ADELAIDE MANAGED FUNDS ASSET BACKED YIELD TRUST

ARSN 120 038 002

REPORT FOR THE YEAR ENDED 30 JUNE 2011
RESULTS FOR ANNOUNCEMENT TO THE MARKET

Release Date – 17 August 2011

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 2011 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

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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 twelve months from 1 July 2010 to 30 June 2011.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

The consolidated profit before tax (before impairment provision changes) for the twelve months from 1 July 2010 to 30 June 2011 attributable to the Unitholders of the Fund was $4,933,000 (30 June 2010: $14,305,000). The following table provides a summary of the main line items reported in the statement of comprehensive income.

	A$ '000's	A$ '000's	% Change
	2011	**2010**	
Interest income	5,967	16,505	-64%
Earnings before interest and taxation (EBIT)	9,442	1,997	473%
Profit before tax	9,442	1,987	475%
Adjustment for impairment provision	(4,509)	12,318	-137%
Distributable income	4,933	14,305	-66%
Distributions payable for the period to Unitholders	4,933	14,305	-66%
Statutory net profit / (loss) for the period	4,509	(12,318)	137%

INCOME DISTRIBUTIONS FOR THE PERIOD

On 16 August 2011, the Directors of Adelaide Managed Funds resolved to pay a final distribution of 0.839 cents per Unit. A summary of distributions paid during the year to 30 June 2011 is represented below.

	Amount per security (cents)	Franked amount per security (cents)
Interim income distribution - record date 30 September 2010 - payable date 14 October 2010	3.45	-
Interim income distribution - record date 31 December 2010 - payable date 14 January 2011	0.45	-
Interim income distribution - record date 31 March 2011 - payable date 14 April 2011	0.50	-
Final income distribution - record date 30 June 2011 - payable date 31 August 2011	0.84	-

CAPITAL RETURNS FOR THE PERIOD

At an Extraordinary General Meeting held on 17 September 2010, Unitholders approved the implementation of an orderly wind down of the Fund by returning capital to Unitholders as its underlying assets mature. A summary of capital returned to Unitholders during the year to 30 June 2011 is presented below.

CAPITAL RETURNS FOR THE PERIOD (CONT)

	Amount per security ($)
Capital return - record date 5 July 2010 - payable date 19 July 2010	0.16
Capital return - record date 27 September 2010 - payable date 11 October 2010	1.33
Capital return - record date 22 February 2011 - payable date 8 March 2011	0.02

On 16 August 2011, the Directors resolved to return 3.00 cents per Unit of capital to Unitholders on 9 September 2011.

NET TANGIBLE ASSET BACKING PER SECURITY

	30 June 2011 $ per security	30 June 2010 $ per security
Net tangible asset backing per security	$0.315[1]	$1.617[2]

The remainder of the information requiring disclosure to comply with the ASX Listing Rule 4.3A is contained in the 2011 Annual Financial Report, which has been released to the ASX today.

COMPARATIVE INFORMATION

The comparative figures from 1 July 2009 to 30 June 2010 have been included.

[1] Excludes the final income distribution of 0.839 cents per Unit payable on 31 August 2011. Includes the impact of the reduction in the impairment provision noted against the Fund's agricultural managed investment scheme investment as at 30 June 2011. Based on 94,115,809 Units on issue
[2] Excludes the final income distribution of 3.903 cents per Unit paid on 16 August 2010. Based on 94,115,809 Units on issue

ADELAIDE MANAGED FUNDS ASSET BACKED YIELD TRUST

ARSN 120 038 002

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDING 30 JUNE 2011

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 2011.

THE MANAGER

AMF has acted in the capacity of Responsible Entity of the Fund for the year ended 30 June 2011. 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 AMF during the year and until the date of this report (unless stated otherwise) are:

N Fox (Chairman)
S Treanor
B Speirs

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 and agricultural managed investment schemes. At an Extraordinary General Meeting held on 17 September 2010, Unitholders approved the implementation of an orderly wind down of the Fund by returning capital to Unitholders as its underlying assets mature. Ultimately, the Fund will be delisted. Following delisting and upon realisation of the last remaining assets of the Fund, AMF will wind up and deregister the Fund.

FUND INFORMATION

The Fund is an Australian registered Trust. AMF, 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.

As at 30 June 2011 the Fund had no employees.

REVIEW OF OPERATIONS

The Fund maintained its holding of asset backed securities and as at 30 June 2011 had portfolio exposure to non-conforming residential mortgages and agricultural managed investment schemes. The revenue earned by the Fund was derived solely as interest from its cash and investment holdings.

The Fund reduced the impairment provision raised against its agricultural managed investment scheme investment by $4,509,103 as at 30 June 2011 (30 June 2010: $0.00). An outstanding impairment provision of $10,532,220 still remains in place against this investment as at 30 June 2011 (30 June 2010: $15,780,631). The resulting carrying value of the Fund’s agricultural managed investment scheme investment as at 30 June 2011 was $4,324,808 (30 June 2010: $3,586,917).

The Fund received full repayment of its investment backed by margin loans in September 2010. In line with the implementation of an orderly wind down of the Fund, this capital was returned to Unitholders during the financial year.

RESULTS

The performance of the Fund for the year ended 30 June 2011, as represented by the results of its operations, was as follows:

Interest income:	$5,966,681
Finance costs - Distribution to Unitholders:	$4,932,942

Management fees payable to AMF during the financial year were $824,549 (30 June 2010: $1,918,499). No other fees were payable to AMF out of the Fund's property during the financial year.

UNITS ON ISSUE

The total number of Units issued as at 30 June 2011 was 94,115,809 (30 June 2010: 94,115,809).

FUND ASSETS

The total value of assets held by the Fund as at 30 June 2011 was $30,555,997 (30 June 2010: $171,442,624). The basis for valuation of the Fund's assets is disclosed in Note 2 to the financial statements.

DISTRIBUTIONS

During the year, income distributions were made for the quarter ended 30 September 2010 of 3.45 cents per Unit, for the quarter ended 31 December 2010 of 0.45 cents per Unit and for the quarter ended 31 March 2011 of 0.50 cents per Unit. On 16 August 2011, the Board resolved to pay a final distribution of 0.839 cents per Unit, payable on 31 August 2011.

In line with the implementation of an orderly wind down of the Fund, capital totalling $1.51 per Unit was returned to Unitholders during the year to 30 June 2011 (30 June 2010: $0.00 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 this Directors' Report, the financial statements or notes thereto.

SIGNIFICANT EVENTS AFTER BALANCE DATE

No other matter or circumstance has arisen since 30 June 2011, 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 2011. 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 2012.

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 Limited as Responsible Entity for the Adelaide Managed Funds Asset Backed Yield Trust" on page 11.

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.

Nancy S Fox

Nancy Fox
Chairman
16 August 2011
Sydney

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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 Trust"), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration. The financial report has been prepared on a liquidation basis as the Trust is expected to wind down within the foreseeable future.

Directors' Responsibility for the Financial Report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 controls relevant to the Trust's preparation of the financial report that gives a true and fair view 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 Trust'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 complied with 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.

Liability limited by a scheme approved
under Professional Standards Legislation

Opinion

In our opinion:

a. the financial report of Adelaide Managed Funds Asset Backed Yield Trust, which has been prepared on a liquidation basis, is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of Adelaide Managed Funds Asset Backed Yield Trust's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Ernst & Young

Ernst & Young

Mark Phelps
Partner
Adelaide
16 August 2011

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Auditor's Independence Declaration to the Directors of Adelaide Managed Funds Limited 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 2011, 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

Mark Phelps
Partner
Adelaide
16 August 2011

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under Professional Standards Legislation

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

	Note	Jun-11 $000's	Jun-10 $000's
INCOME			
Interest income	3(a)	5,967	16,505
Other income – reduction in impairment provision	3(b)	4,509	-
Total income		10,476	16,505
EXPENSES			
Operating expenses	3(c)	1,034	2,190
Impairment provision	3(d)	-	12,318
Interest expense		-	10
Total expenses		1,034	14,519
Net profit before finance costs and income tax		9,442	1,987
Finance costs: Distribution to Unitholders	3(e)	4,933	14,305
Net profit / (loss) for the year		4,509	(12,318)
Other comprehensive income		-	-
Change in net assets attributable to Unitholders		**4,509**	**(12,318)**
		Cents per Unit	**Cents per Unit**
Earnings per Unit - basic and diluted	3(f)	10.03	2.11
Distributable earnings per Unit - basic and diluted	3(g)	5.24	15.35

The above should be read in conjunction with the accompanying notes to the financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	Note	Jun-11 $000's	Jun-10 $000's
Assets			
Cash	4(a)	5,054	20,743
Trade and other receivables	5	147	849
Loans and receivables	6	25,355	149,851
Total assets		**30,556**	**171,443**
Liabilities			
Manager / Responsible Entity fees payable	7	119	518
Distribution payable	8	790	3,673
Provision for capital return	9	-	15,059
Total liabilities (excluding net assets attributable to Unitholders)		**909**	**19,250**
Net assets attributable to Unitholders		**29,647**	**152,193**
Represented by:			
Unitholders funds	9	33,899	160,954
Accumulated losses		(4,252)	(8,761)
Net assets attributable to Unitholders		**29,647**	**152,193**

The above should be read in conjunction with the accompanying notes to the financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

FOR THE YEAR ENDED 30 JUNE 2011

	Units on issue 000's	Net assets attributable to Unitholders $000's
Balance at 1 July 2009	**94,116**	**179,570**
Net profit attributable to Unitholders	-	1,987
Other comprehensive income	-	-
Total comprehensive income	-	1,987
Distribution to Unitholders		(14,305)
Provision for capital return	-	(15,059)
Balance at 30 June 2010	**94,116**	**152,193**
Net profit attributable to Unitholders	-	9,422
Other comprehensive income	-	-
Total comprehensive income	-	9,422
Distribution to Unitholders	-	(4,933)
Capital returned to Unitholders	-	(127,055)
Balance at 30 June 2011	**94,116**	**29,647**

The above should be read in conjunction with the accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2011

	Note	Jun-11 $000's	Jun-10 $000's
Cash flows from operating activities			
Interest received on investments		6,516	16,547
Interest received on cash deposit		267	179
Interest expense on borrowings		-	(10)
Manager fee paid		(1,223)	(1,922)
GST refunded / (paid)		11	(2)
Payments to service providers		(209)	(272)
Net cash flows from operating activities	**4(b)**	**5,362**	**14,520**
Cash flows from financing activities			
Distributions to Unitholders		(7,816)	(15,081)
Net cash flows used in financing activities		**(7,186)**	**(15,081)**
Cash flows from investing activities			
Principal receipts from investments		128,880	16,140
Capital returned to Unitholders		(142,115)	-
Net cash flows from / (used in) investing activities		**(13,235)**	**16,140**
Net increase / (decrease) in cash and cash equivalents		(15,689)	15,579
Cash and cash equivalents held at 1 July 2010		20,743	5,164
Cash and cash equivalents held at 30 June 2011		**5,054**	**20,743**

The above should be read in conjunction with the accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 Corporate information

The financial report of the Fund for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors of the Responsible Entity on 16 August 2011.

The Fund is an Australian registered Trust, constituted in August 2006.

AMF, 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

This general purpose financial report for the year ended 30 June 2011 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.

Following the outcome of the Extraordinary General Meeting on 17 September 2010, at which Unitholders approved the implementation of an orderly wind down of the Fund, the financial statements for the year ended 30 June 2011 have been prepared on a liquidation basis. The Directors continue to work through various scenarios with regards to the timing of the wind down.

The previous financial statements (in the annual financial report for the year ended 30 June 2010) were prepared on a going concern basis.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

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 2011 are:

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 Fund financial report	Application date for Fund*
AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below. (a) Financial assets are classified based on: (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria. (b) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.	1-Jan-13	The Fund has not yet determined the extent of the impact of the amendments, if any.	1-Jul-13

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 Fund financial report	Application date for Fund*
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	These amendments arise from the issuance of AASB 9 Financial Instruments that sets out requirements for the classification and measurement of financial assets. The requirements in AASB 9 form part of the first phase of the International Accounting Standards Board's project to replace IAS 39 Financial Instruments: Recognition and Measurement. This Standard shall be applied when AASB 9 is applied.	1-Jan-13	The Fund has not yet determined the extent of the impact of the amendments, if any.	1-Jul-13
AASB 124 (Revised)	Related Party Disclosures (December 2009)	The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including: (a) The definition now identifies a subsidiary and an associate with the same investor as related parties of each other (b) Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other (c) The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.	1-Jan-11	The Fund has not yet determined the extent of the impact of the amendments, if any.	1-Jul-11

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 Fund financial report	Application date for Fund*
AASB 1054	Australian Additional Disclosures	This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB. This standard relocates all Australian specific disclosures from other standards to one place and revises disclosures in the following areas: (a) Compliance with Australian Accounting Standards (b) The statutory basis or reporting framework for financial statements (c) Whether the financial statements are general purpose or special purpose (d) Audit fees (e) Imputation credits	1-Jul-11	The Fund has not yet determined the extent of the impact of the amendments, if any.	1-Jul-11
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions. Clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.	1-Jan-11	The Fund has not yet determined the extent of the impact of the amendments, if any.	1-Jul-11

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 Fund financial report	Application date for Fund*
AASB 2010-5	Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB. These amendments have no major impact on the requirements of the amended pronouncements.	1-Jan-11	The Fund has not yet determined the extent of the impact of the amendments, if any.	1-Jul-11
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and interpretations 2, 5, 10, 12, 19 & 127]	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1-Jan-13	The Fund has not yet determined the extent of the impact of the amendments, if any.	1-Jul-13
AASB 2011-1	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132, AASB 134, Interpretation 2, Interpretation 112, Interpretation 113]	This Standard amendments many Australian Accounting Standards, removing the disclosures which have been relocated to AASB 1054.	1-Jul-11	The Fund has not yet determined the extent of the impact of the amendments, if any.	1-Jul-11

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 Fund financial report	Application date for Fund*
IFRS 13	Fair Value Measurement	IFRS 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under IFRS when fair value is required or permitted by IFRS. Application of this definition may result in different fair values being determined for the relevant assets. IFRS 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.	1-Jan-13	The Fund has not yet determined the extent of the impact of the amendments, if any.	1-Jul-13

*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 entity.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 Summary of significant accounting policies (continued)

(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 its assets are impaired at least annually. This requires an estimation of the value of 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 Statement of Financial Position and for the purpose of the Statement of Cash Flows includes cash at bank, bank deposits held at call and short term investments with an 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

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 Statement of Comprehensive Income 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 Statement of Comprehensive Income.

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 in the Statement of Comprehensive Income. 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 Statement of Comprehensive Income, 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 Manager/Responsible Entity fees 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 Statement of Comprehensive Income 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 Statement of Financial Position.

(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.

Unitholders funds are classified as financial liabilities.

(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 derecognition 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-11 $000's	Jun-10 $000's
(a) Interest income		
Income from investments	6,092	16,630
Capitalised costs	(125)	(125)
	5,967	**16,505**
(b) Other income – reduction in impairment provision		
Reduction in impairment provision	4,509	-
	4,509	**-**
(c) Operating expenses		
Custodian fee	8	20
Manager's remuneration	825	1,918
Other operating expenses	201	252
	1,034	**2,190**
(d) Impairment provision		
Impairment provision	-	12,318
	-	**12,318**

No impairment provisions were expensed against any of the Fund's investments during the period ended 30 June 2011 (30 June 2010: $12,318,000).

A reduction in the impairment provision noted against the Fund's agricultural managed investment scheme investment of $4,509,103 was recognised as other income during the period ended 30 June 2011 (30 June 2010: $0.00).

A total impairment provision of $10,532,220 remains against the Fund's agricultural managed investment scheme investment as at 30 June 2011 (30 June 2010: $15,780,631), due to reasonable doubt over the collectability of the full principal balance and interest owing to the Fund. This estimate of future losses is subject to a number of variables, including borrower behaviour, recovery of losses and assumed timing of cash flows.

The resulting carrying value of the Fund's agricultural managed investment scheme investment as at 30 June 2011 was $4,324,808 (30 June 2010: $3,586,917).

(e) Finance costs - distribution to Unitholders	Jun-11		Jun-10	
	Cents per Unit	$'000	Cents per Unit	$'000
Accrued distribution at beginning of the period	(3.90)	(3,673)	(4.72)	(4,450)
Distributions paid during the period	8.30	7,816	16.02	15,082
Accrued distribution proposed and payable on 31 August 2011	0.84	790	3.90	3,673
Accrued distribution payable to Unitholders	-	-	-	-
	5.24	**4,933**	**15.20**	**14,305**

(f) Earnings per Unit – basic and diluted

Figures include any impairment provisions expensed during the period and any reduction in impairment provisions recognised as other income during the period.

	Jun-11 000's	Jun-10 000's
Weighted average number of Units for the calculation of earnings per Unit	94,116	94,116

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 Income, expenses and distribution to Unitholders (continued)

(g) Distributable earnings per Unit – basic and diluted

Figures exclude any impairment provisions expensed during the period and any reduction in impairment provisions recognised as other income.

	Jun-11 000's	Jun-10 000's
Weighted average number of Units for the calculation of distributable earnings per Unit	94,116	94,116

NOTE 4 Cash and cash equivalents

(a) Reconciliation of cash and cash equivalents

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash and cash equivalents comprise:

	Jun-11 $000's	Jun-10 $000's
Cash at bank balance	5,054	20,743

Cash investments are valued in accordance with accounting policy Note 2(d)

Average balance	5,411	5,368
Average interest rate	4.63%	3.75%

Maturity analysis based on remaining term to maturity at 30 June 2011:

At call	**5,054**	**20,743**

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

Net Profit Attributable to Unitholders	9,442	1,987
Adjustments for Non Cash Movements:		
Other income – reduction in impairment provision	(4,509)	-
Impairment expense	-	12,318
Unwind of capitalised costs	125	125
Changes in Assets and Liabilities		
(Increase) / decrease in receivables	703	93
Increase / (decrease) in payables	(399)	(3)
Net cash flows from operating activities	**5,362**	**14,520**

NOTE 5 Trade and other receivables

Accrued interest	144	835
Other receivables	3	14
	147	**849**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 Trade and other receivables (continued)

	Jun-11 $000's	Jun-10 $000's
Maturity analysis based on remaining term to maturity at 30 June 2011		
Less than 3 months	147	849

NOTE 6 Loans and receivables

Loans and receivables at amortised cost	35,866	165,486
Acquisition costs	21	146
Provision for impairment – specific	(10,532)	(15,781)
	25,355	**149,851**

Provision for impairment - specific		
Opening balance	15,781	4,335
Increase in specific impairment provision	-	12,318
Decrease in specific impairment provision	(4,509)	-
Discount of impairment provision	(740)	(872)
Closing balance	**10,532**	**15,781**

No impairment provisions were expensed against any of the Fund's investments during the period ended 30 June 2011 (30 June 2010: $12,318,000).

A reduction in the impairment provision noted against the Fund's agricultural managed investment scheme investment of $4,509,103 was recognised as other income during the period ended 30 June 2011 (30 June 2010: $0.00)

A total impairment provision of $10,532,220 remains noted against the Fund's agricultural managed investment scheme investment as at 30 June 2011 (30 June 2010: $15,780,631), due to reasonable doubt over the collectability of the full principal balance and interest owing to the Fund. This estimate of future losses is subject to a number of variables, including borrower behaviour, recovery of losses and assumed timing of cash flows.

The resulting carrying value of the Fund's agricultural managed investment scheme investment as at 30 June 2011 was $4,324,808 (30 June 2010: $3,586,917).

Investments in margin lending programs	-	125,109
Investment in non-conforming mortgage programs	21,009	21,009
Investment in MIS programs (net of provision)	4,325	3,587
Acquisition costs	21	146
	25,355	**149,851**

Average balance of investments (including cash)	79,932	186,057
Average interest rate	6.75%	8.42%

NOTE 7 Manager / Responsible Entity fees payable

Manager/Responsible Entity fee	119	518
	119	**518**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 Distribution payable	Jun-11 $000's	Jun-10 $000's
The distribution payable is as follows:		
Final Unit distribution proposed for the year ended 30 June 2011 (payable 31 August 2011)	790	3,673
Accrued distribution payable to Unitholders	-	-
	790	**3,673**

	Cents per Unit	Cents per Unit
Final Unit distribution proposed for the year ended 30 June 2011 (payable 31 August 2011)	0.84	3.90

NOTE 9 Unitholders funds	Jun-11 $000's	Jun-10 $000's
Units issued	192,107	192,107
Unit buyback	(8,678)	(8,678)
Capitalised issue costs	(7,416)	(7,416)
Provision for capital return (paid 19 July 2010)	-	(15,059)
Capital returned to Unitholders	(142,114)	-
	33,899	**160,954**

NOTE 10 Auditors' remuneration	Jun-11 $	Jun-10 $
The audit fee paid/payable by AMF to Ernst & Young on behalf of the Fund	35,000	30,000

NOTE 11 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 12 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 Unitholder's 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 12 Financial instruments (continued)

(a) Net fair values (continued)

Some 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 2011 is $19,104,825 as compared to carrying value of $25,333,809 (2009 fair value was $98,385,283 as compared to carrying value of $149,705,187).

The difference noted between the carrying value and estimated fair value as at 30 June 2011 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 Fund’s investments earn a floating rate of return. Accordingly, distributions to Unitholders and the annualised distribution yield for the period from allotment to 30 June 2011 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-11 (% p.a.)	Jun-11 ($000’s)	Jun-10 (% p.a.)	Jun-10 ($000’s)
Financial asset				
Cash	4.63%	5,054	3.75%	20,743
Investments	9.84%	25,355	9.64%	149,851

Interest Rate Sensitivity based on balances as at 30 June 2011

	Increase in Interest Rate	Sensitivity of Profit & Loss ($)	Decrease in Interest Rate	Sensitivity of Profit & Loss ($)
Financial asset				
Cash	+1.00%	50,545	-0.50%	(25,272)
Investments	+1.00%	253,547	-0.50%	(126,774)

Interest Rate Sensitivity based on balances as at 30 June 2010

	Increase in Interest Rate	Sensitivity of Profit & Loss ($)	Decrease in Interest Rate	Sensitivity of Profit & Loss ($)
Financial asset				
Cash	+1.00%	207,433	-0.50%	(103,716)
Investments	+1.00%	1,498,513	-0.50%	(749,257)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12 Financial instruments (continued)

(b) Interest rate risk exposures (continued)

Maturity Analysis based on the expected remaining term to maturity of the Fund's assets at 30 June 2011:

Cash	**Jun-11 $000's**	**Jun-10 $000's**
Less than 3 months		
Total	5,054	20,743
	5,054	**20,743**
Investments		
Less than 3 months	-	-
Between 3 months and 12 months	21,009	-
Between 1 year and 5 years	4,346	149,851
Greater than 5 years	-	-
Total	**25,355**	**149,851**

(c) Liquidity and cash flow risk

Some 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 2011	**Less than 3 months**	**Between 3 months and 12 months**	**Between 1 year and 5 years**	**More than 5 years**
Management fees accrued	119,091	-	-	-
Capital return payable to Unitholders	-	-	-	-
Distribution payable to Unitholders	789,911	-	-	-
Total	**909,002**	-	-	-
Maturity profile 30 June 2010	**Less than 3 months**	**Between 3 months and 12 months**	**Between 1 year and 5 years**	**More than 5 years**
Management fees accrued	517,509	-	-	-
Capital return payable to Unitholders	15,058,529	-	-	-
Distribution payable to Unitholders	3,673,340	-	-	-
Total	**19,249,378**	-	-	-

Unitholders funds are classified as financial liabilities and are not required to be redeemed by the Fund until 2086.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12 Financial instruments (continued)

(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. As at 30 June 2011 the underlying investments of the Fund are backed by high yielding assets including non-conforming residential mortgages and agricultural managed investment schemes.

Refer to Note 6 to review the concentration risk of the investment portfolio.

No impairment has been noted on any investment other than the MIS note investment as of 30 June 2011.

(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 13 Director disclosures

(a) The Directors of AMF during the financial year were:

N Fox (Chairman)

S Treanor

B Speirs

(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 13 Director disclosures (continued)

(c) The following Directors of AMF held Units in the Fund as at 30 June 2011:

N Fox	7,500 Units
B Speirs	50,000 Units

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 (KMP) employed by the Fund.

NOTE 14 Related parties disclosures

(a) Key management personnel

Disclosures in relation to KMP during the year and until the date of this report are set out in Note 15.

(b) Other related parties - the Responsible Entity

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

As at 30 June 2011, the Fund invested $5,054,482 in an at call account with Bendigo and Adelaide Bank. 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 $824,549 for the year ended 30 June 2011 (30 June 2010: $1,918,499).

NOTE 15 Key management personnel

(a) Key management personnel

The 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:

N Fox	Chairman
S Treanor	Director
B Speirs	Chief Executive Officer / Director
M McKay	Senior Portfolio Manager

(b) Compensation of key management personnel

KMP of the Responsible Entity are paid by Bendigo and Adelaide Bank 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 Fund 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 14(b).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15 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-11	Units held Jun-10
S Treanor	Director	-	-
N Fox	Chairman	7,500	7,500
B Speirs	Chief Executive Officer / Director	50,000	50,000
M McKay	Senior Portfolio Manager	57,720	37,720

(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-11**	**Jun-10**
		$	**$**
S Treanor	Director	-	-
N Fox	Chairman	393	1,151
B Speirs	Chief Executive Officer / Director	2,620	7,677
M McKay	Senior Portfolio Manager	2,334	2,906

(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-11**	**Jun-10**
		$	**$**
S Treanor	Director	-	-
N Fox	Chairman	63	293
B Speirs	Chief Executive Officer / Director	420	1,952
M McKay	Senior Portfolio Manager	484	1,472

NOTE 16 Subsequent events

At its meeting on 16 August 2011, the Directors resolved to return 3.00 cents per Unit of capital to Unitholders on 9 September 2011.

Since 30 June 2011 there has not been any other 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 AMF:

(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 2011 and of its performance for the year ended on that date;

and

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

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2;

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

(d) 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 2011.

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

Nancy S Fox

Nancy Fox
Chairman
16 August 2011
Sydney