**	21	**-**	24
• NGP-Penrose, Baltimore	**-**	27	**-**	31
(ii) Later than one year but not later than five years				
• 999 E Street NW, Washington DC	**-**	20	**-**	23
• 100 N W 6th Street, Miami, Florida *	**40,822**	-	**59,051**	-
Commercial real estate loans				
Payable:				
(i) Within one year				
• Playa Vista	**351**	985	**508**	1,126
• 95 Wall Street	**1,825**	4,155	**2,640**	4,748
• 222 Kearny Street	**-**	1,900	**-**	2,172
(ii) Later than one year but not later than five years				
• Playa Vista	**1,903**	985	**2,753**	1,126
• 95 Wall Street	**-**	3,359	**-**	3,838
Total capital commitments	**44,901**	12,574	**64,952**	14,370

* The commitment is 100% debt funded under a construction loan, see Note 17.

Note 34. Significant contract terms and conditions

The US REIT Advisory Services Agreement for management services is for an original term of 15 years, subject to two additional periods of five years which may be exercised by written notice at the US REIT's option. Rubicon Advisory LLC has the right to terminate the US REIT Advisory Services Agreement upon at least 60 days notice to the US REIT in event of a change of control of the Trust or if the Manager ceases to be Responsible Entity of the Trust. The fees paid under this agreement are included in the Manager's fee disclosed in Note 4.

Note 35. Events occurring after reporting date

Matters subsequent to the end of the financial period have been set out in Note 1.

Other than the matters noted above, in the opinion of the directors, no other matter or circumstance has arisen since 31 December 2008 and to the date of this report that has significantly or may significantly affect:

(i) the operations of the Trust in future;
(ii) the results of those operations in future; and
(iii) the state of affairs of the Trust in future financial periods.

RUBICON AMERICA TRUST
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2008

The directors of Rubicon Asset Management Limited as Responsible Entity of Rubicon America Trust (the Trust) declare that the financial statements and notes set out on pages 17 to 61:

(i) Comply with applicable Accounting Standards as they apply on a liquidation basis (refer to Notes 1 and 2), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) Give a true and fair view of the Trust's and consolidated entity's financial position as at 31 December 2008 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date.

In the Directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001;

(b) the Trust has operated in accordance with the provisions of the Constitution (as amended) during the year ended 31 December 2008; and

(c) they are unable, based upon the information available at the present time, to conclude that the Trust will be able to pay its debts as and when they become due and payable and therefore the directors have prepared these financial statements on a liquidation basis.

Without qualifying the above conclusion, the directors draw attention to the basis of preparation of the financial report set out in Note 1.

Signed in accordance with a resolution of the directors:

Dated at Sydney this 20th day of March 2009.

Gordon Fell

Gordon Edward Christopher Fell
Chairman
Rubicon Asset Management Limited

PricewaterhouseCoopers
ABN 52 780 433 757

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Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

Independent auditor's report to the members of Rubicon America Trust

Report on the financial report

We have audited the accompanying financial report of Rubicon America Trust (the Trust), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Rubicon America Trust and the consolidated entity. The consolidated entity comprises the Rubicon America Trust and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Rubicon Asset Management Limited are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) as they apply on a liquidation basis as disclosed in note 1 and 2 to the financial statements, and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

For further explanation of an audit, visit our website http://www.pwc.com/au/financialstatementaudit.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Independent auditor's report to the members of Rubicon America Trust (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

Auditor's opinion

In our opinion:

(a) the financial report of Rubicon America Trust is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Trust and consolidated entity's financial position as at 31 December 2008 and of their performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001;* and

(b) the financial report complies with International Financial Reporting Standards as disclosed in Note 1.

Basis of preparation and significant uncertainty regarding valuation of assets

Without qualifying our opinion:

- we draw attention to the basis of preparation of the financial report set out in Note 1. As at 31 December 2008, the directors have concluded that the Trust is no longer a going concern and the financial statements for the year ended 31 December 2008 have been prepared on a liquidation basis;

- we also draw attention to the critical accounting estimates set out in Note 3 of the financial report, including the assumptions adopted with respect to the valuation of the Trust's assets. As set out in note 1, the ultimate sale price of the assets may be higher or lower than the liquidation value recorded, which could materially affect the net assets disclosed in the financial report.

PricewaterhouseCoopers

PricewaterhouseCoopers

Victor Clarke
Partner

Sydney
20 March 2009

CORPORATE GOVERNANCE

The Australian Securities Exchange's ("ASX") Corporate Governance Council has developed a second edition of the "Corporate Governance Principles and Recommendations" to provide companies with a reference point for their corporate governance structures and practices. The ASX Principles and Recommendations define corporate governance as "the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in corporations".

Rubicon Asset Management Limited ("RAML") was the responsible entity ("RE") of the Rubicon America Trust ("the Trust") for the financial year ended 31 December 2008 and to the date of this Annual Report. RAML and its Board of Directors ("Board") are fully committed to achieving and demonstrating the highest standards of accountability and transparency in their reporting and see the continued development of a cohesive set of corporate governance policies and practices as fundamental to its operations.

Corporate governance influences the way in which RAML sets and achieves its objectives whilst continually monitoring and assessing the risks involved. RAML and its Board are focused on developing corporate governance structures that are transparent and accountable.

This Corporate Governance statement outlines RAML's corporate governance policies and practices, which mirror those recommended by the ASX in the recently released second edition. Where RAML has not followed a recommendation, the recommendation is identified and reasons are given for not following it.

On 7 November 2008 receivers and managers were appointed to Rubicon Holdings (Aust) Limited (RHAL), a parent entity of RAML.

ASX Corporate Governance Council recommendations

Principle 1: Lay solid foundations for management and oversight

Role of the Board

The RAML Board is responsible for the overall corporate governance of RAML. As such, the Board has adopted a formal charter ("Board Charter") that clearly defines the roles, responsibilities and authorities of the Board, the Board Committees and Executives.

In accordance with the Corporations Act 2001 (Cth) ("Act"), the Directors are responsible to the unitholders for the performance of the Trust and, if there is a conflict between the unitholders' interests and RAML's interests, the Directors must give priority to the unitholders' interests. Additionally, the Trust has a compliance plan that sets out the measures that RAML uses to ensure compliance with the Act and the Trust's constitution.

The role of the Board is to direct management with a view to optimising the Trust's performance by:

- Providing strategic direction and deciding upon the Trust's business strategies and objectives;
- Monitoring the operational and financial position and performance of the Trust;
- Identifying the principal risks faced by the Trust and monitoring the effectiveness of systems designed to provide reasonable assurance that these risks are being managed; and
- Overseeing and evaluating the performance of key personnel in the context of the Trust's strategies and objectives, approving other key executive appointments, and planning for executive succession.

A summary of the Board Charter is available on the Rubicon's website at
http://rubiconasset.com.au/corporate_gov.asp.

CORPORATE GOVERNANCE (CONTINUED)

Board committees

The Board has established a number of committees to assist in the execution of its duties and to allow detailed consideration of issues. Committees of the Board which met during the year are the Audit, Risk Management and Compliance Committee ("ARMCC") and the Related Party Committee ("RPC").

Each Committee has its own written Charter setting out its role and responsibilities, composition, structure, membership, reporting and administration requirements. The structure and membership of each Committee are reviewed annually.

Role of Management

The Board has delegated to the Executives broad management responsibility for the operating performance of the Trust. The Executives, under the leadership of the Executive Chairman, perform the following roles:

- Developing and implementing the Trust's strategies and making recommendations on strategic initiatives;
- Maintaining an effective risk management framework and keeping the Board and ARMCC fully informed about material risks;
- Ensuring that the Trust's financial and other reporting mechanisms result in adequate, accurate and timely information being provided to the Board;
- Taking steps to ensure that the Trust unitholders and the market are fully informed of all material developments;
- Managing day-to-day operations in accordance with directions from the Board; and
- Negotiating agreements and contracts with third parties to provide services to the Trust.

Process for evaluating the performance of senior executives

Following the acquisition of Rubicon Holdings by Allco on 19 December 2007, the executive directors and all Sydney based senior executives who provide services to RAML became employees of Allco. Following the appointment of voluntary administrators and receivers and managers to Allco, all Sydney based senior executives who provide services to RAML were employed by RHAL, with the exception of RAML's executive directors who were employed by RAML. Executives based in Chicago, London and Tokyo who provide services to RAML are employed by entities domiciled in their respective jurisdictions. The Board is responsible for overseeing remuneration and human resources policies and practices of the group. The Board currently consists of one independent director. The remuneration practices have been structured to be competitive and to ensure the group can attract and retain the talent needed to achieve both short and long term success, while maintaining a strong focus on teamwork, individual performance and the interest of the shareholders.

RAML's remuneration policies are designed to align the performance of the senior executives with the performance of the business. Remuneration payments are closely linked to business performance and to the achievement of individual objectives, which are relevant to meeting RAML's overall objectives.

The performance and remuneration of RAML's senior executives is reviewed by the Board, having regard to the performance goals set at the beginning of the year, results of the annual appraisal process, external market conditions, and relevant comparative information.

As RAML did not have any employees for the majority of the year, a performance evaluation for senior executives, by RAML, did not take place.

CORPORATE GOVERNANCE (CONTINUED)

Principle 2: Structure the Board to add value

Composition of the Board

The members of RAML Board as at the date of this report are:

Dr Gordon Edward Christopher Fell, Executive Chairman (First appointed in 2001)
Mr Matthew Raymond Cooper, Executive Director (First appointed in 2002)
Mr David John Simpson, Non-Executive Director (First appointed in 2005)

Details of the respective Directors' qualifications, directorships, skills and experience are provided in the Directors' Report – refer page 12. The Board is conscious of its obligation to ensure that directors avoid conflicts (both real and apparent) between their duties to the Trust, RAML and their own interests. Any director with a material personal interest in a matter being considered by the Board must declare their interest and, unless the Board resolves otherwise, may not participate in boardroom discussions or vote on matters on which they face a conflict.

During the year, and as previously announced to the market, two non-executive directors resigned from RAML's board, namely Ray Kellerman [resigned 7 November 2008] and Peter Barnes [resigned 29 December 2008]. These directors have not, as yet, been replaced.

The Board Charter details the composition and responsibilities of the Board. It also outlines that the Board of Directors is to be constituted with a majority of individuals who qualify as unrelated or independent directors ensuring that the Board can bring, and be perceived to bring, quality judgements, free of bias, to all issues. An unrelated or independent director is one who is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the Trust. In particular, an independent director is one who:

- Is not a member of management;
- Is not a substantial shareholder of RAML or an officer of, or otherwise associated directly or indirectly with a substantial shareholder of, RAML;
- Has not within the last three years been employed in an executive capacity by RAML or another group member or been a director after ceasing to hold any such employment;
- Is not a principal of a professional adviser to RAML or another group member;
- Is not a significant customer of RAML or another group member other than as a director of RAML; and
- Is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of RAML.

Departure from ASX Best Practice Recommendations:

Recommendation 2.1 of the ASX Corporate Governance Council Principles states that: "A Majority of the board should be independent directors".

Recommendation 2.2 of the ASX Corporate Governance Council Principles states that: "The chair should be an independent director".

Recommendation 2.3 of the ASX Corporate Governance Council Principles states that: "The roles of chair and chief executive officer should not be exercised by the same individual".

As set out above, the Board of RAML currently comprises three directors with only one director (Mr David John Simpson) being independent. Mr David John Simpson does not provide any services to RAML and is assessed by the Board of RAML to be independent. RAML has not, as yet, been in a position to appoint additional independent directors to the Board.

The chairperson is an Executive Director of RAML rather than an independent director. However, the Board believes that its current composition is appropriate for the following reasons:

- The directors have extensive experience in and understanding of the industry in which the Trust and RAML operate;
- Appropriate conflict of interest policies are in place to ensure material personal interests are disclosed and dealt with;
- The ARMCC, which is comprised of two independent members, monitors RAML's compliance with all laws and regulations in its capacity as RE of the Trust; and
- Any director is entitled to seek independent advice, at RAML's expense, on any matter connected with the discharge of his responsibilities.

The RPC had, up until recently, comprised the three independent directors. Following the resignation of two independent directors, as set out above, the RPC currently comprises one independent director, Mr David John Simpson. RAML is currently reviewing the composition of this committee as to whether additional members could be sourced and appointed. The role of the RPC is to review contracts, transactions and other dealings between RAML and any related party to ensure that the terms are at arms length, consistent with a normal business relationship, and comply with regulatory requirements in relation to related party dealings.

Recommendation 2.4 of the ASX Corporate Governance Council Principles suggests that the Board should establish a Nominations Committee.

The Board has elected not to establish a Nominations Committee on the basis that it is only a relatively small Board and is able to efficiently carry out the functions which would otherwise be delegated to a Nomination Committee.

Board and Board Committees performance

Recommendation 2.5 of the ASX Corporate Governance Council Principles requires disclosure of the process for evaluating the performance of the Board, its committees and individual directors.

A Nomination Committee will generally be responsible for assessing competencies of Board members, reviewing Board succession plans, evaluating Board performance and making recommendations for the appointment and removal of directors. However, the ASX Corporate Governance Council recognises that efficiencies from having the Nomination Committee in the examination of selection and appointment practices may not be apparent to smaller boards.

It is RAML's practice to allow its Executive Directors to accept appointments outside the company, with the prior approval of the Board. Prior to an appointment or being submitted for re-election, each Non-Executive Director is required to specifically acknowledge that they have, and will continue to have, the time available to discharge their responsibilities to RAML.

Independent professional advice

RAML's Directors and the Board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the RAML's expense.

As noted above, a summary of the Board and committee charters are available at http://rubiconasset.com.au/corporate_gov.asp.

CORPORATE GOVERNANCE (CONTINUED)

Principle 3: Promote ethical decision making

Code of Conduct

RAML has a Code of Conduct which has been endorsed by the RAML Board and applies to the company and all its Directors and employees.

The Code of Conduct requires that, at all times, all RAML personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of both the law and company policies. RAML will communicate openly, honestly and on a timely basis with all of its stakeholders, the financial markets generally, and with the broader community.

The Code of Conduct contains the underlying principles and values which set out RAML's ethical objectives. It provides a guide on how responsible decisions should be made, particularly where there are conflicting interests or factors at play.

The Code of Conduct requires all of RAML's Directors and employees and RAML's Directors to report any fraud, error, actual or potential breach of the law or concealed practice and to actively support adherence to the company's policies.

A summary of the Code of Conduct is available on the Rubicon website at http://rubiconasset.com.au/corporate_gov.asp.

Directors and Executive Share Dealing in Restricted Securities Policy (including staff)

The Directors and Executive Share Dealing in Restricted Securities Policy provides protection to RAML, its related parties and its employees [including directors & executives who provide services to RAML] by restricting dealings by employees in Financial Products during certain times, or when employees are in possession of certain types of information. It is also designed to preserve the reputation of RAML, its related parties and its employees in public markets, and is designed to be consistent with best practice in this area. This policy applies to all employees, officers and Directors including Non-Executive Directors and external committee members, and to all Financial Products traded in any financial market, both in Australia and overseas.

RAML expects its employees to act with integrity and honesty at all times. It is crucial that each employee recognises their responsibilities as set out in this Policy. Adherence to this Policy is a key component of RAML's risk management process.

The purchase and sale of securities of the Trust and all other RAML Group entities by employees is only permitted during the calendar month from the release of the relevant half year and annual financial results to the market, and on the issue of a disclosure document. Staff trading is not permitted if employees are in possession of inside information in relation to the relevant security.

The Directors are satisfied that RAML has therefore complied with its policies on ethical standards, including trading in securities.

CORPORATE GOVERNANCE (CONTINUED)

Principle 4: Safeguard integrity in financial reporting

In accordance with Recommendation 4.1 of the ASX Corporate Governance Council Principles the RAML Board has established an Audit, Risk Management and Compliance Committee (ARMCC). The Board is committed to four basic principles:

- That the financial reports of the Trust present a true and fair view;
- That the accounting methods used by the Trust are comprehensive and relevant, and comply with applicable accounting rules and policies;
- That the external auditor is independent and serves unitholders' interests by ensuring that unitholders know the Trust's true financial position; and
- That Australian and international developments are monitored and practices reviewed accordingly.

Audit, Risk Management and Compliance Committee

The RAML's ARMCC established by the Board consists of:

- Two independent members; and
- One RAML executive Director.

The current Committee members are:

- Mr David John Simpson (Chair);
- Ms Fiona Dixon; and
- Mr Matthew Cooper

Details of the respective ARMCC committee members' qualifications, skills and experience are as follows:

David John Simpson (details provided in the Directors' Report – refer to page 12).

Matthew Cooper (details provided in the Directors' Report – refer to page 12).

Fiona Dixon

Fiona is an independent member of RAML's ARMCC Committee. Fiona has over 16 years experience in compliance and accounting. Fiona is currently an independent compliance consultant for a number of asset management companies in Australia (including RNY Property Trust, Fortius Funds Management Ltd and AMPCI Macquarie Infrastructure Management No. 1 and No. 2 Ltd). She holds a Post Graduate Diploma of Management with Macquarie Graduate School of Management.

Further attendees, by invitation, include the RAML Compliance Manager, other RAML executives and a representative of the company's Auditor. Members of the Committee also meet directly with the auditors from time to time.

The Committee's objective is to independently verify and safeguard the integrity of the Trust's financial reporting by reviewing a range of matters, including the financial reporting and performance of the Trust, systems of internal control, and a range of issues arising out the external audits.

The Committee's role and responsibilities as well as its composition, structure and membership requirements are set out in a formal charter. A summary of the Committee charter is available on the Rubicon website under the Corporate Governance section at http://rubiconasset.com.au/corporate_gov.asp. The Committee's prime objectives under its charter are:

- Overseeing accounting, tax and compliance policies, practices and disclosures;
- The integrity of financial statements and reports;
- The scope, quality and independence of external audit arrangements;
- Monitoring compliance with the risk management framework;
- The adequacy of RAML's insurance cover;
- Overseeing compliance of managed investments, investment schemes, other funds and areas, including the Trust; and
- Monitoring compliance with licensing requirements and legal obligations and exchange listing rules.

CORPORATE GOVERNANCE (CONTINUED)

The number of ARMCC meetings and attendants of ARMCC meetings by Directors is set out on page 13 of this Annual Report. Ms Dixon joined the ARMCC after 31 December 2008.

Departure from ASX Best Practice Recommendations:

Recommendation 4.2 of the ASX Corporate Governance Council Principles suggests that the ARMCC:

- consists only of non-executive directors;
- consists of a majority of independent directors;
- is chaired by an independent chair who is not a chair of the board; and
- has at least 3 members.

As noted above, while the ARMCC is comprised of a majority of external members, they are not all directors and there is one RAML executive on the committee.

As the Trust was a member of the S&P/ASX 300 at the beginning of its financial year, the Trust was obliged to comply with the ASX Corporate Governance Council Principles regarding the composition, operation and responsibility of the audit committee. The Trust ceased to comply with the ASX Corporate Governance Council Principles relating to the audit committee upon the resignation of its first independent director on 7 November 2008. As noted above, RAML has not, as yet, been in a position to appoint additional independent directors to the Board.

External auditor

RAML's policy is to appoint an external auditor who clearly demonstrates quality and independence. The performance of the external auditor is reviewed annually.

An analysis of fees paid to the external auditor if the trust, including a break-down of fees for non-audit services, is provided in Note 7 to the financial statements. It is the policy of the external auditor to provide to the ARMCC an annual declaration of its independence. A copy of the auditor's independence declaration is set out on page 16 of this Annual Report.

RAML's Audit Independence Policy can be found at http://rubiconasset.com.au/corporate_gov.asp.

Principle 5: Make timely and balanced disclosures

Continuous Disclosure

RAML has adopted policies to ensure that the Trust complies with its continuous disclosure obligations under the ASX Listing Rules, ASX Corporate Governance Council's Principle 5 and the Corporations Act.

The Company Secretary is responsible for the general management of this policy including all communications with the ASX. The Company Secretary of RAML is assisted by a designated staff member and outside legal advisers in overseeing and co-ordinating timely disclosure of information to the ASX, unitholders, analysts and brokers and in educating Directors and employees on disclosure policies and procedures.

RAML has put in place mechanisms ensuring compliance with the ASX Listing Rules such that all unitholders of the Trust have equal and timely access to material and price-sensitive information unless it falls within the scope of the limited exemptions contained in Listing Rule 3.1A.

RAML immediately notifies the market via an announcement to the ASX of any information concerning the Trust that has, or that a reasonable person would expect to have, a material effect on the price or value of units in the Trust. That is, RAML publicly releases all material price sensitive information through the ASX before disclosing it elsewhere.

All external communications by RAML are reviewed before issue with the objective of ensuring:

- Factual accuracy;
- No omissions of material information; and
- Timely and expressed in a clear and objective manner.

CORPORATE GOVERNANCE (CONTINUED)

At all times when interacting with external individuals, investors, stockbroking analysts, the media and market participants, Directors and employees must adhere to the principles set out in this policy.

A summary of the Continuous Disclosure Policy can be obtained on the Rubicon website at http://rubiconasset.com.au/corporate_gov.asp.

Principle 6: Respect the rights of shareholders

Promote effective communication

RAML encourages and promotes effective communication with its shareholders as prescribed under Recommendation 6.1 of the ASX Corporate Governance Council Principles and promotes active participation at General Meetings.

RAML exists because of its unitholders in its managed funds. RAML will communicate openly, honestly and on a timely basis with its shareholders and the financial markets generally. Financial disclosure to unitholders is based on best practice applicable to the markets in which the units are issued and will comply with all relevant laws, regulations and rules.

RAML has adopted continuous disclosure and external reporting policies which deals with potentially price sensitive information and communications with external stakeholders in order to ensure that RAML meets its obligations under the ASX Listing Rules, Corporations Act and other regulatory requirements.

The ASX Corporate Governance Council Principles also contain suggestions on improving unitholder participation through electronic means and guidelines for notices of meetings. RAML has an established communication strategy to ensure effective communication with unitholders. The Company Secretary has been appointed as the person responsible for communications with ASX. These roles include responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All unitholders can elect to receive a copy of the Trust's annual reports. In addition, RAML seeks to provide opportunities for unitholders to access the Trust information through electronic means. RAML utilises its website to complement the official release of material information to the market. Company announcements, media briefings, details of company meetings, press releases and financial reports are available on Rubicon website at www.rubiconasset.com.au.

Principle 7: Recognise and manage risk

The RAML Board has overall responsibility for ensuring that there is a sound system of risk management and internal control across the business and ARMCC has been established to focus appropriate attention on the Trust's risk management framework.

The Board has responsibility for reviewing the Trust's policies on risk oversight, establishing the risk metrics of the Trust and ensuring that, wherever possible, these are implemented and adhered to by management.

The role of the ARMCC is to ensure that the risk management framework is in place including establishing policies for the control of market, liquidity, credit, operational, regulatory and reputational risks affecting the Trust. The ARMCC is also responsible for reviewing information on the overall RAML risk profile, breaches of the policy framework and external developments which may have an impact on the effectiveness of the risk management framework.

The ARMCC reviews the framework for the management of the Trust's transactional risks, including concentration exposures, documentary and settlement risks as well as the manner in which transaction based decisions are made.

The ARMCC assesses RAML's risk management framework against the expectations of the Australian Securities and Investments Commission and other regulators as well as reviewing and approving significant changes to risk management policies and the framework itself.

CORPORATE GOVERNANCE (CONTINUED)

Risk Management Framework

RAML's approach to risk management is outlined in its Risk Management Policy. The current key risks facing the Trust, together with the management of these risks is communicated to the market on a regular basis via ASX announcements and the Trust's financial statements.

RAML's material business risks, including strategic, reputational, operational, financial, market, legal and compliance risks are required to be regularly identified, assessed, managed, monitored and reported. RAML has adopted a risk management framework which is consistent with the Australian/New Zealand Standard (ie AS/NZS 4360:2004) and which clearly defines the responsibilities for managing risk under RAML's risk management process.

RAML has specifically recognised the following major risk areas for the Trust;

- Market risks, being the potential for losses arising from changes in economic and market conditions, adverse movements in the level and volatility of market rates, including interest rates and exchange rates;
- Asset risks, being the risk of a deterioration in asset values as a result of changes in market dynamics such as demand and supply, competition, input costs and economic conditions;
- Operational risks, being the risk of inadequate or failed internal processes, people and systems or from external events;
- Compliance risks, being the risk of failure to comply with all applicable legal and regulatory requirements;
- Debt financing risks, being the risk of failure to refinance debt at rates equal or better than the current rate or the risk of debt covenants being breached; and
- Liquidity risks, being the risk that, as a result of the Trust's operational, financial, debt or hedging liquidity requirements, the Trust:
    - Will not have sufficient funds to settle a transaction on a due date; or
    - Will be forced to sell an asset at a value, which is less than what a willing but not anxious seller might receive.

The RAML Board is responsible for approving the overall risk management framework in addition to monitoring and reviewing the performance of management. Management is responsible for implementing the Board approved risk management strategy and for developing policies, controls, processes and procedures to identify and manage risks in all of the Trust's activities.

Management regularly reports to the Board as to the effectiveness of RAML's management of its material business risk.

Chief Executive Officer and Chief Financial Officer Assurance

In accordance with Recommendation 7.3 of the ASX Corporate Governance Council Principles, the Chief Executive Officer and Chief Financial Officer provide the RAML Board with written confirmation that:

- their statement to the Board on the integrity of the Trust's financial statements in accordance with section 295A of the Corporations Act, is founded on a sound system of risk management and internal control; and
- the risk management and internal control system is operating effectively in all material respects in relation to financial reporting risks.

CORPORATE GOVERNANCE (CONTINUED)

Principle 8: Remunerate fairly and responsibly

Departure from ASX Best Practice Recommendations:

Recommendation 8.1 of the ASX Corporate Governance Council Principles states that the Board should establish a remuneration committee.

RAML's board has elected not to establish a remuneration committee on the basis that it is only a relatively small board and is able to efficiently carry out the functions which would otherwise be delegated to a remuneration committee.

Recommendation 8.2 of the ASX Corporate Governance Council Principles states that RAML should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives. RAML's approach to directors remuneration is as follows:

Executive Director's and senior executive's remuneration

RAML's approach to remuneration is designed to align employee and shareholder interests as well as to optimise short and long term shareholder returns. Each member of the senior executive team has entered into a formal employment contract covering their respective entitlements, and setting out their duties, rights and responsibilities. All Sydney based senior executives who provide services to RAML are employed by RHAL, with the exception of RAML's executive directors. Executives based in Chicago, London and Tokyo who provide services to RAML are employed by entities domiciled in their respective jurisdictions.

Non-Executive Director's remuneration

Non-Executive Directors are paid an annual fee for their service on the RAML Board and Board committees, which is determined and approved by the RAML Board. Non-Executive Directors do not receive retirement benefits (other than statutory superannuation), options or bonuses. RAML also does not have any employee share scheme products in place.

UNITHOLIDERS ANALYSIS

TOP 20 INVESTORS REPORT AS AT 20 MARCH 2008

Largest 20 holders	Number of Units	% of Total Units
01 J P MORGAN NOMINEES AUSTRALIA LIMITED	64,478,257	15.99%
02 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	21,696,273	5.38%
03 B & B RE PRIME SECURITIES NO 2 PTY LTD	20,600,000	5.11%
04 BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	12,863,284	3.19%
05 NATIONAL NOMINEES LIMITED	9,965,147	2.47%
06 XAVIER HOLDINGS LIMITED & MACKY TRUSTEE COMPANY LIMITED <XAVIER A/C>	5,005,970	1.24%
07 MR STEPHEN RONALD NORMAN	5,000,000	1.24%
08 A C F INVESTMENTS LTD	4,881,581	1.21%
09 NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	4,148,820	1.03%
10 MR STEVEN MICHAEL DUCHEN	3,710,012	0.92%
11 ADBO TRADING PTY LTD	3,495,000	0.87%
12 RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <MLCI A/C>	3,172,229	0.79%
13 VINTAGE CAPITAL PTY LTD	3,000,000	0.74%
14 AUSTRALIAN EXECUTOR TRUSTEES LIMITED <NO 1 ACCOUNT>	2,772,447	0.69%
15 COGENT NOMINEES PTY LIMITED	2,592,001	0.64%
16 CITICORP NOMINEES PTY LIMITED	2,453,929	0.61%
17 MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	2,360,392	0.59%
18 MR STEVEN DUCHEN	2,325,000	0.58%
19 DR JOHN CHARLES GUNZBURG	2,001,000	0.50%
20 MS JOY ESTELLE GUNZBURG	2,001,000	0.50%

RANGE OF UNIT SUMMARY AS AT 20 MARCH 2009

Range of holders	Number of Holders	Number of Units	% of Total Units
1 to 1,000	85	57,446	0.01%
1,001 to 5,000	611	2,262,690	0.56%
5,001 to 10,000	854	7,371,234	1.83%
10,001 to 50,000	2,499	65,561,678	16.26%
50,001 to 100,000	495	37,403,124	9.27%
100,001 and Over	383	290,622,295	72.07%
Total	**4,927**	**403,278,467**	**100.00%**

SUBSTANTIAL SHAREHOLDER NOTICES TO 20 MARCH 2009

Name of substantial shareholder	Date of Change	Number of Voting Rights	% of Holdings
Orbis Investment Management (Australia) Pty Ltd (Orbis Australia)	23 December 2008	25,486,368	6.28%
Ingot Capital Management Pty Ltd	7 July 2008	69,281,722	17.20%
B&B RE Prime Securities No. 2 Pty Ltd	5 March 2008	20,600,000	5.08%

CORPORATE DIRECTORY

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