



19 February 2009

The Manager
ASX Limited
20 Bridge Street
Sydney NSW 2000

ASX Release

Rubicon America Trust (ASX: RAT) – Update

Rubicon Holdings (Aust) Limited (Receivers and Managers Appointed) (RHAL), a parent entity of Rubicon Asset Management Limited (RAML), 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). This cover was facilitated by Allco Finance Group, as part of its group risk function. As a result of the appointment of the Receivers and Managers, 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. This was contrary to the initial view expressed by RHAL's insurance broker as there was an argument that the IMI policy cover only converts into run-off mode for those entities which are in receivership or subject to another form of administration, however, RAML subsequently received legal advice is that unlikely to have satisfied the requirement to maintain its PI and crime cover in accordance with the licence conditions that apply to it. 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 ASFL 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 will advise ASIC of the effect 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.

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

Yours sincerely,

A handwritten signature in black ink that reads "Matthew Cooper".

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