ADELAIDE MANAGED FUNDS ASSET BACKED YIELD TRUST

ARSN 120 038 002

REPORT FOR THE YEAR ENDED 30 JUNE 2009
RESULTS FOR ANNOUNCEMENT TO THE MARKET

Release date – 7 August 2009

Prepared in accordance with ASX Listing Rule 4.3A
Appendix 4E

It is recommended that the annual financial report is read in conjunction with any public announcements made by Adelaide Managed Funds Asset Backed Yield Trust for the year ending 30 June 2009 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

Index

Media Release

7 August 2009

AYT DELIVERS SOUND YIELD IN CHALLENGING ENVIRONMENT

HIGHLIGHTS

> Annualised return, excluding one-off costs, equivalent to 9.41% for FY2009 (30-day BBSW + 4.55%)

> Delivered annualised cash return of 8.55% for FY2009 (30-day BBSW +3.70%)

> Forecast yield of between 30-day BBSW + 4.00% and 4.50% for FY2010

Adelaide Managed Funds Asset Backed Yield Trust (AYT) has reported an annualised return of 8.55% in its full-year results released today. Excluding the costs associated with the proposed acquisition of AYT by Bendigo and Adelaide Bank (which did not proceed), AYT returned 9.41% or 4.55% above average 30-day BBSW for the period.

According to the Chief Executive Officer of Adelaide Managed Funds, Mr Bruce Speirs, the result reflects the quality of the underlying assets, despite being impacted by the one-off costs associated with assessing the proposed acquisition. “Conditions in financial markets have remained challenging over the past 12 months, but AYT has delivered a sound, floating rate of return to investors” Mr Speirs said.

“Further, given the quantum of the difference between AYT’s Unit price and Net Tangible Asset (NTA) backing, Management have focused on returning capital to Unitholders through the on-market Unit buy-back to enhance Unitholder returns” Mr Speirs said.

Forecast yield for the FY2010 year is in a range of 4.00% to 4.50% above 30-day BBSW. This represents a forecast annual cash distribution of between 14.3 and 15.3 cents per Unit, or a 7.16% to 7.66% floating rate yield at current interest rates[1].

“This represents an equivalent yield of 10.44% to 11.17% based on a $1.37 Unit trading price[2],” Mr Speirs said.

“With the exception of the MIS investment, the assets currently under management have all delivered to or above expectations. The impairment provision against the MIS investment is not material to AYT’s NTA backing and we have seen no material changes in the quality or performance of our other investments. We remain very confident of the future performance of AYT,” he said.

The Managers of AYT look forward to providing a stable, predictable return to Unitholders over the coming period whilst seeking to return capital to Unitholders while it remains in the best interest of Unitholders to do so. All distributions are paid in cash from the interest earned on the investments in the portfolio.

The AMF Board also announced the following changes today, effective 7 August 2009. Ms Jennifer Dawson resigned as Chairman and Director and Mr Jamie McPhee resigned as Director. Mr Anthony Baum was subsequently 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.

The AYT was listed on the ASX in August 2006 with issued capital of $200 million. As at 30 June 2009, the Fund was trading with an audited NTA equal to $1.910 per Unit.

For further information, please contact:

Mark McKay
08 8300 6686

Kym Masters
08 8220 7258

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

[1]30-day BBSW as at 6 August 2009, was 3.16%
[2]As at 6 August 2009

MANAGEMENT COMMENTARY

PERFORMANCE

> Delivered an annualised return of 9.41% or 30-day BBSW + 4.55% to Unitholders, excluding the costs associated with assessing the proposed acquisition of AYT by BEN, exceeding forecasts.

> FY2009 Unitholder cash distribution of 17.2 cents per Unit was 18.5% below last year's 21.1 cents per Unit primarily due to the lower interest rate environment and the one-off costs associated with assessing the proposed acquisition.

> With the exception of the MIS investment, asset performance has met or exceeded forecasts and the portfolio continues to generate stable, predictable returns.

> All distributions are paid in cash from the interest earned by AYT's investment portfolio.

> AYT has purchased 5.9% of Units originally issued as part of its on-market Unit buy-back.

> AYT has no debt.

OUTLOOK

> Forecast yield of between 30-day BBSW + 4.00% and 4.50% for FY2010.

> A focus on effective capital return while it remains in the best interest of Unitholders.

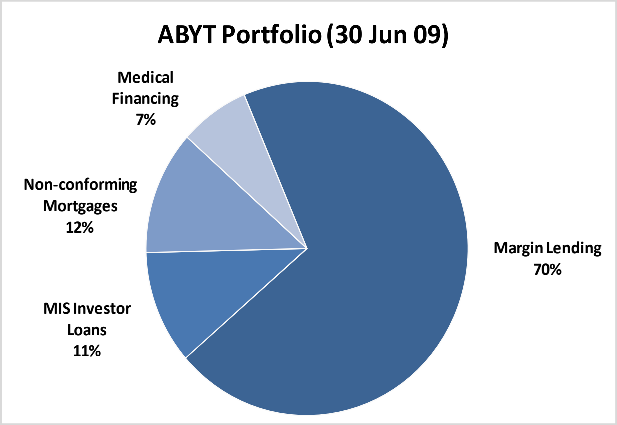
> AYT will continue to conduct the on-market Unit buyback as cash flow from amortising assets permits and while the purchase of Units represents the most appropriate use of Unitholder funds.

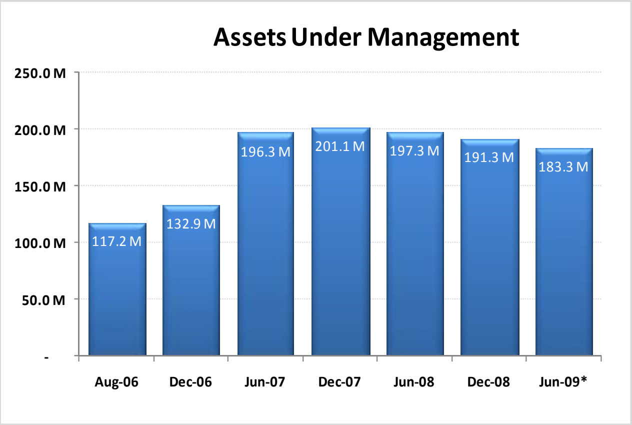
> Investments continue to be managed on a 'held-to-maturity' basis.

PORTFOLIO OVERVIEW

> No material change in asset mix, with 41% of assets shadow rated Investment Grade at 30 June 2009.

> Assets under management total $183 million at 30 June 2009.





* Includes impairment provision

ASSET QUALITY

> With the exception of the MIS investment, program losses recorded to date remain well below levels where AYT's investment will be impacted.

> The continued volatility in the Australian equity markets has not impacted on AYT's margin lending investment, which continues to perform better than expected.

> Cumulative losses on the non-conforming mortgage portfolio stand at 0.23% - well below our forecast of 0.74% - despite further deterioration in the broader Australian market.

> Management continue to monitor Great Southern's situation closely and impairment provisions of $4.3M against the AYT's $23.2M MIS investment is not considered material to AYT's $179.6M NTA

Investment	Actual Losses to 30/06/09	Current Loss Assumptions	Losses where Fund Investment Impacted
Margin lending	0.07%	0.35%	>1.41%
Non-conforming mortgages	0.23%	0.74%	>1.91%
Medical financing program #2	0.65%	1.64%	>6.73%
MIS investor loans	4.50%	9.83%	>4.82%

SUMMARY

> Annualised return in FY2009 exceeded Management forecasts excluding one-off costs associated with assessing the proposed acquisition of AYT by BEN.

> The Fund expects to continue to deliver a strong cash yield to Unitholders in FY2010 of between 30-day BBSW + 4.00% and 4.50%.

> With the exception of the MIS investment, the quality of the asset portfolio remains high and losses in underlying pools of receivables need to increase substantially before the Fund's investments are impacted.

> AYT has no debt.

> Management focused on an orderly return of capital to Unitholders as investments amortise whilst this represents the best use of Unitholder funds.

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

APPENDIX 4E

The Directors of Adelaide Managed Funds Limited (ABN 81 062 274 533), the Responsible Entity of the Adelaide Managed Funds Asset Backed Yield Trust (the 'Fund') (ARSN 120 038 002), are pleased to announce the results of the Fund for the year 1 July 2008 to 30 June 2009.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

The consolidated profit before tax for the twelve months from 1 July 2008 to 30 June 2009 attributable to the Unitholders of the Fund was $12.024 million. The Fund achieved underlying earnings before tax of $16.359 million after adding back the $4.335 million impairment provision raised against the MIS investment. The following table provides a summary of the main line items reported in the income statement.

	A$ '000's	A$ '000's	% Change
	2009	**2008**	
Interest income	20,406	24,694	(17.4%)
Revenue from second instalment[1]	-	1,365	n/a
Earnings before interest and tax (EBIT)	12,340	23,840	(48.2%)
Net profit	12,024	21,046	(42.9%)
Distributions paid to Unitholders	16,359	21,020	(22.2%)

DISTRIBUTIONS FOR THE YEAR

On 7 August 2009, the Directors of Adelaide Managed Funds, resolved to pay a final distribution of 4.574 cents per Unit, 0.074 cents per Unit above its earlier estimate (refer announcement on 19 June 2009). A summary of distributions paid during the year is represented below:

	Amount per security (cents)	Franked amount per security (cents)
Interim quarterly distribution - record date 30 September 2008 - payable date 14 October 2008	5.50	-
Interim quarterly distribution - record date 31 December 2009 - payable date 14 January 2009	5.50	-
Interim quarterly distribution - record date 31 March 2009 - payable date 14 April 2009	1.60	-
Final quarterly distribution - record date 30 June 2009 - payable date 14 August 2009	4.574	-

NET TANGIBLE ASSET BACKING PER SECURITY

	30 June 2009 $ per security
Net tangible asset backing per security[2]	$1.910

The remainder of the information requiring disclosure to comply with the ASX Listing Rule 4.3A is contained in the 2009 Full Year Financial Report, which has been released to the ASX today.

[1]The revenue on the Second Instalment represents the accounting entry required under AIFRS as a result of discounting the proceeds of the Second Instalment to the Allotment date. It was not a cash item for the year to 30 June 2008, and accordingly was subtracted to calculate the Distributable Income for 2008.

[2]The NTA per Unit excludes the unpaid distribution of $0.04574 per Unit payable on 14 August 2009.

ADELAIDE MANAGED FUNDS ASSET BACKED YIELD TRUST

ARSN 120 038 002

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDING 30 JUNE 2009

DIRECTORS' REPORT

In accordance with the Corporations Act 2001, the Directors of Adelaide Managed Funds Ltd ('AMF') (ABN 81 062 274 533), the Responsible Entity of the Adelaide Managed Funds Asset Backed Yield Trust (the 'Fund') (ARSN 120 038 002), submit their report for the Fund for the year ended 30 June 2009.

THE MANAGER

Adelaide Managed Funds Ltd has acted in the capacity of Responsible Entity of the Fund for the year ended 30 June 2009. Bendigo and Adelaide Bank Ltd ('Bendigo and Adelaide Bank') is the Custodian and Service Provider and as such has prepared these accounts.

DIRECTORS

The names of the Directors of Adelaide Managed Funds Ltd during the year and until the date of this report (unless stated otherwise) are:

J L Dawson (resigned 7 August 2009)
J McPhee (resigned 7 August 2009)
S Treanor
N Fox
A Baum
B Speirs (appointed 7 August 2009)

PRINCIPAL ACTIVITIES

The principal activity of the Fund during the year was the investment in notes backed by a range of loans and receivables including margin loans, non-conforming residential mortgages, agricultural managed investment schemes and medical equipment loans and leases. There has been no significant change in the nature of this activity during the year.

FUND INFORMATION

The Fund is an Australian registered Trust. Adelaide Managed Funds Ltd, the Responsible Entity of the Fund, is incorporated and domiciled in Australia.

The registered office of the Responsible Entity is located at The Bendigo Centre, PO Box 480, Bendigo, VIC, 3552.

At 30 June 2009 the Fund had no employees.

REVIEW OF OPERATIONS

The Fund maintained its holding of asset backed securities, with portfolio exposure to margin loans, non-conforming residential mortgages, agricultural managed investment schemes and medical equipment loans and leases. The revenue earned by the Fund was derived solely as interest from its cash and investment holdings.

The proposed acquisition of the Fund by Bendigo and Adelaide Bank during the year resulted in the Fund incurring one-off costs associated with the assessment of that proposal equal to $1,605,000. The proposed acquisition did not proceed.

An impairment of $4,335,000 has been noted against the Fund's agricultural managed investment scheme investment during the year ended 30 June 2009.

RESULTS

The performance of the Fund for the year ended 30 June 2009, as represented by the results of its operations, was as follows:

Interest income:	$20,405,932
Finance costs - Distribution to Unitholders:	$16,359,018

The total value of assets held by the Adelaide Managed Funds Asset Backed Yield Trust as at 30 June 2009 was $184,541,319 (June 2008: $198,964,442). Management fees payable to Adelaide Managed Funds Ltd during the financial year were $1,973,110 (June 2008: $2,028,262).

The total number of Units issued as at 30 June 2009 was 94,115,809 (June 2008: 98,820,622).

DISTRIBUTIONS

During the year distributions were made for the quarter ended 30 September 2008 of 5.50 cents per Unit, for the quarter ended 31 December 2008 of 5.50 cents per Unit and for the quarter ended 31 March 2009 of 1.60 cents per Unit. On 19 June 2009, an estimated final distribution of 4.50 cents per Unit was proposed. However, at its meeting on 7 August 2009, the Board resolved to pay a final distribution of 4.574 cents per Unit.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year there was no significant change in the state of affairs of the Fund other than that referred to in the financial statements or notes thereto.

SIGNIFICANT EVENTS AFTER BALANCE DATE

No other matter or circumstance has arisen since 30 June 2009, not otherwise dealt with in this report or the financial statements that has significantly affected or may significantly affect:

(i) the operation of the Fund in future financial periods, or
(ii) the results of those operations in future financial periods, or
(iii) the state of affairs of the Fund in subsequent financial periods.

LIKELY DEVELOPMENTS

In the opinion of the Directors, disclosure of any further information on likely developments would be prejudicial to the Fund.

ENVIRONMENTAL ISSUES

The operations of the Fund are not subject to particular or significant environmental regulations under a Commonwealth, State or Territory Law. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

INSURANCE AND INDEMNIFICATION FOR OFFICERS OR AUDITORS

Indemnification

The Fund has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer of the Responsible Entity or an auditor of the Fund. So long as the officers of both the Manager and the Custodian act in accordance with the Constitution/Trust Deed and the Law, both parties remain fully indemnified out of the assets of the Fund against any losses incurred while acting on behalf of the Fund.

Insurance Premiums

During the financial year the Responsible Entity has paid premiums in respect of its Directors and officers for liability and legal expenses on insurance contracts for the financial year ended 30 June 2009. This entity has paid or agreed to pay in respect of the Fund, premiums in respect of such insurance contracts for the financial year ending 30 June 2010.

Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been Directors of the Responsible Entity or executive officers of the Responsible Entity and this entity.

Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure is prohibited under the terms of the contracts.

AUDITOR'S INDEPENDENCE DECLARATION

The audit of this financial report is in accordance with the declaration "Auditor's Independence Declaration to the Directors of Adelaide Managed Funds Ltd as Responsible Entity for Adelaide Managed Funds Asset Backed Yield Trust" on page 13.

ROUNDING

The amounts contained in this report and the financial report have been rounded to the nearest thousand where rounding is applicable, under the option available to the Fund under ASIC Class Order 98/0100. The Fund is an entity to which this Class Order applies.

This report has been made in accordance with the resolution of Directors.

Jenny Dawson

Jennifer Lynn Dawson
Chairman
7 August 2009
Adelaide

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Independent auditor's report to the unitholders of Adelaide Managed Funds Asset Backed Yield Trust

We have audited the accompanying financial report of Adelaide Managed Funds Asset Backed Yield Trust (the Fund), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in net assets attributable to unitholders and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Responsible Entity are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) 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 2, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 our 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, we consider internal controls 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 controls. 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.

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

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

ERNST & YOUNG

Auditor's Opinion

In our opinion:

1. the financial report of Adelaide Managed Funds Asset Backed Yield Trust is in accordance with the *Corporations Act 2001*, including:
   - (i) giving a true and fair view of the financial position of Adelaide Managed Funds Asset Backed Yield Trust at 30 June 2009 and of its 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*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Ernst & Young

Ernst & Young

Colin Dunsford
Partner
Adelaide
7 August 2009

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Auditor's Independence Declaration to the Directors of Adelaide Managed Funds as Responsible Entity for the Adelaide Managed Funds Asset Backed Yield Trust

In relation to our audit of the financial report of Adelaide Managed Funds Asset Backed Yield Trust for the financial year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Colin Dunsford
Partner
Adelaide
7 August 2009

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Jun-09 $000's	Jun-08 $000's
INCOME			
Interest income	3(a)	20,406	24,694
Interest income from Second Instalment		-	1,365
Total interest income		20,406	26,059
EXPENSE			
Operating expenses	3(b)	2,126	2,219
Impairment provision	3(c)	4,335	-
Costs associated with assessing proposed acquisition	3(d)	1,605	-
		8,066	2,219
Earnings before interest and taxation		12,340	23,840
Net interest expense	3(f)	316	1,429
Net profit attributable to Unitholders		**12,024**	**22,411**
Finance costs: Distribution to Unitholders	3(e)	16,359	21,046
Change in net assets attributable to Unitholders		**(4,335)**	**1,365**
		Cents per Unit	**Cents per Unit**
Earnings per Unit - Basic and Diluted		17.13	21.13

BALANCE SHEET

AS AT 30 JUNE 2009

	Note	Jun-09 $000's	Jun-08 $000's
Assets			
Cash	4(a)	5,164	6,656
Trade and other receivables	5	942	1,285
Loans and receivables	6	178,435	191,023
Total assets		**184,541**	**198,964**
Liabilities			
Trade and other payables	7	521	584
Interest bearing liabilities	8	-	1,250
Distribution payable	9	4,450	6,344
Total liabilities excluding net assets attributable to Unitholders		**4,971**	**8,178**
Net assets attributable to Unitholders		**179,570**	**190,786**
Represented by:			
Unitholders funds	10	176,013	182,894
Retained earnings		3,557	7,892
Net assets attributable to Unitholders		**179,570**	**190,786**

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

FOR THE YEAR ENDED 30 JUNE 2009

	Jun-09 $000's	Jun-08 $000's
Net assets attributable to Unitholders at the beginning of the year	190,786	191,247
Unit buy back	(6,881)	(1,797)
Capitalised issue costs	-	(29)
Net profit attributable to Unitholders	12,024	22,411
Distribution to Unitholders	(16,359)	(21,046)
Net assets attributable to Unitholders at the end of the year	**179,570**	**190,786**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Jun-09 $000's	Jun-08 $000's
Cash flows from operating activities		
Interest received on investments	20,613	23,928
Interest received on cash deposit	262	630
Interest expense on borrowings	(280)	(1,445)
Manager fee paid	(1,946)	(2,167)
GST refunded	2	169
Payments to service providers	(1,886)	(233)
Net cash flows from operating activities	**16,765**	**20,882**
Cash flows from financing activities		
Receipts from Unitholders	-	100,000
Unit buy back	(6,881)	(1,774)
Distributions to Unitholders	(18,253)	(20,654)
Proceeds from borrowings	1,000	8,100
Repayment of borrowings	(2,250)	(105,550)
Net cash flows used in financing activities	**(26,384)**	**(19,878)**
Cash flows from investing activities		
Investment acquired	-	(8,685)
Investments repaid	8,127	8,120
Net cash flows from / (used in) investing activities	**8,127**	**(565)**
Net increase in cash and cash equivalents	(1,492)	439
Cash and cash equivalents held at the beginning of the financial year	6,656	6,217
Cash and cash equivalents held at the end of the financial year	**5,164**	**6,656**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 Corporate information

The financial report of Adelaide Managed Funds Asset Backed Yield Trust for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors of the Responsible Entity on 7 August 2009.

Adelaide Managed Funds Asset Backed Yield Trust is an Australian registered Trust, constituted in August 2006. Adelaide Managed Funds Ltd, the Responsible Entity of the Fund, is incorporated and domiciled in Australia.

The registered office of the Responsible Entity is located at The Bendigo Centre, PO Box 480, Bendigo, VIC, 3552.

The Fund is listed on the Australian Stock Exchange.

NOTE 2 Summary of significant accounting policies

(a) Basis of accounting

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 which includes applicable Accounting Standards. Other mandatory professional reporting requirements have also been complied with.

The financial report has been prepared on a historical cost convention. The balance sheet is presented on a liquidity basis.

The financial report is presented in Australian dollars.

(b) Application of Accounting Standards

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Australian Accounting Standards and Interpretations that recently have been issued or amended but are not yet effective and have not been adopted for the reporting period ended 30 June 2009:

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for Fund
AASB 101 (Revised), AASB 2007-8 and AASB 2007-10	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1/01/2009	These amendments are only expected to affect the presentation of the Fund's financial report and will not have a direct impact on the measurement and recognition amounts disclosed in the financial report. The fund has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1/07/2009

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 Summary of significant accounting policies (continued)

(b) Application of Accounting Standards (continued)

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for Fund
AASB 2008-5	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact. This was the first omnibus of amendments issued by the IASB arising from the Annual Improvements Project and it is expected that going forward, such improvements will be issued annually to remove inconsistencies and clarify wording in the standards. The AASB issued these amendments in two separate amending standards; one dealing with the accounting changes effective from 1 January 2009 and the other dealing with amendments to AASB 5, which will be applicable from 1 July 2009 [refer below AASB 2008-6].	1/01/2009	The Fund has not yet determined the extent of the impact of the amendments, if any.	1/07/2009
AASB 2008-6	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	This was the second omnibus of amendments issued by the IASB arising from the Annual Improvements Project. Refer to AASB 2008-5 above for more details.	1/07/2009	The Fund has not yet determined the extent of the impact of the amendments, if any.	1/07/2009

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 Summary of significant accounting policies (continued)

(b) Application of Accounting Standards (continued)

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for Fund
AASB 2009-2	Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]	The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: ► quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); ► inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and ► inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). These amendments arise from the issuance of Improving Disclosures about Financial Instruments (Amendments to IFRS 7) by the IASB in March 2009. The amendments to AASB 4, AASB 1023 and AASB 1038 comprise editorial changes resulting from the amendments to AASB 7.	Annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009.	These amendments are only expected to impact upon the presentation of fair value measurements, such that the source of inputs are disclosed in accordance with the three-level hierarchy.	1/07/2009

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 Summary of significant accounting policies (continued)

(b) Application of Accounting Standards (continued)

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for Fund
AASB 2009-4	Amendments to Australian Accounting Standards arising from the Annual Improvements Project. [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]	The amendments to some Standards result in accounting changes for presentation, recognition, or measurements purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The main amendment of relevance to Australian entities is that made to IFRIC 16 which allows qualifying hedge instruments to be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements in AASB 139 that relate to a net investment hedge are satisfied. More hedging relationships will be eligible for hedge accounting as a result of the amendment. These amendments arise from the issuance of the IASB's Improvements to IFRSs. The amendments pertaining to IFRS 5,8, IAS 1,7,17,36 and 39 have been issued in Australia as AASB 2009-5 (refer below).	1/07/2009	The Fund has not yet determined the extent of the impact of the amendments, if any.	1/07/2009
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5,8,101,107,117,118,136 & 139]	The Amendments to some Standards result in accounting changes for presentation, recognition, or measurements purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The main Amendment of relevance to Australian entities is that made to AASB 117 by removing the specific guidance on classifying land as a lease so that only the general guidance remains. Assessing land leases based on the general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible v property, plant and equipment) needs to be determined. These amendments arise from the issuance of the IASB's Improvements to IFRSs. The AASB has issued the amendments to IFRS 2, IAS 38, IFRIC 9 as AASB 2009-4 (refer above).	1/01/2010	The Fund has not yet determined the extent of the impact of the amendments, if any.	1/07/2010

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 Summary of significant accounting policies (continued)

(b) Application of Accounting Standards (continued)

All other standards, amendments and interpretations that have been issued up to the date of signing, but are not yet effective, are not relevant to the entity and will have no impact on the results, financial position or disclosures by the entities.

(c) Significant accounting judgements, estimates and assumptions

Significant accounting judgements

In the process of applying the Fund's accounting policies, management has made judgements, apart from those involving estimations, which have an impact on the amounts recognised in the financial statements. No judgements have been determined to be individually significant.

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of assets

The Fund determines whether the assets are impaired at least annually. This requires an estimation of the value of the future cashflows. The Fund's policy on impairment is disclosed in Note 2(g).

(d) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet and for the purpose of the cash flow statement includes cash at bank, bank deposits held at call and short term investments with original maturity of three months or less.

(e) Trade and other receivables

Receivables are amounts where settlement has not yet occurred. Receivables are carried at original amounts less any provision for uncollectible amounts. Interest is accrued at the reporting date from the last payment. Amounts are generally received within 30 days of being recorded as receivables. Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

(f) Investments

Investments are classified as loans and receivables. It is the Fund's intention to hold these investments to maturity.

Loans and receivables have fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective yield method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process. These assets are derecognised when the rights to receive cash flows have expired or the Fund has transferred substantially all the risks and rewards of ownership.

(g) Impairment of assets

Loan and investment assets are regularly reviewed to assess whether there is objective evidence that the loan asset or group of assets is impaired. If there is objective evidence that an impairment loss on the investments carried at amortised cost has been incurred, the amount of the loss 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 asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 Summary of significant accounting policies (continued)

(g) Impairment of assets (continued)

The carrying amount of the asset shall be reduced either directly or through use of a provision account. The amount of the loss shall be recognised in the income statement.

A specific provision is made for all identified impaired loans and investments, and is recognised when there is reasonable doubt over the collectability of the principal balance and the interest in accordance with the respective loan agreement. All bad debts are written off against the specific provision in the period in which they are classified as irrecoverable.

If it is determined that no objective evidence of impairment exists for an individually assessed asset, whether significant or not, the asset is included in a group of assets according to their credit risk characteristics and that group of assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment. Based on historical loss data and current available information for assets with similar risk characteristics, the appropriate collective provision is raised. Adjustments to the collective provisions are recognised as an expense to the income statement. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the assets does not exceed its amortised cost at the reversal date.

(h) Trade and other payables

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Fund, and include outstanding settlements on the purchase of investments and distributions payable. The carrying period is dictated by market conditions and is generally less than 30 days. Payables are measured at amortised cost.

(i) Interest bearing liabilities

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognised in the income statement when the liabilities are derecognised and through the amortisation process. Interest when charged by the lender is recognised as an expense on an accrual basis.

(j) Revenue

Interest income is recognised to the extent that it is probable the economic benefits will flow to the Fund and the income can be reliably measured. Interest income is recognised as the interest accrues using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

(k) Distributable income

Distributable Income will be a minimum of the Fund's taxable income for the relevant distribution period. However, if adjusted accounting income is greater than the Fund's taxable income, the Responsible Entity may distribute up to the amount of the adjusted accounting income.

(l) Distribution of income

Income is distributed to Unitholders post the end of each quarter.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 Summary of significant accounting policies (continued)

(m) Income tax

Under current Income Tax Legislation, the Fund is not liable to pay income tax provided the Unitholders are presently entitled to the income of the Fund and the Fund fully distributes its taxable income.

(n) Goods & Services Tax (GST)

Expenses incurred by the Fund are recognised net of the amount of GST that can be recovered from the Australian Taxation Office (ATO). Amounts recognised as receivables and payables at balance date are inclusive of GST. Reduced input tax credits (RITC) recoverable by the Fund from the ATO are recognised as receivables in the Balance Sheet.

(o) Terms and conditions of Units on issue

Each Unit confers upon the Unitholder an equal interest in the Fund and is of equal value. A Unit does not confer an interest in any particular asset or investment of the Fund. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- have their Units redeemed;

- receive income distributions;

- attend and vote at meetings of Unitholders; and

- participate in the termination and winding up of the Fund.

(p) Net assets attributable to Unitholders

Net assets attributable to Unitholders are represented by the residual interest in the assets of the Fund after deducting its liabilities. It is represented by units to be issued and undistributed income attributable to Unitholders (otherwise termed as changes in net assets attributable to Unitholders). Costs directly attributable to the issue of units are shown in net assets attributable to Unitholders as a deduction, from the proceeds of issuance.

(q) Derecognising of assets and liabilities

The de-recognition of a financial instrument takes place when the Fund no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 Income, expenses and distribution to Unitholders	Jun-09 $000's	Jun-08 $000's
(a) Finance income		
Income from investments	20,531	24,712
Interest income	-	107
Capitalised costs	(125)	(125)
	20,406	**24,694**
(b) Operating expenses		
Custodian fee	20	20
Manager's remuneration	1,973	2,028
Other operating expenses	133	171
	2,126	**2,219**
(c) Impairment provision		
Impairment provision	4,335	-
	4,335	**-**

An impairment of $4,335,000 has been noted against the Fund's agricultural managed investment scheme investment during the year ended 30 June 2009. This impairment provision reflects management's best estimate of future losses on the MIS Program as at 30 June 2009.

	Jun-09 $000's	Jun-08 $000's
(d) Costs associated with assessing proposed acquisition		
Costs associated with assessing proposed acquisition	1,605	-
	1,605	

The proposed acquisition of the Fund by Bendigo and Adelaide Bank resulted in the Fund incurring one-off costs associated with the assessment of that proposal. The proposed acquisition did not proceed.

(e) Finance costs - distribution to Unitholders	Jun-09		Jun-08	
	Cents per Unit	$'000	Cents per Unit	$'000
Accrued distribution at beginning of the period	(6.42)	(6,344)	(5.95)	(5,952)
Distributions paid during the period	18.95	18,253	20.66	20,654
Accrued distribution proposed and payable on 14 August 2009	4.57	4,305	6.35	6,275
Accrued distribution payable to Unitholders	0.15	145	0.07	69
	17.25	**16,359**	**21.13**	**21,046**
Weighted average number of units for the calculation of earnings per unit		95,507		99,746

The Distribution to Unitholders is higher than the Net Profit Attributable to Unitholders due to the non-cash implication of the impairment provision.

	Jun-09 $000's	Jun-08 $000's
(f) Borrowing costs		
Interest expense on borrowings	316	1,429
	316	**1,429**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 Cash and cash equivalents	Jun-09 $000's	Jun-08 $000's
(a) Reconciliation of cash and cash equivalents		
For the purposes of the Balance Sheet and Cash Flow Statement, cash and cash equivalents comprise:		
Cash At bank balance	5,164	6,656
Cash Investments are valued in accordance with accounting policy Note 2(d)		
Average balance	5,045	7,289
Average interest rate	5.41%	7.16%
Maturity analysis based on remaining term to maturity at 30 June 2009		
At call	**5,164**	**6,656**

(b) Reconciliation of net profit attributable to unitholders to net cash flows from operating activities

Net Profit Attributable to Unitholders	12,024	22,411
Adjustments for Non Cash Movements:		
Interest Income from second instalment	-	(1,365)
Provision for Impairment	4,335	-
Other Expenses	-	(51)
Changes in Assets and Liabilities		
(Increase) / Decrease in Receivables	469	(128)
Increase / (Decrease) in Payables	(63)	15
Net cash flows from operating activities	**16,765**	**20,882**

NOTE 5 Trade and other receivables	Jun-09 $000's	Jun-08 $000's
Receivables Other	12	12
Accrued Interest	930	1,273
	942	**1,285**
Maturity analysis based on remaining term to maturity at 30 June 2009		
Less than 3 months	942	1,285

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 Loans and receivables	**Jun-09 $000's**	**Jun-08 $000's**
Loans and receivables at amortised cost	182,500	190,626
Acquisition costs	270	397
Provision for impairment – specific	(4,335)	-
	178,435	**191,023**

Provision for impairment - specific		
Opening balance	-	-
Specific investment provided for during the year	4,335	-
Closing balance	**4,335**	-

An impairment of $4,335,000 has been noted against the Fund's agricultural managed investment scheme investment during the year ended 30 June 2009, due to reasonable doubt over the collectability of the principal balance and the interest in accordance with the respective loan agreement.

Investments in margin lending programs	125,109	125,109
Investment in non conforming mortgage programs	21,009	22,742
Investment in medical finance programs	13,153	14,253
Investment in MIS programs (net of provision)	18,894	28,522
Acquisition costs	270	397
	178,435	**191,023**
Average balance of Investments	191,237	196,595
Average interest rate	10.73%	12.56%

NOTE 7 Trade and other receivables	**Jun-09 $000's**	**Jun-08 $000's**
Interest payable	-	37
Manager/Responsible Entity fee	521	547
	521	**584**

NOTE 8 Interest Bearing Liabilities	**Jun-09 $000's**	**Jun-08 $000's**
Borrowings		1,250
	-	**1,250**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 Distributions proposed	Jun-09 $000's	Jun-08 $000's
The distribution payable is as follows:		
Final Unit distributions proposed for the year ended 30 June 2009 (payable 14 August 2009)	4,305	6,275
Accrued distribution payable to Unitholders	145	69
	4,450	**6,344**
	Cents per Unit	**Cents per Unit**
Final Unit distributions proposed for the year ended 30 June 2009 (payable 14 August 2009)	4.57	6.35

NOTE 10 Unitholders funds

Unit issue - 31 August 2006	100,000	100,000
Unit issue – Second Instalment received 31 August 2007	92,107	92,107
Unit buy back	(8,678)	(1,797)
Capitalised issue costs	(7,416)	(7,416)
	176,013	**182,894**

NOTE 11 Auditors' Remuneration	Jun-09 $	Jun-08 $
The audit fee paid/payable by Adelaide Managed Funds Ltd to Ernst & Young on behalf of the Fund	26,500	26,000

NOTE 12 Segment information

The Fund operates in one business segment, being investment management. The Fund also operates from one geographic location, being Australia, from where its investing activities are managed. Revenue is derived from interest on investments.

NOTE 13 Financial instruments

The Fund's principal financial instruments comprise cash and investments. The main purpose of these financial instruments is to generate a return on Unitholders Funds. The Fund has various other financial instruments such as trade receivables and trade payables, which arise directly from its operations.

The Fund does not enter into or trade financial instruments for speculative purposes.

The main risks arising from the Fund's financial instruments are interest rate risk, liquidity and cash flow risk, credit risk and market risk. The Responsible Entity reviews and agrees policies for managing these risks. The objectives, policies and process for managing these risks is disclosed below.

(a) Net Fair Values

The Fund's Trade and Other Receivables assets are valued in accordance with note 2(e).

It is the Fund's intention to hold investments to maturity and recover the carrying value through future cash flows received. Under AASB 7 however, the Fund is required to place fair value on the loan and receivable investments. For the purposes of the fair value disclosure requirements under AASB 7, the calculation assumes that the Fund is required to liquidate its entire portfolio of investments immediately under current market conditions.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 Financial instruments (continued)

(a) Net Fair Values (continued)

Many of the Fund's investments are illiquid. As a result, the Fund's ability to vary its portfolio in a timely fashion, to dispose of any or all assets or to receive a fair price for assets in response to changes in economic and other conditions may be limited. Furthermore, as the Fund acquires investments for which there is not a readily available market, the Fund's ability to obtain reliable information about the value of such investments may be limited.

Given the nature of estimations involved, the actual realised value for the portfolio in the event that it was liquidated may be higher or lower than the fair value disclosed. In determining fair value, the expected net cash flows applicable to each investment have been discounted to their present value, applying management assumptions of a discount rate equal to 2% for those investments that are not publically rated, and a further discount equal to 25% where a market for selling these assets immediately is not readily available. Management's estimate of fair value as at 30 June 2009 is $81,141,441 as compared to carrying value of $178,164,451 (2008 fair value was $84,318,298 as compared to carrying value of $190,626,137).

The difference noted between the carrying value and estimated fair value as at 30 June 2009 does not necessarily indicate impairment with regard to the loan and receivable investments. The carrying value of these investments will be recovered over the term to maturity through future cash flows as noted above.

(b) Interest rate risk exposures

Interest rates are managed on the basis that all of the Investments earn a floating rate return. Accordingly, distributions to Unitholders and the forecast annualised distribution yield for the period from allotment to 30 June 2009 have moved up or down in line with changes in interest rates.

	Weighted average effective interest rate	Closing balance	Weighted average effective interest rate	Closing balance
	Jun-09 (% p.a.)	Jun-09 ($000's)	Jun-08 (% p.a.)	Jun-08 ($000's)
Financial asset				
Cash	5.41%	5,164	7.16%	6,656
Investments	10.73%	178,435	12.56%	191,023
Financial liability				
Debt facility	8.58%	-	7.26%	1,250

Interest Rate Sensitivity based on balances as at 30 June 2009

	Increase in Interest Rate	Sensitivity of Profit & Loss ($000's)	Decrease in Interest Rate	Sensitivity of Profit & Loss ($000's)
Financial asset				
Cash	+1.00%	52	-0.50%	(26)
Investments	+1.00%	1,784	-0.50%	(892)
Financial liability				
Debt facility	+1.00%	-	-0.50%	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 Financial instruments (continued)

(b) Interest rate risk exposures (continued)

Maturity Analysis based on remaining term to maturity at 30 June 2009

Cash	**Jun-09 $000's**	**Jun-08 $000's**
Less than 3 months		
Total	5,164	6,656
	5,164	**6,656**
Investments		
Less than 3 months	-	-
Between 3 months and 12 months	-	1,100
Between 1 year and 5 years	178,435	189,923
Greater than 5 years	-	-
Total	**178,435**	**191,023**

(c) Liquidity and cash flow risk

Many of the Fund's investments are illiquid. As a result of this illiquidity, the Fund’s ability to vary its portfolio in a timely fashion, to dispose of underperforming assets or to receive a fair price for assets in response to changes in economic and other conditions may be limited. Furthermore, as the Fund acquires investments for which there is not a readily available market, the Fund’s ability to obtain reliable information about the value of such investments may be limited.

The Fund manages its liquidity ratio on a monthly basis.

Maturity profile of liabilities:-

Maturity profile 30 June 2009	**Less than 3 months**	**Between 3 months and 12 months**	**Between 1 year and 5 years**	**More than 5 years**
Interest payable on debt facility	-	-	-	-
Management fees accrued	521,000	-	-	-
Interest bearing liabilities	-	-	-	-
Distribution payable to Unitholders	4,449,767	-	-	-
Total	**4,970,767**	-	-	-

Maturity profile 30 June 2008	**Less than 3 months**	**Between 3 months and 12 months**	**Between 1 year and 5 years**	**More than 5 years**
Interest payable on debt facility	37,000	-	-	-
Management fees accrued	547,000	-	-	-
Interest bearing liabilities	1,250,000	-	-	-
Distribution payable to Unitholders	6,344,000	-	-	-
Total	**8,178,000**	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 Financial instruments (continued)

(c) Liquidity and cash flow risk (continued)

There is a $30,000,000 debt facility available with RBS Group (Australia) Pty Ltd. The facility is rolled on a 30 day basis at the end of each month. The facility has standard debt covenants that include interest cover ratio, average investment rating and weighted average delinquency but can not be called due to changes in the unit price. As at the date of this report, the facility is undrawn. This facility is due to expire on 25 August 2009, unless renewed.

The Unitholder Funds are classified as financial liabilities and are not required to be redeemed by the Fund until 2086.

(d) Credit risk exposures

Credit risk is one of the major risks faced by the Fund and may be broken down into two main categories:

- The risk that issuers of assets in which the Fund has invested (usually special purpose securitisation vehicles), are unable to make the interest payments or principal repayments when due; and

- The risk that the credit quality of the receivables in the underlying portfolio of assets held by the Fund deteriorates.

Obligations of issuers include the payment of scheduled interest and the repayment of the loans at maturity. Failure by an issuer to make these payments may lead to a reduction in yield and a loss of capital for noteholders. A decline in the credit quality of an investment held by the Fund could occur even though the issuer is meeting its obligations. This could occur in the event that the borrowers in the underlying portfolio of receivables begin to default or if market movements cause the value of security held as a proportion of the debt (loan to valuation ratio) to increase, making it more likely that borrowers will default. A decline in the credit quality of an investment held by the Fund could ultimately result in the issuer failing to meet its obligations or a loss of capital if the asset is sold prior to its maturity at a discount to its redemption rate. The investment assets of the Fund are located in Australia. The underlying investments of the Fund are backed by high yielding assets including margin loans, non-conforming residential mortgages, agricultural managed investment schemes, medical equipment loans and leases. Refer to Note 6 to review the concentration risk of the investment portfolio. No impairment has been noted on any other investment as of 30 June 2009

(e) Market risk exposures

The Fund regularly monitors the concentration of its portfolio and its exposure to any given asset class, single borrower or single issuer. From time to time, the Fund may be less diversified than desired by the Investment Manager, particularly with regards to asset class. This may be driven by attractive yields available in certain asset classes or lack of investment opportunities.

NOTE 14 Director disclosures

(a) The Directors of Adelaide Managed Funds Ltd during the financial year were :

J L Dawson

J McPhee

S Treanor

N Fox

A Baum

(b) The Fund has not made, guaranteed or secured, directly or indirectly any loans to the Directors or their Director related entities during the year.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 14 Director disclosures (continued)

(c) The following Directors of Adelaide Managed Funds Ltd held Units in the fund, Mr Jamie McPhee held 90,723 Units, Mrs Nancy Fox held 7,500 Units and Mr Anthony Baum held 10,000 Units in the Fund at year ended 30 June 2009. No other Directors held any interests during the period covered by these financial reports. All interests held are on arms length basis and under normal circumstances.

(d) There were no Key Management Personnel employed by the Fund.

NOTE 15 Related party disclosures

(a) Key management personnel

Disclosures in relation to Key Management Personnel (KMP) during the year and until the date of this report are set out in Note 16.

(a) Other related parties - the Responsible Entity

The Responsible Entity of the Fund is Adelaide Managed Funds Ltd whose immediate and ultimate holding company is Bendigo and Adelaide Bank Ltd.

As at 30 June 2009 the Fund invested $5,164,008 in an at call account with Bendigo and Adelaide Bank Limited. There are no fees payable on the account and interest is equivalent to the Reserve Bank of Australia cash rate.

All remuneration and fees have been calculated in accordance with the Trust Deed/Constitution. Manager/Responsible Entity remuneration amounted to $1,973,110 (June 2008: $2,028,262) for the year ended 30 June 2009.

NOTE 16 Key management personnel

(a) Key management personnel

The key management personnel (KMP) of the Fund only includes persons who are KMP of the Responsible Entity. The names of the KMP of the Responsible Entity during the year and until the date of this report (unless otherwise stated) are:

J L Dawson	Chairman
J McPhee	Director
S Treanor	Director
N Fox	Director
A Baum	Director
B Speirs	Chief Executive Officer
K Masters	Chief Investment Officer

(b) Compensation of key management personnel

KMP of the Responsible Entity are paid by Bendigo and Adelaide Bank Ltd in their roles as KMP of the Responsible Entity, not of the Fund. KMP of the Responsible Entity are not remunerated by the Fund.

No securities of the Adelaide Managed Funds Asset Backed Yield Trust were granted to any KMP during the year as compensation.

Compensation is paid to the Responsible Entity in the form of fees and is disclosed in Note 15(b).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16 Key management personnel (continued)

(c) Key management personnel's interest in financial instruments issued by the Fund

Interests in the Units issued by the Fund held by the KMP and their related entities at balance date are as follows:

		Units held Jun-09	Units held Jun-08
J L Dawson	Chairman	-	-
J McPhee	Director	90,723	90,723
S Treanor	Director	-	-
N Fox	Director	7,500	7,500
A Baum	Director	10,000	10,000
B Speirs	Chief Investment Officer	50,000	10,000
K Masters	Chief Investment Officer	-	50,000

(d) Distributions paid or payable by the Fund to key management personnel

Distributions paid or payable by the Fund to KMP and their related entities during the year are as follows:

Distributions paid or payable		**Jun-09**	**Jun-08**
		$	**$**
J L Dawson	Chairman	-	-
J McPhee	Director	15,581	14,380
S Treanor	Director	-	-
N Fox	Director	1,288	2,025
A Baum	Director	1,717	5,065
B Speirs	Chief Investment Officer	8,587	2,700
K Masters	Chief Investment Officer	6,300	13,502

(e) Outstanding balances between the Fund and key management personnel

Outstanding balances between the Fund and the KMP and their related entities are as follows:

Distribution payable		**Jun-09**	**Jun-08**
		$	**$**
J L Dawson	Chairman	-	-
J McPhee	Director	4,150	5,761
S Treanor	Director	-	-
N Fox	Director	343	476
A Baum	Director	457	635
B Speirs	Chief Investment Officer	2,287	635
K Masters	Chief Investment Officer	-	3,175

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16 Key management personnel (continued)

(f) Key management personnel related entities

J Dawson is a Non Executive Director of Bendigo and Adelaide Bank Ltd.

J McPhee is an Executive Director of Bendigo and Adelaide Bank Ltd.

A Baum is an Executive of Bendigo and Adelaide Bank Ltd.

All transactions between the Fund and KMP occurred on normal commercial terms and conditions.

NOTE 17 Subsequent events

Since 30 June 2009 there has not been any matter or circumstances not otherwise dealt with in the financial report that has significantly affected or may significantly affect the Fund.

DIRECTORS' DECLARATION

In the opinion of the Directors of Adelaide Managed Funds Ltd:

(a) The financial statements and notes of the Fund are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Fund's financial position as at 30 June 2009 and of its performance for the year ended on that date;

and

(ii) complying with Accounting Standards and the Corporations Regulations 2001;

(b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

(c) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2009.

Signed for and on behalf of the Board of Directors and in accordance with a resolution of the Directors.

Jenny Dawson

Jennifer Lynn Dawson
Chairman
7 August 2009
Adelaide