

Adelaide Managed Funds

ASX Release

1 August 2008

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

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

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About Adelaide Managed Funds

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

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



ADELAIDE MANAGED FUNDS
ASSET BACKED YIELD TRUST

August 2008

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1. OVERVIEW OF THE FUND

OVERVIEW OF THE FUND

Description	<ul style="list-style-type: none">> ASX Listed (ASX: AYT) with issued capital of \$200 million> NTA per Unit equal to \$1.93 as at 30 June 2008 (ex 6.25c est. distribution)
Unique Investment	<ul style="list-style-type: none">> Portfolio of investments not generally publicly available> Investment in predominantly high yielding assets> Investments backed by pools of loan and lease assets
Investment Mandate	<ul style="list-style-type: none">> Invests in high yielding assets> Focused on investments that maximise Unitholder return for associated risk> Investments sourced from Bendigo and Adelaide Bank and from third parties
Attractive Yield	<ul style="list-style-type: none">> FY2009 forecast return of BBSW + 4.0% to BBSW + 4.5% on Issue Price> Equivalent Investor Yield equal to 11.6% to 12.1% at 30 June 2008 BBSW⁽¹⁾> Running yield at current Unit Price of 17.7% to 18.5%⁽²⁾> This forecast return compares favourably with similar investments

⁽¹⁾ 30-Day BBSW at 30 June 2008 was 7.61%

⁽²⁾ Unit Price at 30 June 2008 was \$1.30

FY08 STRONG FINANCIAL PERFORMANCE

- > Interest Income increased 79% to \$24.7 million and Distributable Income increased 126% on previous comparable period (pcp)
- > Increase is principally due to the proceeds of the Second Instalment being fully invested from 31 August 2007
- > Total FY2008 cash yield for investors of 11.54%⁽¹⁾, equivalent to BBSW + 4.41% which is at the top end of range
- > FY08 Unitholder distribution of 21.1 cents per Unit was 10% above original forecast of 19.1 cents per Unit
- > Portfolio arrears and losses considerably lower than those originally forecast

	Change from pcp	01 Jul 2007 to 30 Jun 2008 (\$m)	31 Aug 2006 to 30 Jun 2007 (\$m)
Investment Income	78.9%	24.7	13.8
Operating Expenses	69.2%	(2.2)	(1.3)
Distributable Income	125.8%	21.0	9.3
Unitholder Distribution (cents per Unit)	128.4%	21.10	9.24

⁽¹⁾ Average 30-Day BBSW for the 12 months to 30 June 2008 was 7.13%

STRONG CAPITAL POSITION

- > Debt facility is currently drawn to \$1.0 million and balance sheet will be ungeared at expiry of facility on 26 August 2008
- > The Fund has no other outstanding liabilities or funding commitments and no interest rate risk
- > All distributions are paid in cash from the Interest earned by the Fund's Investment Portfolio
- > Currently renegotiating the Fund's debt facility
 - > Facility will be reduced from \$100 million to \$30 million at Management's election
 - > Standard covenants that include interest cover, average investment rating and portfolio arrears
 - > No linkage to market capitalisation of the Fund
 - > 365 day term and not callable due to Unit Price changes

INVESTMENT STRATEGY

- > Will conduct on-market Unit buyback while purchase of Units represents most appropriate use of Unitholder Funds relative to other investment opportunities
- > Have purchased 1.1 million Units at 30 June 2008 using 'free cash' arising from amortisation of the Investment Portfolio rather than debt
- > Board approval to purchase up to 10 million Units and will utilise available free cash or debt facility without incurring unnecessary refinance risk
- > Conservative approach to investing with focus on achieving an appropriate Unitholder return while minimising associated credit risk
- > Investments continue to be maintained on a 'held-to-maturity' basis and not required to be marked to market

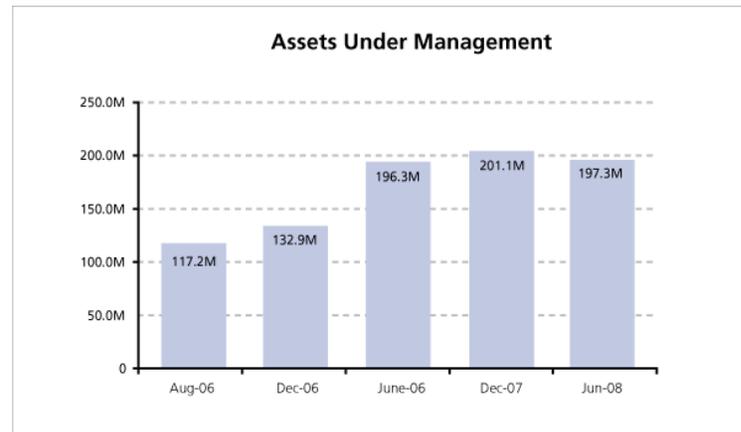
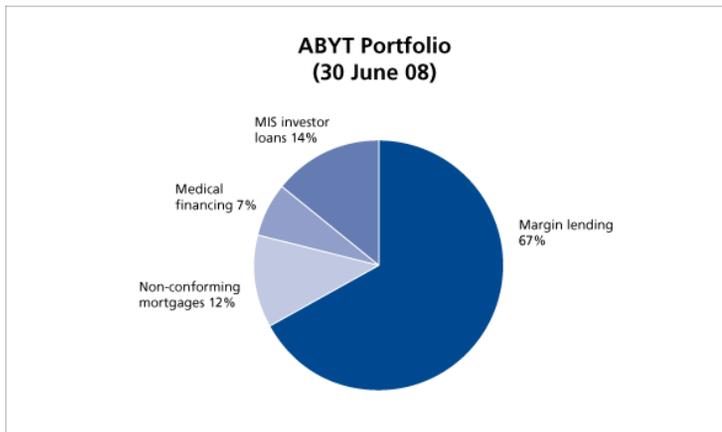
HIGH QUALITY INVESTMENT PORTFOLIO

- > Portfolio quality remains significantly higher than forecast and losses in underlying pools remain low
- > Investments remain sound despite international credit events and portfolio continues to generate stable, predictable returns
- > Investment Portfolio diversity has increased since listing

2. INVESTMENT PORTFOLIO UPDATE

PORTFOLIO OVERVIEW

- > No material change in asset mix and 49% of assets were shadow rated Investment Grade at 30 June 2008
- > Assets under management total \$197 million at 30 June 2008
- > New originations were deliberately slowed in FY2008 as management took a conservative approach to new investments and reduced the debt facility



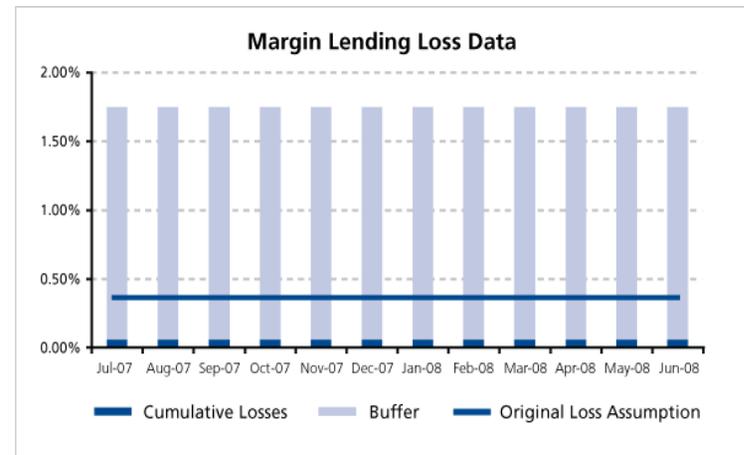
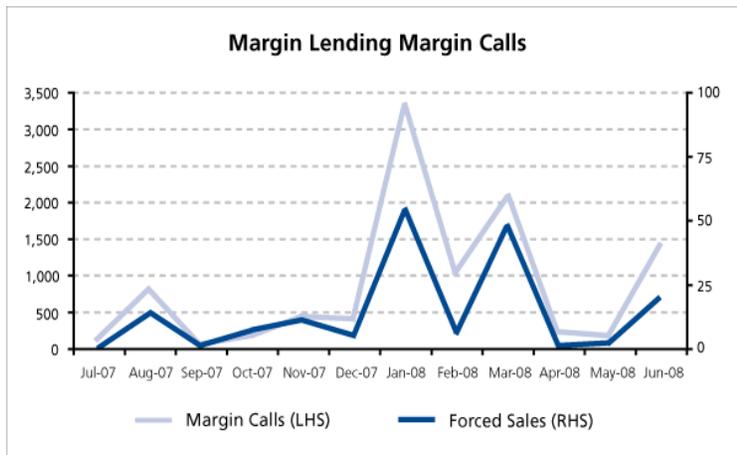
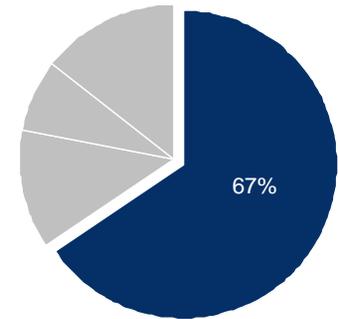
PORTFOLIO PERFORMANCE UPDATE

- > Credit quality of Investment Portfolio remains high and performance of assets has been better than forecast
- > Program arrears and cumulative losses recorded to date are considerably lower than those originally forecast for each individual program
- > The Fund's investments are only impacted if actual losses on the underlying portfolios are substantially higher than the original loss assumptions

Investment	Actual Losses Recorded to 30 June 2008	Original Loss Assumptions	Losses where Fund Investment is Impacted	Loss Buffer Multiple
Margin Lending	0.06%	0.35%	> 1.75%	29 x
Non-conforming Mortgages	0.16%	0.74%	> 1.30%	8 x
Mortgage Program #1	0.52%	6.00%	> 13.0%	25 x
Medical Financing Program #1	0.77%	1.02%	> 1.87%	2 x
Medical Financing Program #2	0.22%	0.49%	> 4.15%	19 x
MIS Investor Loans	1.15%	1.88%	> 2.60%	2 x

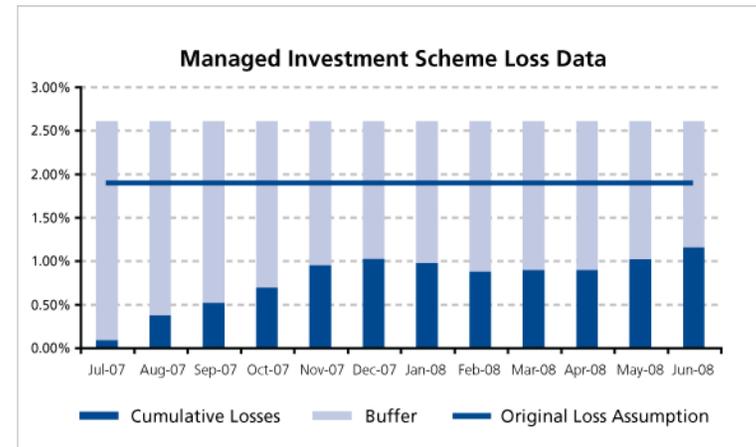
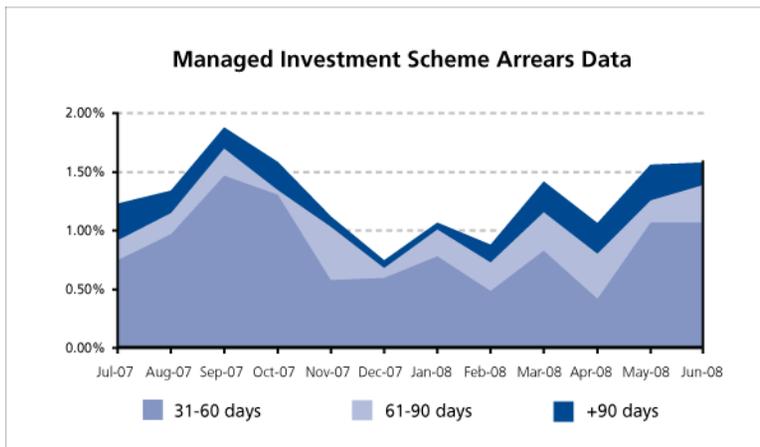
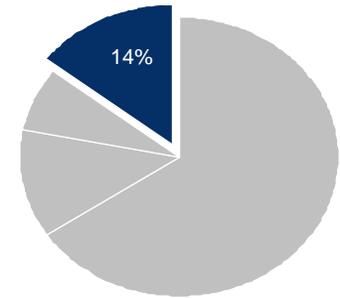
MARGIN LENDING

- > The volatility in the Australian equity markets has not impacted on the Fund's investment, which continues to perform better than expected
- > During FY08 there was an average of 833 margin calls, valued at \$61 million (<2% of the portfolio), per month. There was an average of 14 forced sales per month and the portfolio did not record any losses
- > Highest volume reached in January 2008 with 3,283 margin calls, valued at \$250 million (6% of the portfolio)



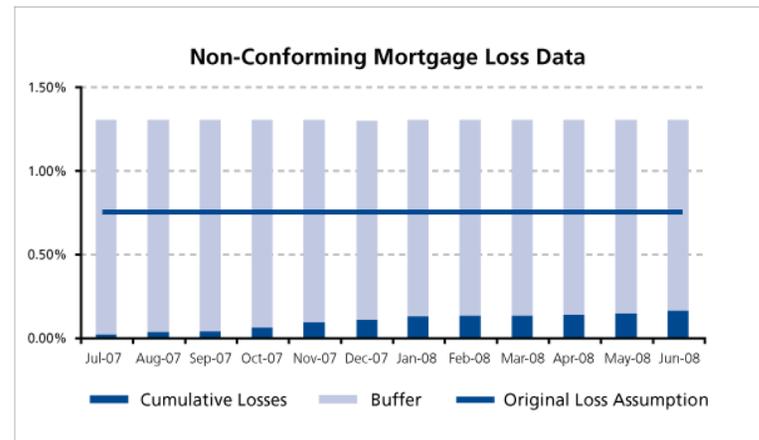
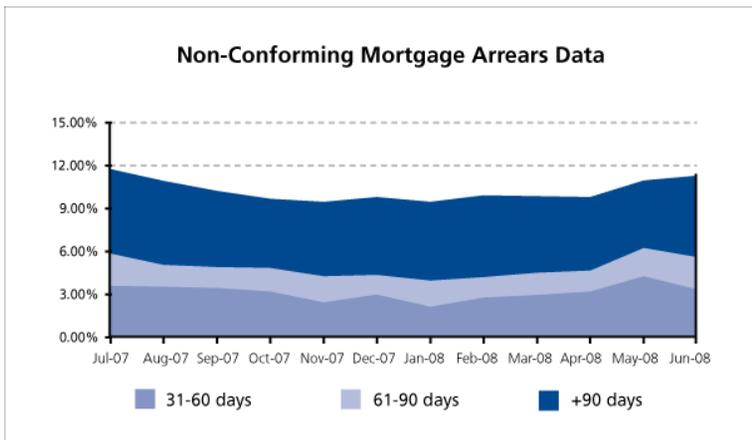
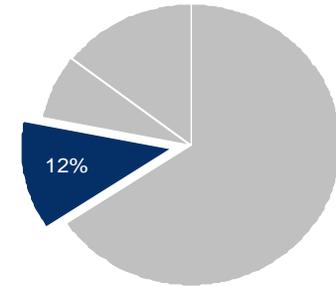
MANAGED INVESTMENT SCHEMES

- > All receivables are investor loans offered to borrowers to facilitate their investment in various MIS that have an ATO Public Ruling
- > Portfolio continues to perform, evidenced by low arrears and losses remain well within original forecasts
- > At 30 June 2008 average loan size is \$48k and the portfolio has a 31 month average seasoning



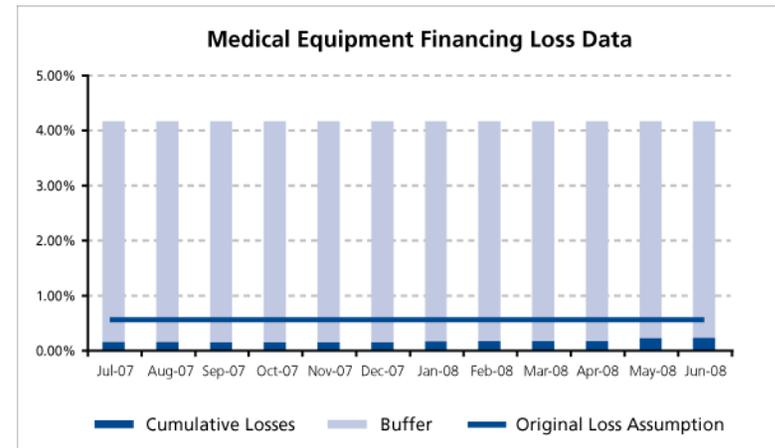
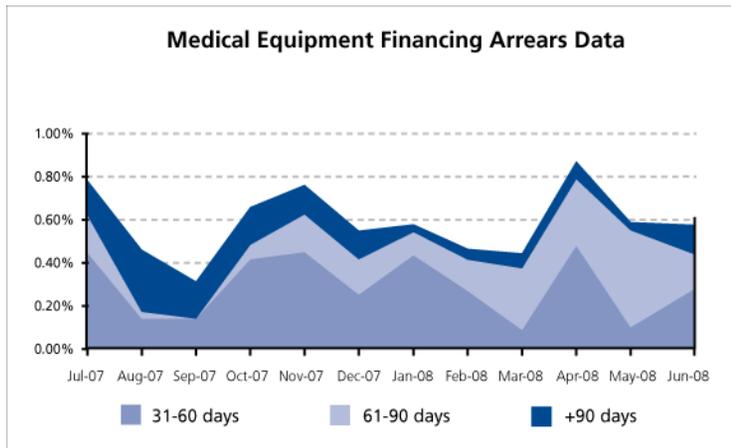
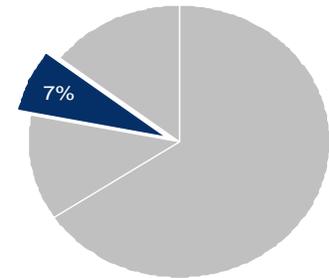
NON-CONFORMING MORTGAGES

- > Portfolio arrears have remained stable despite deterioration in broader Australian market and investment continues to perform better than forecast
- > Cumulative losses remain substantially less than forecast and need to increase by 8 times before the Fund's investment is impacted
- > Average LVR of 70% at 30 June 2008 and 34 month average seasoning



MEDICAL EQUIPMENT FINANCING

- > Granular portfolio of high performing loans to medical professionals
- > Portfolio arrears remain less than 1.0% and losses need to increase by more than 18 times before the Fund's investment is impacted
- > Remains a preferred asset class for the Fund



3. FULL YEAR FINANCIAL RESULTS

PROFIT AND LOSS STATEMENT

	01 Jul 2007 to 30 Jun 2008	31 Aug 2006 to 30 Jun 2007
	A\$M	A\$M
Investment income	24.69	13.83
Revenue from second instalment ⁽¹⁾	1.37	6.53
Total revenue	26.06	20.36
Operating expenses	(2.22)	(1.32)
Earnings before Interest and Taxation (EBIT)	23.84	19.04
Net interest expense	(1.43)	(3.23)
Profit before tax	22.41	15.81
Less: revenue from second instalment ⁽¹⁾	(1.37)	(6.53)
Distributable Income	21.04	9.28
Unitholder Distribution (cents per Unit)	21.10c	9.24c

⁽¹⁾ IFRS non-cash accounting adjustment

CASHFLOW STATEMENT

	01 Jul 2007 to 30 Jun 2008	31 Aug 2006 to 30 Jun 2007
	A\$M	A\$M
Cash Flows from Operating Activities		
Interest Received	24.56	12.90
Interest Paid	(1.45)	(3.17)
Management Fee Paid	(2.17)	(0.85)
Other	(0.06)	(0.20)
Net Cash Flows from Operating Activities	20.88	8.67
Cash Flows from Financing Activities		
Receipts from Unitholders	100.00	100.00
Unit Buyback	(1.77)	-
Payments for Issue Costs	-	(7.39)
Distributions to Unitholders	(20.65)	(3.33)
Net Borrowings	(97.46)	98.70
Net Cash Flows used in Financing Activities	(19.88)	187.98
Cash Flows from Investing Activities		
Investments acquired	(0.57)	(190.44)
Net Cash provided by Financing Activities	(0.57)	(190.44)
Net Increase in Cash and Cash Equivalents	0.44	6.22

4. FUND OUTLOOK

OUTLOOK

- > FY2009 forecast yield of between BBSW + 4.0% to BBSW + 4.5%
 - > Equivalent to annual distribution of between 23.0 and 24.0 cents per Unit
 - > Floating rate yield of between **11.61%** and **12.11%** at the current BBSW (based on weighted average units on issue and par value)⁽¹⁾
 - > Equivalent to a yield of **17.7%** to **18.5%** at a \$1.30 Unit price⁽²⁾
 - > Cash distributions paid **quarterly**
- > Underlying program arrears and losses expected to remain within original levels forecast
- > Adelaide Managed Funds' management expertise and strong relationship with Bendigo and Adelaide Bank Limited continues to benefit Unitholders

(1) 30-day BBSW at 30 June 2008 is 7.61%

(2) As at 30 June 2008

APPENDIX I

Additional Details on the Investment Portfolio

ADDITIONAL DETAILS ON THE INVESTMENT PORTFOLIO

Name	Asset category	Investment Grade	Value (\$M)	% of portfolio	Margin over BBSW (%)	Forecast Maturity
Lighthouse No. 4 Trust	Margin Lending	U/R Investment Grade	75.0	39.3%	1.25%	3.2 years
Lighthouse No. 4 Trust	Margin Lending	U/R Sub-investment Grade	50.1	26.3%	12.50%	3.2 years
Q10 Trust E Note	Mortgage Portfolio	BB Rated	11.7	6.2%	3.75%	2.7 years
Q10 Trust F Note	Mortgage Portfolio	B Rated	11.0	5.8%	6.00%	2.7 years
Mortgage Program No. 1 B Note	Mortgage Portfolio	U/R Sub-investment Grade	1.0	0.5%	12.00%	2.3 years
Program No. 1 B Note	Medical Financing	U/R Sub-investment Grade	1.1	0.6%	3.75%	0.5 years
Program No. 2 D Note	Medical Financing	U/R Sub-investment Grade	13.2	6.9%	6.00%	4.7 years
MIS Program 1 C Note	MIS Investor Loans	U/R Investment Grade	18.9	9.9%	4.50%	4.5 years
MIS Program 1 D Note	MIS Investor Loans	U/R Sub-investment Grade	8.6	4.5%	12.50%	4.5 years

APPENDIX II

PEER COMPARISON

PEER TSR COMPARISON

Comparable Total Shareholder Return	01 July 2007 to 30 June 2008
Elstree Australian Enhanced Income Fund (ASX:AYF)	-10.90%
S&P/ASX200 Accumulation Index	-13.40%
AMF Asset Backed Yield Trust (ASX:AYT)	-23.14%
Hastings High Yield Fund (ASX: HHY)	-27.12%
S&P/ASX200 Financial Accumulation Index	-31.21%
Allco Max Securities and Mortgage Trust (ASX: AXQ)	-68.87%