

Adelaide Managed Funds

ASX Release

7 August 2009

ADELAIDE MANAGED FUNDS ASSET BACKED YIELD TRUST INVESTOR PRESENTATION FOR FULL YEAR RESULT

Adelaide Managed Funds, as Responsible Entity for the Adelaide Managed Funds Asset Backed Yield Trust (ASX: AYT), has released to the market its Full Year Investor Presentation (refer attached).

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About Adelaide Managed Funds

Adelaide Managed Funds, a wholly owned subsidiary of Bendigo and Adelaide Bank, is the responsible entity of the Adelaide Managed Funds Asset Backed Yield Trust.

For further information about Adelaide Managed Funds and the Fund, please visit:
www.adelaidemanagedfunds.com.au



ADELAIDE MANAGED FUNDS
ASSET BACKED YIELD TRUST

August 2009

Adelaide Managed Funds

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-

1. OVERVIEW OF THE FUND

OVERVIEW OF THE FUND

Description

- > **ASX Listed (ASX: AYT) with issued capital of \$188 million**
- > **NTA per Unit equal to \$1.91 as at 30 June 2009 (ex 4.574c distribution)**

Unique Investment

- > **Portfolio of investments not generally publicly available**
- > **Invests in predominantly high yielding assets**
- > **Investments backed by pools of loan and lease assets**
- > **Current focus on generating a stable, predictable return for Unitholders and returning capital as efficiently as possible**

Attractive Yield

- > **FY2010 forecast return of BBSW + 4.0% to BBSW + 4.5% on Issue Price**
- > **Equivalent Investor Yield equal to 7.2% to 7.7% at 6 August 2009 BBSW ¹**
- > **Running yield at current Unit price of between 10.4% and 11.2%²**

¹ 30-Day BBSW at 6 August 2009 was 3.16%

² Unit Price at 6 August 2009 was \$1.37

FY2009 FINANCIAL PERFORMANCE

- > Interest Income decreased 17% to \$20.4 million on previous comparable period (pcp) due to falling interest rates
- > FY2009 yield exceeded forecasts and was equivalent to BBSW + 4.55%¹ before one-off costs associated with assessing the proposal from Bendigo and Adelaide Bank
- > Actual FY2009 cash yield for Unitholders was 8.55%, which is equivalent to BBSW + 3.70%¹
- > Unitholders received total distributions of 17.2 cents per Unit during FY2009

	Change from pcp	FY2009 (\$m)	FY2008 (\$m)
Investment Income	(17.4%)	20.4	24.7
Operating Expenses	118.2%	(4.8)	(2.2)
Distributable Income	(21.9%)	16.4	21.0
Unitholder Distribution (cents per Unit)	(18.7%)	17.17	21.10

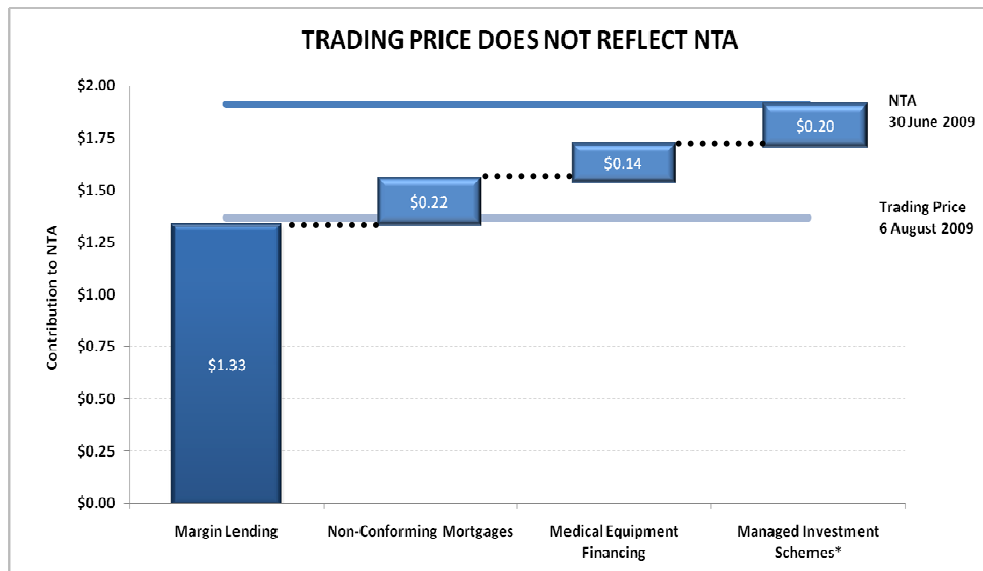
¹ Average 30-Day BBSW for the 12 months to 30 June 2009 was 4.87%

STRATEGY

- > Management will continue to focus on generating stable returns and maintaining the credit performance of the Fund
- > Management will continue to conduct the on-market Unit buyback utilising available 'free cash' while the purchase of Units represents most appropriate use of Unitholder Funds
- > The Fund has purchased 5.9 million Units to 30 June 2009 using 'free cash' arising from the amortisation of the Investment Portfolio
- > All distributions are paid in cash from the Interest earned by the Fund's Investment Portfolio
- > The Fund has no outstanding liabilities or funding commitments

TRADING PRICE DOES NOT REFLECT NTA

- > Current trading price of \$1.37 as at 6 August 2009 does not reflect the Fund's current NTA of \$1.91 per Unit
- > The high quality Margin Lending investment contributes \$1.33 to the current NTA
- > Assets that are performing well account for \$1.69 of the \$1.91 per Unit NTA while the MIS investment which is equal to \$0.20 per Unit includes the impairment provision

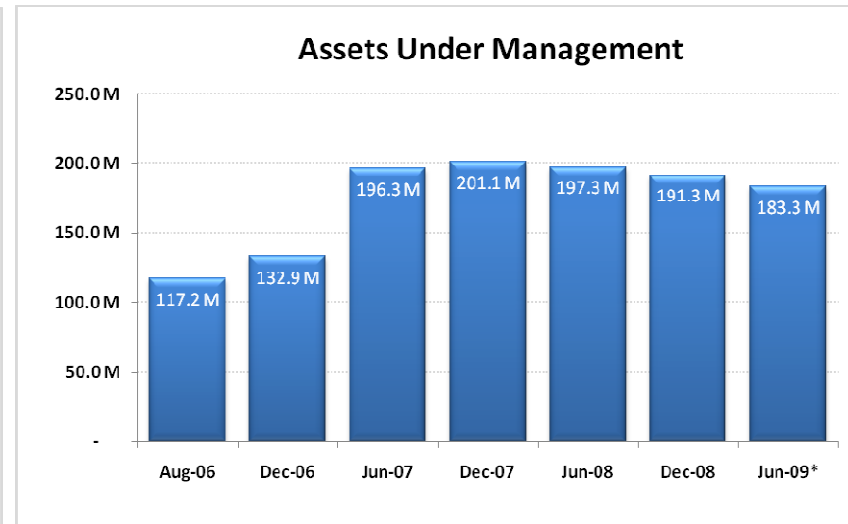
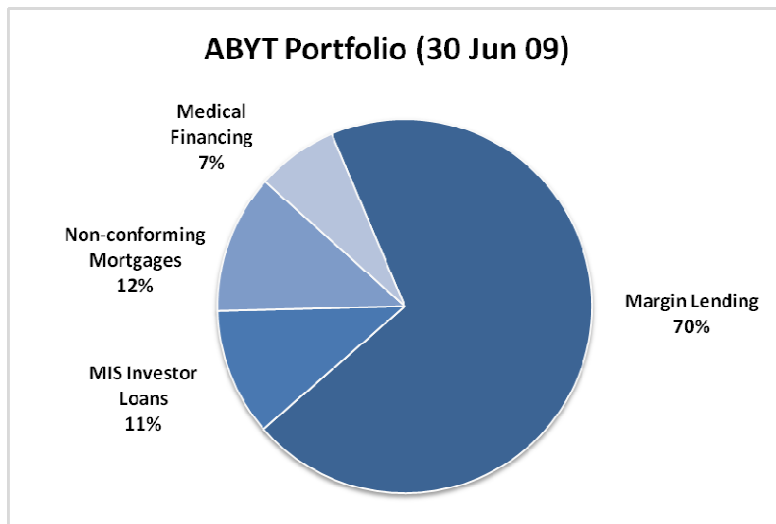


*includes impairment provision

2. INVESTMENT PORTFOLIO UPDATE

PORTFOLIO OVERVIEW

- > No material change in asset mix and 41% of assets were shadow rated Investment Grade at 30 June 2009 (30 June 2008: 49%)
- > Assets under management total \$183 million at 30 June 2009
- > Management returned \$6.8M of Unitholder capital during FY2009
- > Medical Financing Program 1 Class B Note was fully repaid in March 2009



*includes impairment provision

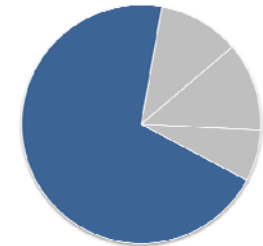
PORTFOLIO PERFORMANCE UPDATE

- > Margin lending remains the Fund's standout asset class and its loss buffer multiple is more than 20 times current losses
- > Non-conforming Mortgage and Medical Financing investments are well supported by funded subordination and have a substantial buffer against losses
- > High degree of focus on MIS investment though impairment provision does not materially affect the Fund's NTA

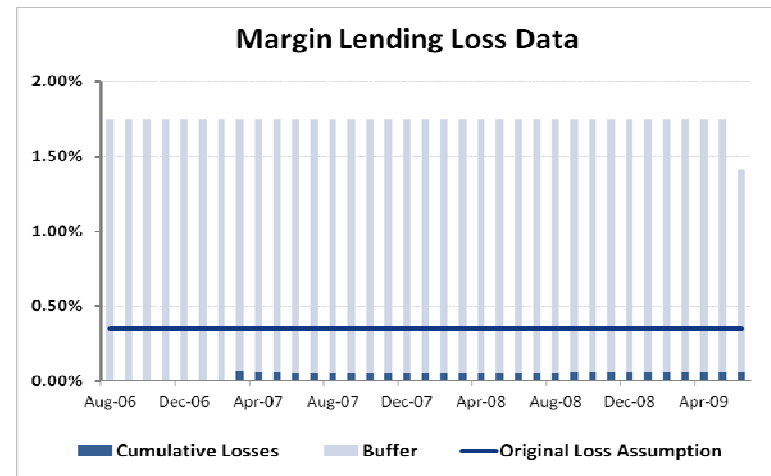
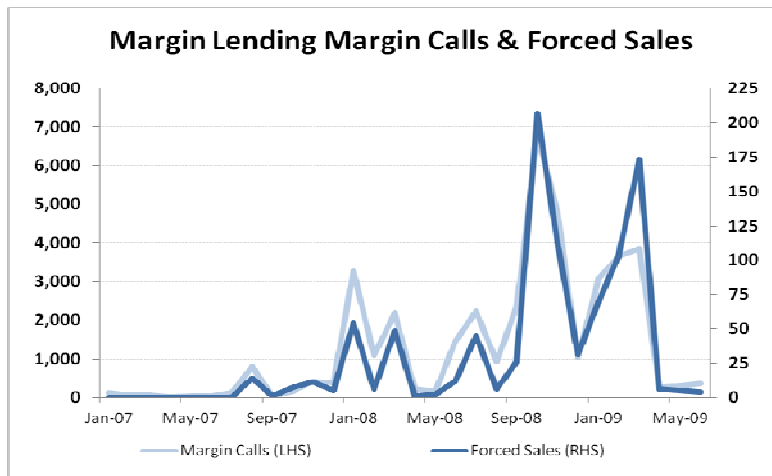
Investment	Actual Losses Recorded to 30 June 2009	Current Loss Assumptions	Losses where Fund Investment is Impacted	Loss Buffer Multiple (Current)	Loss Buffer Multiple (Previous)
Margin Lending	0.07%	0.35%	> 1.41%	20.1 x	25.0 x
Non-Conforming Mortgages	0.23%	0.74%	> 1.91%	8.3 x	6.8 x
Medical Financing Program 2	0.65%	1.64%	> 6.73%	10.4 x	12.2 x
MIS Investor Loans	4.50%	9.83%	> 4.82%	0.0 x	1.5 x

MARGIN LENDING

Margin Lending (70%)

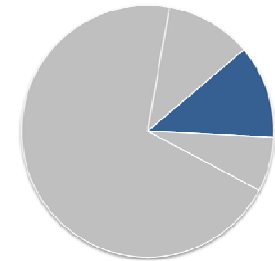


- > Volatility in the Australian equity markets has not impacted on the Fund’s investment during FY2009, which continues to perform very well
- > During FY2009 there was an average of 2,481 margin calls, valued at \$63 million (<4% of the portfolio), per month. There was an average of 66 forced sales per month and the portfolio recorded just 0.02% (\$0.4M) of losses
- > Highest volume reached in October 2008 with 6,755 margin calls made, valued at \$212 million (12% of the portfolio)

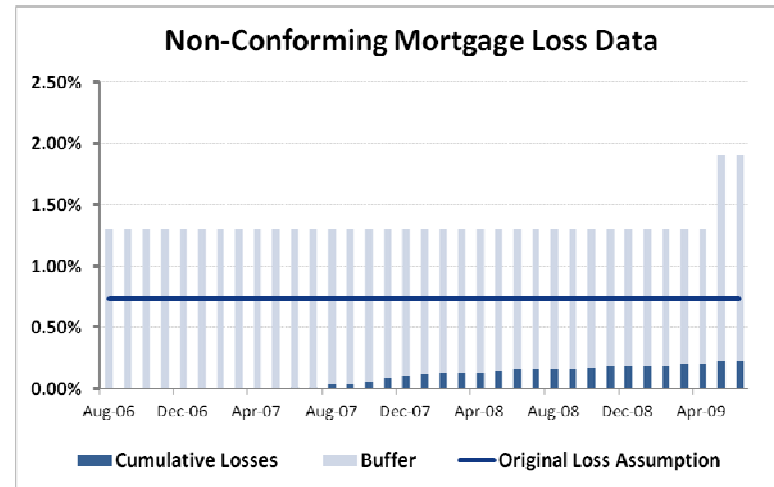
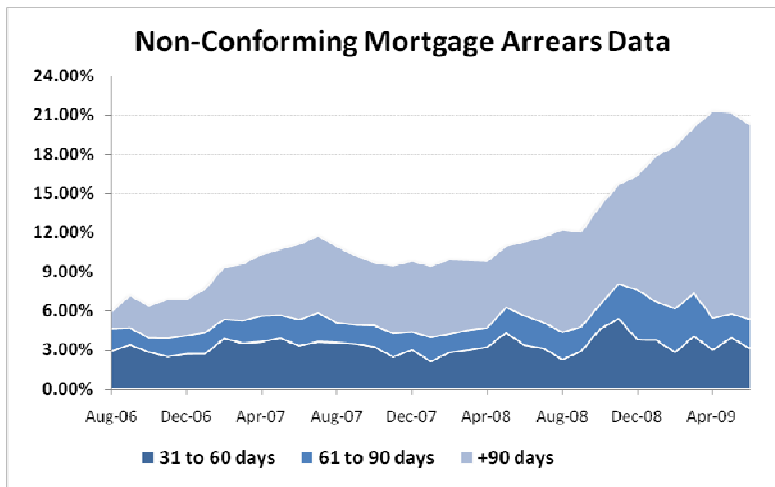


NON-CONFORMING MORTGAGES

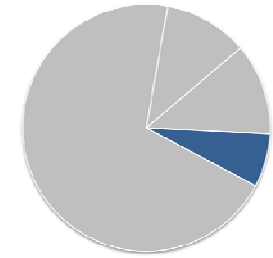
Non-conforming Mortgages (12%)



- > Investment continues to perform better than forecast despite an increase in arrears in line with the broader Australian market
- > The increase in +90 day arrears reflects an increase in financial hardship cases although these borrowers are meeting payment arrangements and losses are not increasing rapidly
- > Cumulative losses remain substantially less than forecast and need to increase by more than 8 times before the Fund’s investment is impacted

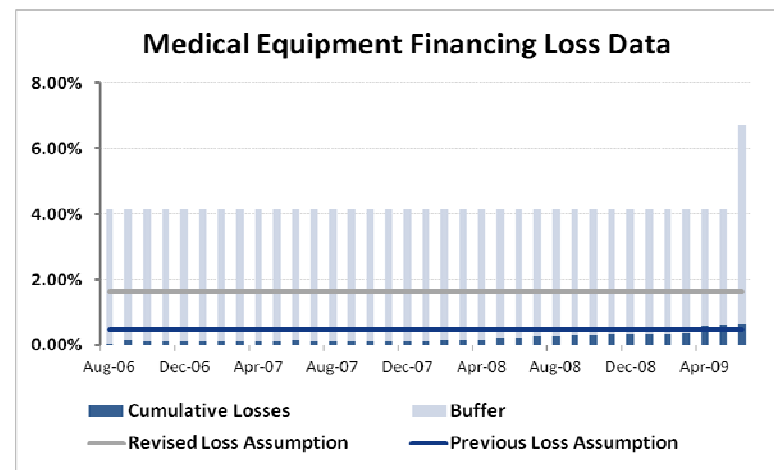
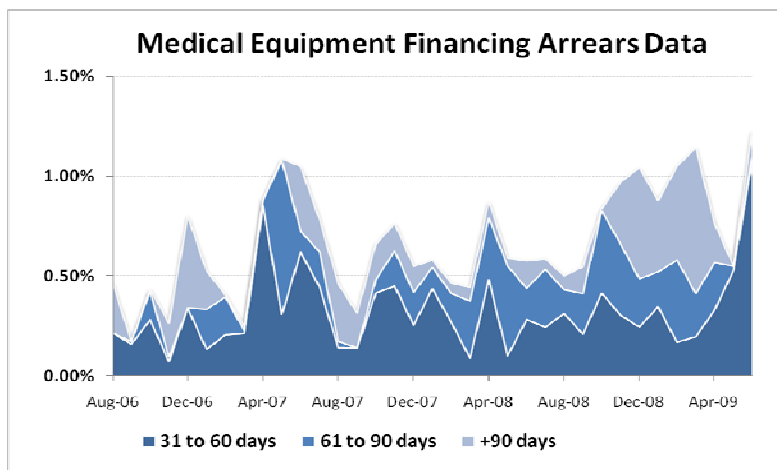


Medical Equipment Financing (7%)

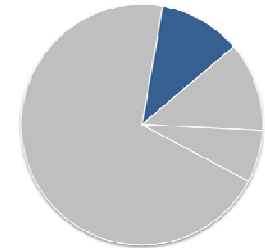


MEDICAL EQUIPMENT FINANCING

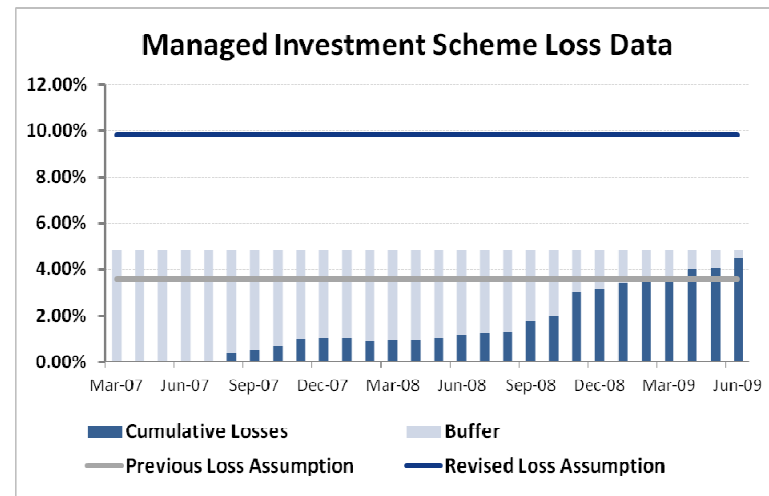
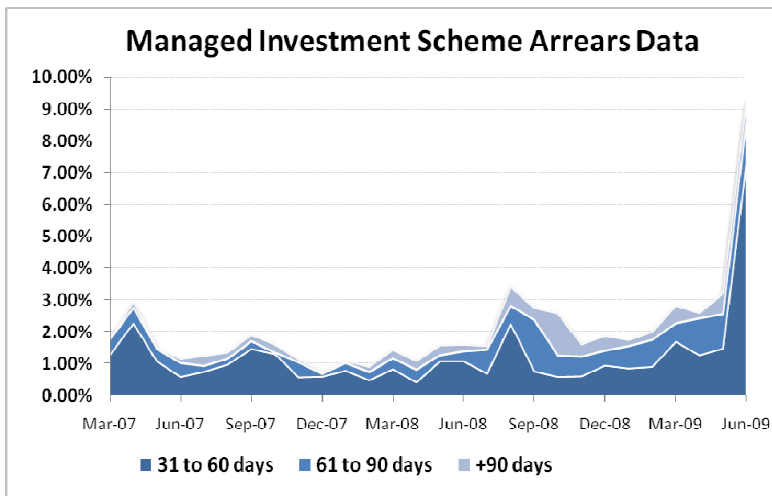
- > Granular portfolio of high performing loans to medical professionals
- > Portfolio arrears remain less than 1.5% and losses need to increase by more than 10 times before the Fund's investment is impacted
- > Fund's investment is supported by funded subordination of 6.73%
- > Revised loss assumption is higher than original loss assumption reflecting current market conditions, although this level remains well below level where investment will be impacted



MANAGED INVESTMENT SCHEMES



- > All receivables are investor loans offered to borrowers to facilitate their investment in various Great Southern MIS
- > All loans secured by woodlots and have full recourse to borrower
- > The impairment provision of \$4.3M recognised as at 30 June 2009 was not material to NTA
- > High degree of focus from Management and the Servicer's collections team continue to pursue borrowers to fullest extent



3. FULL YEAR FINANCIAL RESULTS

PROFIT AND LOSS STATEMENT

	FY2009 A\$M	FY2008 A\$M
Investment Income	20.41	24.69
Revenue From Second Instalment ¹	-	1.37
Total Revenue	20.41	26.06
Operating Expenses	(2.13)	(2.22)
Impairment Provision	(4.34)	-
Proposal Assessment Costs	(1.60)	-
Earnings Before Interest and Taxation (EBIT)	12.34	23.84
Net Interest Expense	(0.32)	(1.43)
Profit Before Tax	12.02	22.41
Less: Revenue From Second Instalment ⁽¹⁾	-	(1.37)
Distributable Income	16.36	21.04
Unitholder Distribution (cents per Unit)	17.17c	21.10c

¹ IFRS non-cash accounting adjustment

CASHFLOW STATEMENT

	FY2009 A\$M	FY2008 A\$M
Cash Flows from Operating Activities		
Interest Received	20.87	24.56
Interest Paid	(0.23)	(1.45)
Management Fee Paid	(2.15)	(2.17)
Other	(1.73)	(0.06)
Net Cash Flows from Operating Activities	16.76	20.88
Cash Flows from Financing Activities		
Receipts from Unitholders	-	100.00
Unit Buyback	(6.88)	(1.77)
Payments for Issue Costs	-	-
Distributions to Unitholders	(18.25)	(20.65)
Net Borrowings	(5.25)	(97.46)
Net Cash Flows used in Financing Activities	(30.38)	(19.88)
Cash Flows from Investing Activities		
Investments Repaid/(Acquired)	12.13	(0.57)
Net Cash provided by Financing Activities	12.13	(0.57)
Net Increase in Cash and Cash Equivalents	(1.49)	0.44

4. FUND OUTLOOK

OUTLOOK

- > FY2010 forecast yield of between BBSW + 4.0% to BBSW + 4.5%
 - > Equivalent to annual distribution of between 14.3 and 15.3 cents per Unit
 - > Floating rate yield of between **7.16%** and **7.66%** at the current BBSW (based on weighted average Units on issue and par value)¹
 - > Equivalent to a yield of **10.44%** to **11.17%** at a \$1.37 Unit price²
 - > Cash distributions paid **quarterly**
- > Management continues to focus on maintaining the credit performance of the Fund and ensuring an appropriate and timely capital return that maximises value for all Unitholders

¹ 30-day BBSW at 6 August 2009 was 3.16%

² As at 6 August 2009

AMF BOARD CHANGES

- > The AMF Board announced the following, effective 7 August 2009:
 - > Ms Jennifer Dawson resigned as Chairman and Director;
 - > Mr Jamie McPhee resigned as Director;
 - > Mr Anthony Baum was appointed Chairman; and
 - > Mr Bruce Speirs, Chief Executive Officer, was appointed Director
- > Independent Directors Ms Nancy Fox and Mr Stephen Treanor continue to remain on the Board

APPENDIX I

Additional Details on the Investment Portfolio

ADDITIONAL DETAILS ON THE INVESTMENT PORTFOLIO

Name	Asset category	Value (\$M)	% of Portfolio	Margin over BBSW (%)	Funded Subordination (%)	Excess Spread ⁽¹⁾	Total Support ⁽²⁾ (\$M)
Lighthouse No. 4 Trust	Margin Lending	75.0	41.1%	1.25%	3.63%	1.41%	69.6
Lighthouse No. 4 Trust	Margin Lending	50.1	27.5%	12.50%	0.00%	1.41%	19.5
Q10 Trust E Note	Mortgage Portfolio	10.0	5.5%	3.75%	5.64%	1.91%	30.1
Q10 Trust F Note	Mortgage Portfolio	11.0	6.0%	6.00%	0.00%	1.91%	19.1
Program No. 2 D Note	Medical Financing	13.2	7.2%	6.00%	6.73%	0.00%	15.4
MIS Program 1 C Note	MIS Investor Loans	16.0	8.7%	4.50%	9.16%	0.00%	7.3
MIS Program 1 D Note	MIS Investor Loans	7.3	4.0%	12.50%	0.00%	0.00%	0.0

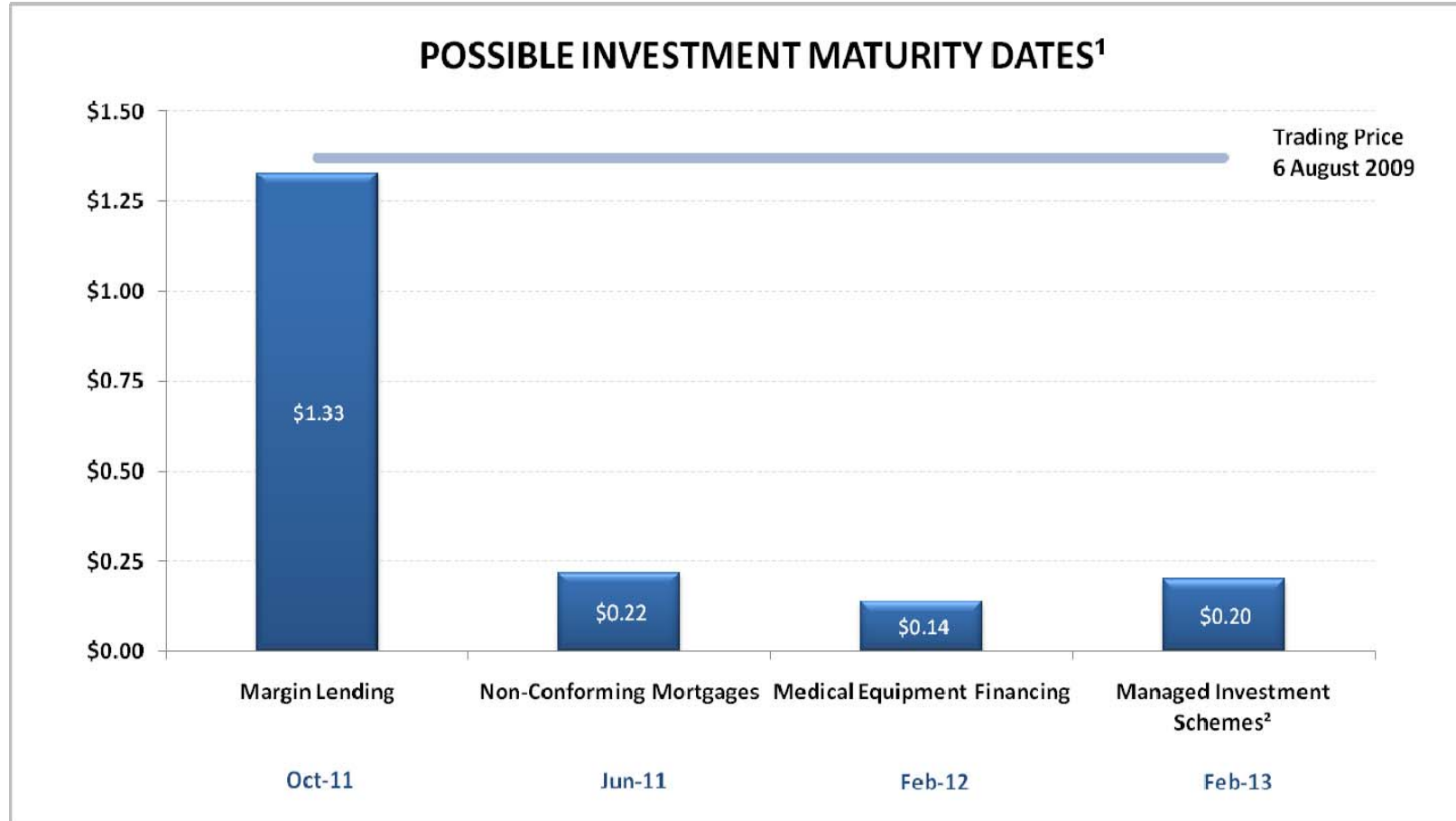
ADDITIONAL DETAILS ON THE INVESTMENT PORTFOLIO

Name	Asset Category	Value (\$M)	Forecast Maturity	Mechanism
Lighthouse No. 4 Trust	Margin Lending	75.0	2.3 years	Program maturity on 30 September 2010. Subordinated Notes are to be repaid within 13 months of this date but only if the Senior Notes have been repaid or the repayment can be funded by the issue of new Subordinated Notes.
Lighthouse No. 4 Trust	Margin Lending	50.1		
Q10 Trust E Note	Mortgage Portfolio	10.0	2.0 years	Program called on 16 June 2011 or at 5% of initial pool balance. Call at the discretion of the Trust Manager (Perpetual).
Q10 Trust F Note	Mortgage Portfolio	11.0		
Program No. 2 D Note	Medical Financing	13.2	2.6 years	Issuer (Perpetual) has the option to redeem all Notes on the 6 th anniversary of the initial distribution date, 10 February 2012.
MIS Program 1 C Note	MIS Investor Loans	16.0	3.7 years	Program called at 10% of initial pool balance. Call at the discretion of the Trust Manager (AB Management).
MIS Program 1 D Note	MIS Investor Loans	7.3		

APPENDIX II

Possible Investment Maturity Dates

POSSIBLE INVESTMENT MATURITY DATES¹



¹ These forecast dates are provided for illustrative purposes only and are subject to change. Actual future events may vary materially from these forecasts and the assumptions on which they are based. Given these uncertainties, you are cautioned not to place undue reliance on these forecasts.

² Includes impairment provision