

ADELAIDE MANAGED FUNDS ASSET BACKED YIELD TRUST MIS PROGRAM INVESTMENT UPDATE

- **AYT has no direct exposure to Great Southern Limited which recently announced that it has gone into administration**
- **AYT does have exposure to investor loans backed by Great Southern MIS but there is likely to be no material impact on NTA as a result of the announcement**
- **There will be no impact on the 4Q09 Unitholder distribution**
- **AMF has confirmed FY2010 yield forecast of between BBSW + 4.00% and BBSW + 4.50%**

Adelaide Managed Funds (AMF) as Responsible Entity for the Adelaide Managed Funds Asset Backed Yield Trust (AYT) notes the recent announcements from Great Southern Limited (Great Southern) that it has entered into voluntary administration and, subsequently, receivership.

AYT has no direct exposure to Great Southern or any exposure to any other Managed Investment Scheme (MIS) provider. However, AYT has invested in a securitisation program that has lent money to individuals who have invested in MIS' promoted by Great Southern. AYT is invested in the two junior notes in this program, which total \$23.5M or 12.9% of AYT's total investment portfolio.

The portfolio of loans to which AYT is exposed consists of more than 1,800 loans with an average loan size of less than \$46,000. The portfolio of loans has a weighted average seasoning of approximately 36 months and the borrowers are well diversified geographically, across every state and territory in Australia.

These loans are secured by woodlots and have full recourse to the underlying borrower. The loans are all currently managed and serviced by Bendigo and Adelaide Bank Limited. The obligations of the underlying borrowers remain unchanged by the announcements from Great Southern this week.

Despite the granular and well diversified nature of the portfolio of loans to which AYT is exposed, AMF now expects an increase in arrears and losses such that AYT is likely to recognise an impairment to its MIS investment.

According to the Chief Executive Officer of AMF, Bruce Speirs, "The impairment provision is not expected to be material to AYT's NTA backing and Management continue to actively monitor the performance of the underlying loan portfolio."

In the event that an impairment charge was incurred, it will not impact upon the Distributable Income earned by AYT in the quarter to 30 June 2009. AMF will announce details of the estimated June quarter distribution on or before 19 June 2009.

All other assets within AYT's portfolio continue to perform to or above expectations and Management are confident that AYT will continue to deliver a yield to investors of between 30-day BBSW + 4.0% and 30-day BBSW + 4.5% in FY2010.

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About Adelaide Managed Funds

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

For further information about Adelaide Managed Funds and the AYT, please visit:

www.adelaidemanagedfunds.com.au