

Adelaide Managed Funds

ASX Release

3 September 2010

ADELAIDE MANAGED FUNDS ASSET BACKED YIELD TRUST POSSIBLE MATERIAL CAPITAL RETURN

Adelaide Managed Funds (**AMF**), as Responsible Entity for the Adelaide Managed Funds Asset Backed Yield Trust (**AYT**), has today been advised that AYT's Lighthouse No. 4 Trust Senior Subordinated Note and Junior Subordinated Note (**Subordinated Notes**) will both be repaid in full. This repayment will see AYT receive \$125,109,270 in cash on 13 September 2010.

The repayment of the Subordinated Notes will, subject to Unitholder approval, enable AMF to make the Material Capital Return to Unitholders, as that term is defined in the Notice of Meeting and Explanatory Memorandum (**Meeting Documents**) (released to the ASX and despatched to Unitholders on 24 August 2010). In accordance with those documents, this Unitholder approval will be sought in conjunction with the approval for the Board recommended strategy, at the Extraordinary General Meeting to be held on 17 September 2010.

Material Capital Return Timetable

Subject to Unitholders voting in favour of the resolutions required, AMF will make the Material Capital Return in accordance with the following timetable:

Capital Return Amount	\$1.33 per Unit
Extraordinary General Meeting	17 September 2010
Units (ASX: AYT) Trade Ex-Capital Return	21 September 2010
Record Date (5.00pm) Sydney Time	27 September 2010
Estimated Payment Date	11 October 2010

This Material Capital Return will not occur unless Unitholders vote in favour of the resolutions required.

Impact of Material Capital Return on Proposed Strategy

As outlined in the Meeting Documents, subject to Unitholder approval, the Material Capital Return represents the point at which AMF could potentially commence the termination and delisting of AYT.

AMF can confirm that until such time that AYT's Q10 Trust Class E and F Notes (**Q10 Notes**) are fully repaid, it will not be delisting AYT. Based on the current performance of the underlying portfolio of non-conforming residential mortgages, AMF expects that this will occur around October 2011.

AMF will continue to seek to maximise returns to Unitholders during this period and in the event that an alternative proposal is presented, this will be appropriately considered. On this basis, AMF will continue to update Unitholders on both the timing of the likely maturity of the Q10 Notes held by AYT and its proposed approach to realising value from its remaining assets, as appropriate.

Impact of Material Capital Return on Net Tangible Asset Backing

As at 31 July 2010, the unaudited Net Tangible Asset (**NTA**) backing of AYT was \$1.63 per Unit. Payment of this Material Capital Return will reduce AYT's NTA by approximately \$1.33 per Unit.

Following the Extraordinary General Meeting to be held on 17 September 2010, AMF will provide further detail in relation to the outcome of the Unitholder vote.

For further information, please contact:

Mr Mark McKay
Adelaide Managed Funds
08 8300 6686

About Adelaide Managed Funds

Adelaide Managed Funds, a wholly owned subsidiary of the Bendigo and Adelaide Bank Limited, is the responsible entity of the Adelaide Managed Funds Asset Backed Yield Trust. For further information about Adelaide Managed Funds and the AYT, please visit: www.adelaidemanagedfunds.com.au