

Adelaide Managed Funds

A subsidiary of Adelaide Bank

Media release

6 February 2008

AYT reiterates strong yield forecast

Highlights

- **Reiterated yield forecast of 10.78% to 11.28%¹**
- **Represents a cash yield of 13.0% at a current Unit price of \$1.55**
- **Net Asset Value remains strong at \$1.93 per Unit and Fund is debt free**
- **Credit quality remains strong and no losses from margin lending investment**
- **Fund to commence quarterly cash distributions**

Adelaide Managed Funds' Asset Backed Yield Trust (the Fund) has reiterated forecasts for an annualised return of between 10.78% and 11.28%¹ for the financial year ended 30 June 2008.

The Fund is expected to meet its yield forecast, despite significant volatility in global financial markets, illustrating the high quality of the Fund's investments and the conservative nature of its investment approach.

According to the Chief Executive Officer of Adelaide Managed Funds, Bruce Speirs, the Fund's investments continue to perform well.

"All of our investments remain sound despite the global credit crunch and the volatile domestic and international markets. Each continues to deliver returns at or above forecast levels and we are predicting a solid performance from the Fund. We expect to provide an annual return that is between 400 and 450 basis points above the average 30-day BBSW in FY2008."

In particular, Mr Speirs noted that the recent falls in the Australian equity market have not impacted on the Fund's margin lending investment.

"We still haven't seen any losses come through this investment, despite an increase in the level of margin call activity across the sector," Mr Speirs said.

"We have established a track record of delivering strong yield to our Unitholders, and this forecast return remains higher than comparable investments."

"This is a unique product, offering the opportunity to invest in a range of assets that are normally not available to retail investors," Mr Speirs said.

The Net Asset Value of the Fund is \$1.93 per Unit, after paying Unitholders a distribution of 9.5 cents per Unit, and there has been no loss or reduction of the value of any of the investments.

"While our performance remains to or above expectations, our Unitholders have the opportunity to achieve a forecast cash yield of 13.0%, based on the current trading price of \$1.55 per Unit," Mr Speirs said.

For further information, please contact:

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¹ Based on a forecast yield of BBSW +4.0% to BBSW +4.5%. Average year-to-date BBSW as at December 31, 2007 was 6.78%.