



ADELAIDE MANAGED FUNDS
ASSET BACKED YIELD TRUST

February 2008

Adelaide Managed Funds

A subsidiary of Adelaide Bank

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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 31 December 2007 (ex 9.5c distribution)
Investment mandate	<ul style="list-style-type: none">> Invests in high yielding assets in securitisation transactions> Focused on investments that maximise Unitholder return for associated risk> Investments sourced from Bendigo & Adelaide Bank and third parties
Exceeded all PDS forecasts	<ul style="list-style-type: none">> 11.1% annualised yield delivered for FY2007> Substantially grew investment portfolio to \$190M during FY2007> Fund was fully invested on 31 August 07
Unique investment opportunity	<ul style="list-style-type: none">> Exposure to investments not generally publicly available> Investment in predominantly high yielding investments> Investments backed by pools of loan and lease assets
Gearing	<ul style="list-style-type: none">> Fund has a debt facility of \$100M> Balance sheet currently ungeared

INVESTMENT HIGHLIGHTS

Attractive yield

- > **FY2008 forecast return of BBSW + 4.0% to BBSW + 4.5%**
- > **Equivalent Investor Yield equal to 10.78% to 11.28% at average BBSW ⁽¹⁾**
- > **This forecast return compares favourably with similar investments**
- > **Floating yield and any rate increases passed to Unitholders**

Quarterly cash distributions

- > **Quarterly cash distributions**
- > **Interim distributions to be paid within two weeks of quarter end**
- > **Final distribution to be paid after announcement of audited results**

High quality portfolio

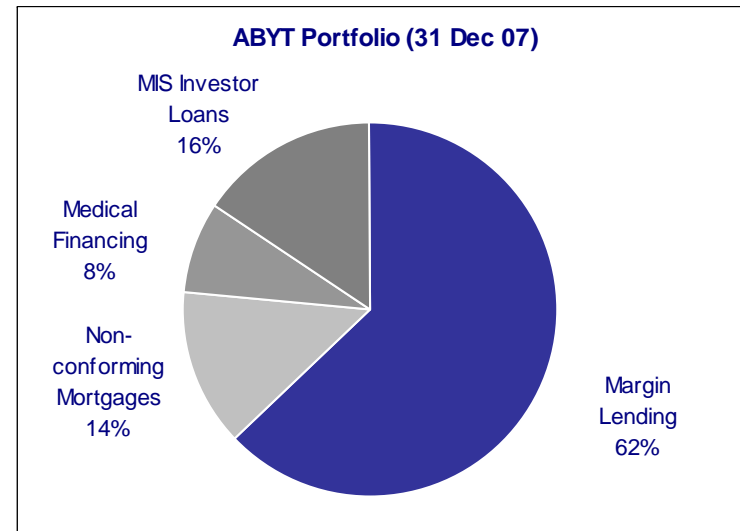
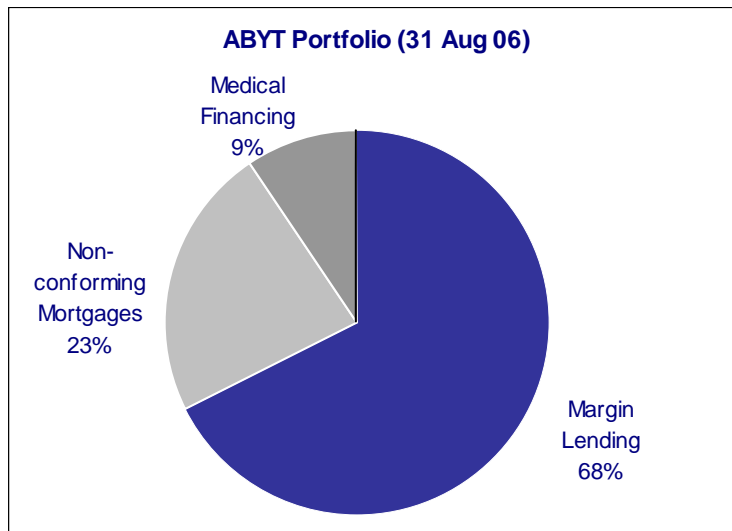
- > **Investment Portfolio diversity has increased since listing**
- > **Portfolio quality remains significantly higher than forecast**
- > **Losses in underlying pools remain low**
- > **ASX volatility has not increased losses in Margin Lending investment**
- > **Investment portfolio remains sound despite international credit events**

(1) Average year to date BBSW at 31 December 2007 is 6.78%

2. INVESTMENT PORTFOLIO UPDATE

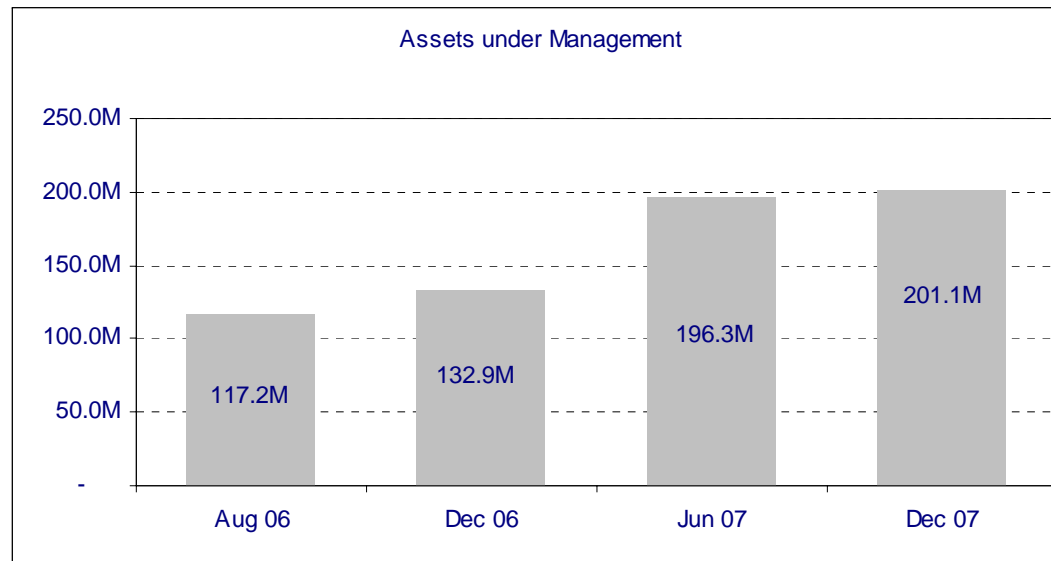
PORTFOLIO OVERVIEW

- > Quality of Investment Portfolio remains high and performance of assets has been better than forecast.
- > Proportion of assets that are shadow rated Investment Grade has increased from 45% at listing (on 31 August 2006) to 51% at 31 December 2007.
- > The recent volatility in Australian equity markets has not impacted on the Fund's margin lending investment, which continues to perform better than forecast.



PORTFOLIO GROWTH

- > Asset growth and amortisation of Initial Investments since listing has been substantially better than forecast.
- > Assets under management have grown from \$117 million on 31 August 2006 to \$201 million at 31 December 2007.
- > New originations have been deliberately slowed as management has taken a conservative approach to new investments in 1H08.



PORTFOLIO PERFORMANCE UPDATE

- > Individual program losses recorded to date and portfolio arrears are considerably lower than those forecast in the PDS.
- > The Fund's investments are only impacted if actual losses on the underlying portfolios are substantially higher than the original loss assumptions.
- > In January there were 3,339 margin calls, valued at \$250M. There were 46 forced sales and the portfolio did not record any losses.

Investment	Actual Losses Recorded to 31 December 2007	Original Loss Assumptions	Losses where Fund Investment is Impacted
Margin Lending	0.06%	0.35%	> 1.75%
Non-conforming Mortgages	0.10%	0.74%	> 1.30%
Mortgage Program #1	0.82%	6.00%	> 13.0%
Medical Financing Program #1	0.74%	1.02%	> 1.87%
Medical Financing Program #2	0.14%	0.49%	> 4.15%
MIS Investor Loans	0.67%	1.88%	> 2.60%

3. HALF YEAR FINANCIAL RESULTS

PROFIT AND LOSS STATEMENT

	01 Jul 2007 to 31 Dec 2007	Allotment to 31 Dec 2006
	A\$M	A\$M
Investment income	12.00	4.50
Revenue from second instalment ⁽¹⁾	1.37	2.59
Total revenue	13.37	7.09
Operating expenses	(1.15)	(0.44)
Earnings before Interest and Taxation ("EBIT")	12.22	6.65
Net interest expense	(1.27)	(0.73)
Profit before tax	10.95	5.92
Less: revenue from second instalment ⁽¹⁾	(1.37)	(2.59)
Distributable Income	9.58	3.33
Unitholder Distribution (cents per Unit)	9.50c	3.33c

⁽¹⁾ IFRS non-cash accounting adjustment

4. FUND OUTLOOK

OUTLOOK

- > FY2008 forecast yield of between BBSW + 4.0% to BBSW + 4.5%
 - > Equivalent to between 19.2 and 20.1 cents per Unit
 - > Floating rate yield of between **10.78%** and **11.28%** at the average BBSW (based on weighted average units on issue and par value) ⁽¹⁾
 - > Equivalent to a yield of **13.0%** at a \$1.55 Unit price
 - > Cash Distributions now paid **quarterly**
- > Underlying program arrears and losses expected to remain within original levels forecast
- > Adelaide Managed Funds' management expertise and strong relationship with Adelaide Bank continues to benefit Unitholders

⁽¹⁾ Average year to date BBSW at 31 December 2007 is 6.78%

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 (%)
Lighthouse No. 4 Trust	Margin Lending	U/R Investment Grade	75.0	40.2%	1.25%
Lighthouse No. 4 Trust	Margin Lending	U/R Sub-investment Grade	41.9	22.5%	12.50%
Q10 Trust E Note	Mortgage Portfolio	BB Rated	13.7	7.3%	3.75%
Q10 Trust F Note	Mortgage Portfolio	B Rated	11.0	5.9%	6.00%
Mortgage Program No. 1 B Note	Mortgage Portfolio	U/R Sub-investment Grade	1.0	0.5%	6.00%
Program No. 1 B Note	Medical Financing	U/R Sub-investment Grade	1.5	0.8%	3.75%
Program No. 2 D Note	Medical Financing	U/R Sub-investment Grade	13.2	7.1%	6.00%
MIS Program 1 C Note	MIS Investor Loans	U/R Investment Grade	20.1	10.8%	4.50%
MIS Program 1 D Note	MIS Investor Loans	U/R Sub-investment Grade	9.1	4.9%	12.50%

APPENDIX II

QUARTERLY DISTRIBUTION DATES

QUARTERLY DISTRIBUTION DATES

Distribution	Date Declared	Ex-Date	Record Date	Payment Date
Third Quarter Interim Distribution	20 March	27 March	31 March	14 April
Final Distribution	19 June	26 June	30 June	1 August
First Quarter Interim Distribution	20 September	27 September	31 September	14 October
Second Quarter Interim Distribution	20 December	27 December	31 December	14 January

Note that these dates are approximate and each year the exact timing may vary slightly

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