

ADELAIDE MANAGED FUNDS
ASSET BACKED YIELD TRUST

April 2010

Adelaide Managed Funds

DISCLAIMER

- > This presentation has been prepared by Adelaide Managed Funds Limited (Adelaide Managed Funds) as the responsible entity for the Adelaide Managed Funds Asset Backed Yield Trust (the Fund). The information contained in this presentation is provided for information purposes only and is subject to change without notice. Nothing contained in this presentation constitutes investment, legal, tax or other advice.
- > This document is provided to you on the basis that you keep this presentation and the information contained within it confidential and do not copy or circulate it in whole or in part.
- > The information in this presentation has been prepared without taking into account your particular investment objectives, financial circumstances or needs. You should consider all of the risk factors that could affect the performance of the Fund and which are associated with investing in the Fund in light of your own particular investment objectives, financial circumstances and needs. If you have any questions, you should contact your independent financial or other professional adviser for advice.
- > Any forward looking statements included in this presentation involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to Adelaide Managed Funds, and its officers, employees, agents or associates. Actual future events may vary materially from any forward looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned to not place undue reliance on any such forward looking statements.
- > Adelaide Managed Funds has prepared this document based on information available to it. Although all reasonable care has been taken to ensure that the facts stated and opinions given in this presentation are fair and accurate, the information provided in this presentation has not been verified. Accordingly, no representation or warranty, expressed or implied is made as to the fairness, accuracy, completeness or correctness of the information and opinions contained in this presentation. To the fullest extent permitted by law, none of Bendigo and Adelaide Bank Limited, Adelaide Managed Funds, their agents, directors, or officers, or any other party named in this presentation, accept any liability for any loss or damage (including any direct, indirect, incidental or consequential loss or damage) whatsoever arising from any use of the information in this presentation, or otherwise arising in connection therewith.
- > Bendigo and Adelaide Bank Limited, Adelaide Managed Funds, and their respective, officers, employees, agents and associates may, from time to time, hold interests in the securities of, or fees or other benefits from the Fund and corporations and investment vehicles in which the Fund holds interests.

CONTENTS

1. Overview of the Fund
2. Strategy
3. Investment Portfolio Update
4. Half Year Financial Results
5. Fund Outlook

APPENDICES

- I. Additional Details on the Investment Portfolio
-

1. OVERVIEW OF THE FUND

OVERVIEW OF THE FUND

Description	<ul style="list-style-type: none">> ASX listed (ASX: AYT) with issued capital of \$188 million> NTA per Unit equal to \$1.80 as at 28 February 2010
Unique Investment	<ul style="list-style-type: none">> Portfolio of investments not generally publicly available> Invests in predominantly high yielding assets backed by pools of loans and leases> Floating rate yield with cash distributions paid to Unitholders quarterly> No outstanding liabilities or funding commitments
1H10 Performance	<ul style="list-style-type: none">> Annualised cash yield for investors of BBSW + 4.21%> Total Unitholder distributions of 7.65 cents per Unit> Impairment provision against MIS investment increased to \$16.7 million> All other investments performing to or above expectations
Outlook	<ul style="list-style-type: none">> FY10 yield forecast to be at the lower end of targeted range of between BBSW + 4.0% to BBSW + 4.5%, on a fully paid basis> Running yield at current Unit price of between 12.1% and 12.9%¹> Unitholder approval will be sought to implement an orderly wind down of the Fund by returning capital to Unitholders as assets mature (subject to no superior proposals being forthcoming or a favourable change in market conditions)

¹ Unit Price at 28 February 2010 was \$1.315

1H10 FINANCIAL PERFORMANCE

- > Investment income decreased 33% to \$8.1 million on previous comparable period (pcp) primarily due to falling interest rates
- > Average 30-day BBSW fell 46% versus pcp
- > Unitholders received total distributions of 7.65 cents per Unit during 1H10

	Change from pcp	1H10 (\$m)	1H09 (\$m)
Investment Income	(32.7%)	8.1	12.0
Operating Expenses ¹	(8.3%)	(1.1)	(1.2)
Distributable Income	(33.4%)	7.1	10.6
Unitholder Distribution (cents per Unit)	(30.0%)	7.7	11.0
Average 30-day BBSW	(45.8%)	3.44%	6.35%
Weighted Average Investment Margin	0.0%	5.83%	5.84%

¹ Excludes impairment provision

2. STRATEGY

COMPREHENSIVE STRATEGIC REVIEW

- > Management and Board have completed a comprehensive strategic review of the Fund, taking into consideration:
 - > The expected maturity profile of AYT's assets;
 - > The Fund's original value proposition;
 - > Unit trading price discount to NTA;
 - > Current market conditions; and
 - > Unitholder feedback
- > Management and Board have resolved that a wind down of the Fund, by returning capital to Unitholders as assets mature, is in the best interests of Unitholders, subject to:
 - > No superior proposals being forthcoming; or
 - > A favourable change in market conditions

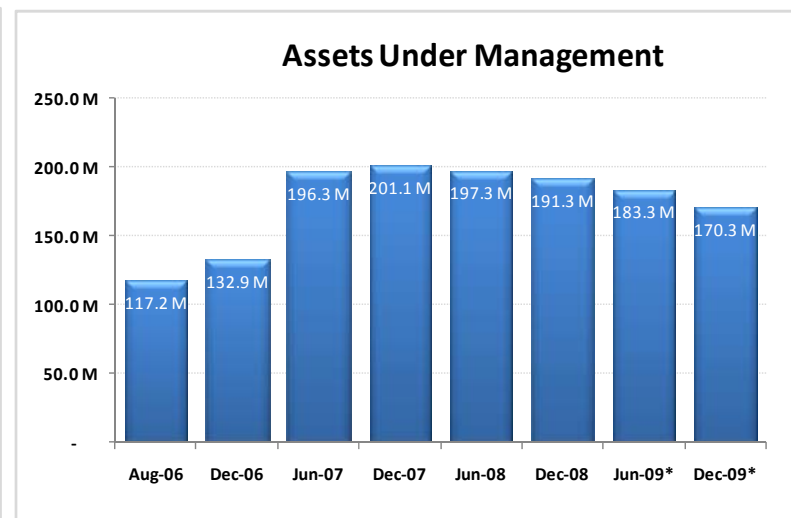
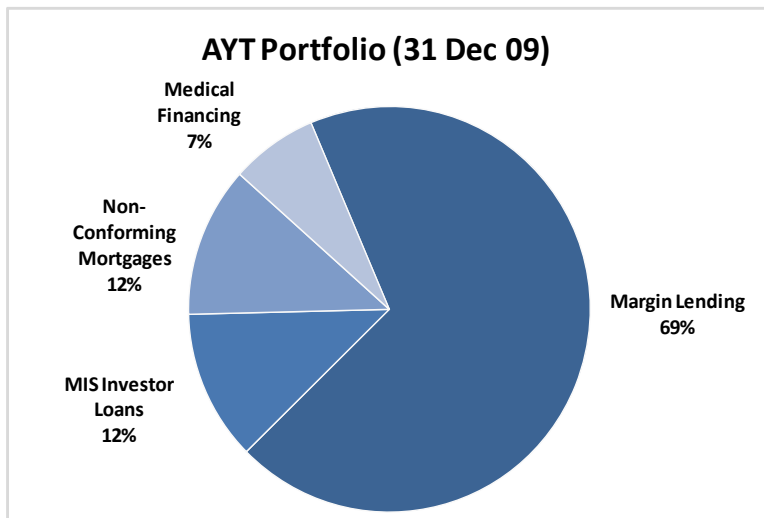
NEXT STEPS

- > Under ASX Listing Rules, Unitholder approval is required to implement an orderly wind down of the Fund, but only in relation to material capital returns
- > Unitholder approval will be sought at an Extraordinary General Meeting, likely to be held within the next 6 months
- > Pending the outcome of this meeting:
 - > AYT will not make any new investments; and
 - > The on-market Unit buy-back program will cease
- > Distributions will continue to be paid in cash from the interest earned by the Fund's investment portfolio

3. INVESTMENT PORTFOLIO UPDATE

PORTFOLIO OVERVIEW

- > No material change in asset mix and 41% of assets were shadow rated Investment Grade at 31 December 2009 (31 December 2008: 49%)
- > Assets under management total \$170 million at 31 December 2009



*includes impairment provision

PORTFOLIO PERFORMANCE UPDATE

- > Margin lending remains the Fund's standout asset class and its loss buffer multiple is more than 20 times current losses
- > Non-Conforming Mortgage and Medical Financing investments are well supported by funded subordination and have a substantial buffer against losses
- > Continued high degree of Management focus on MIS investment

Investment	Actual Losses Recorded to 28 Feb 2010	Current Loss Assumptions ¹	Losses where Fund Investment is Impacted	Loss Buffer Multiple (Current)	Loss Buffer Multiple (Previous)
Margin Lending	0.07%	0.35%	> 1.42%	20.3 x	20.1 x
Non-Conforming Mortgages	0.25%	0.74%	> 1.91%	7.6 x	8.3 x
Medical Equipment Financing	0.69%	1.64%	> 8.53%	12.4 x	10.4 x
MIS Investor Loans ²	21.38%	18.62%	> 4.82%	0.0 x	0.0 x

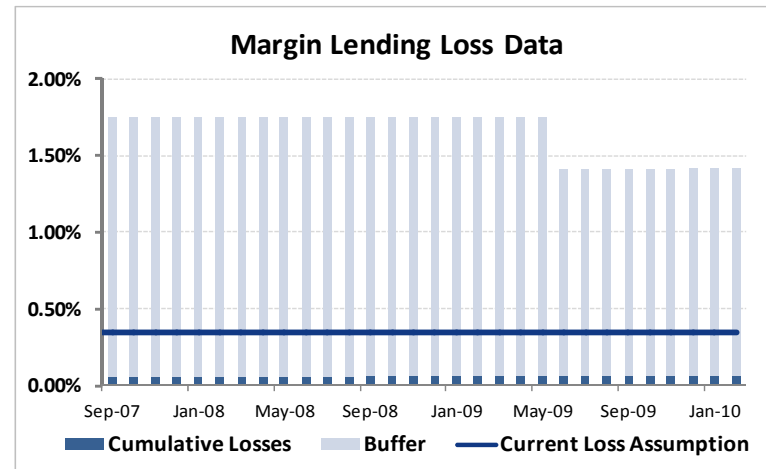
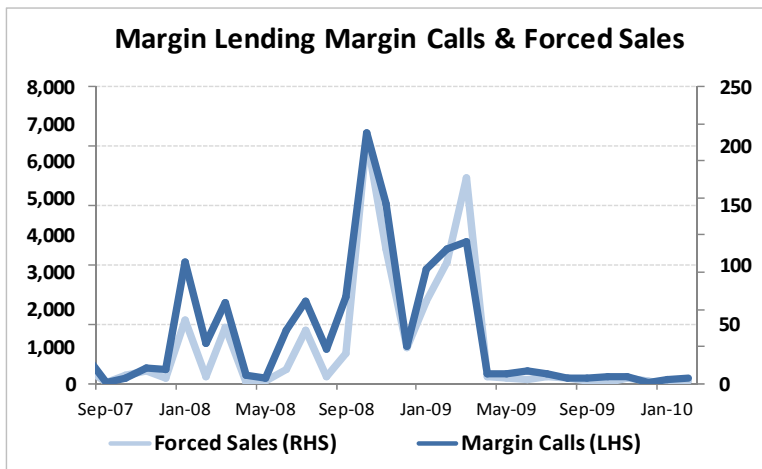
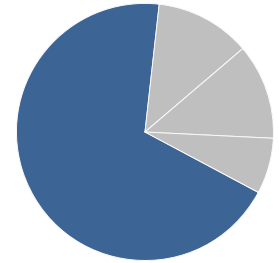
¹ Includes recovery assumptions

² Impairment provision of \$16.6 million as at 28 February 2010

MARGIN LENDING

- > Investment continues to perform very well
- > During FY10 to date there has been an average of just 165 margin calls valued at \$5.6 million (<0.5% of the portfolio), per month. There has been an average of 3 forced sales per month and the portfolio recorded no losses
- > Volumes well down on record numbers reached in FY09 as market stabilises

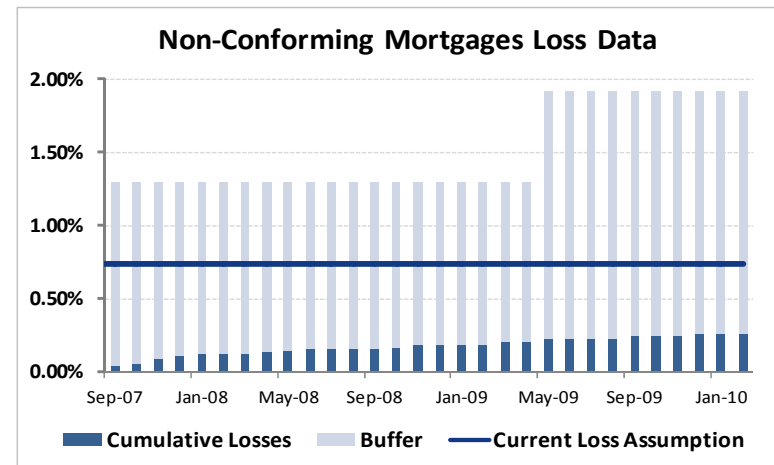
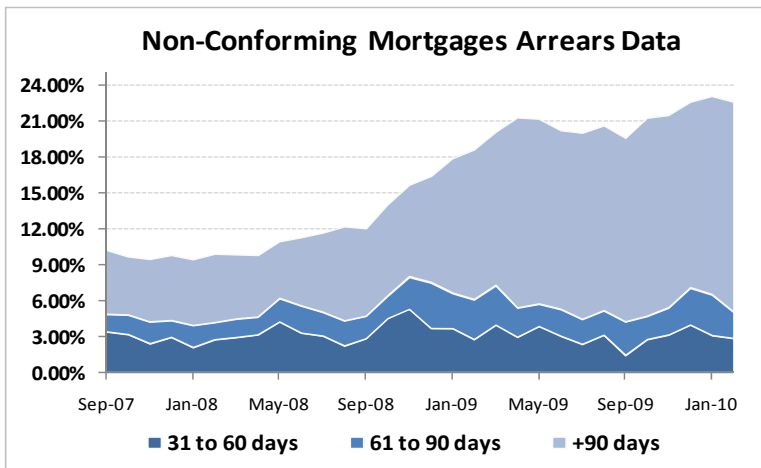
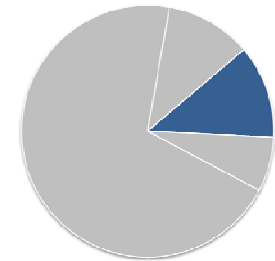
Margin Lending (69%)



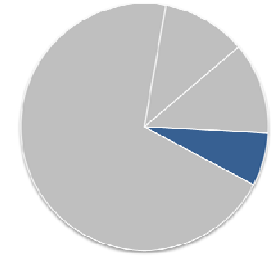
NON-CONFORMING MORTGAGES

- > Investment continues to perform well despite high arrears
- > The increase in +90 day arrears reflects an increase in financial hardship cases however we note that these borrowers are meeting payment arrangements and losses are not increasing as rapidly as arrears
- > Cumulative losses remain substantially less than forecast and need to increase by more than 7 times before the Fund's investment is impacted

Non-conforming Mortgages (12%)

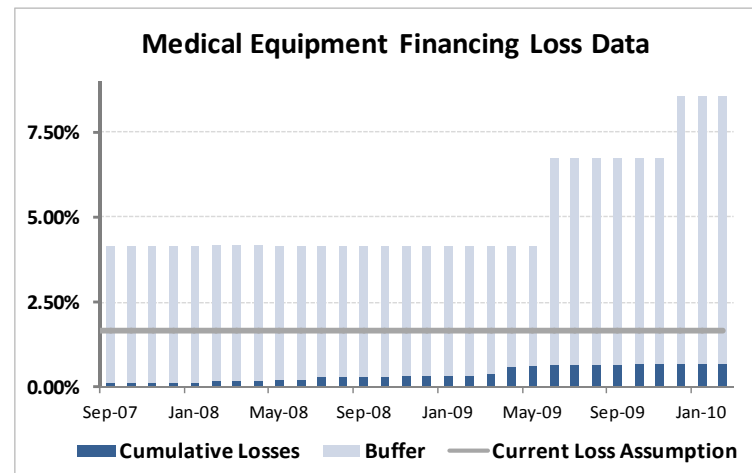
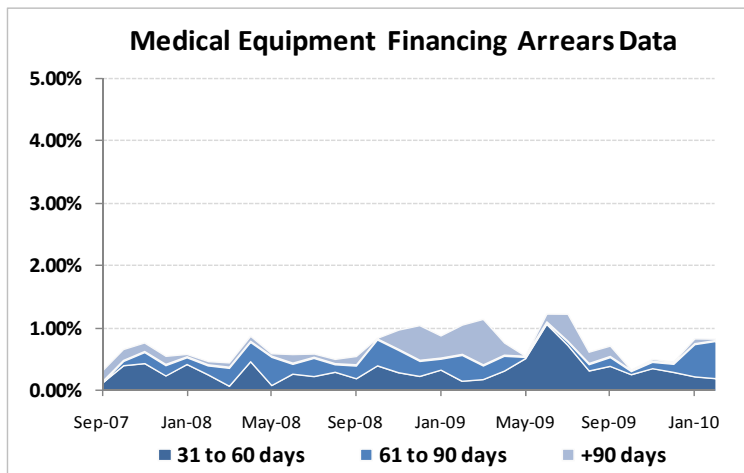


Medical Equipment Financing (7%)

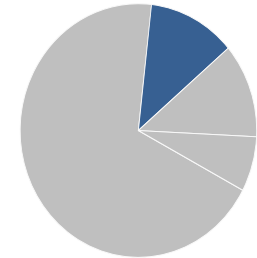


MEDICAL EQUIPMENT FINANCING

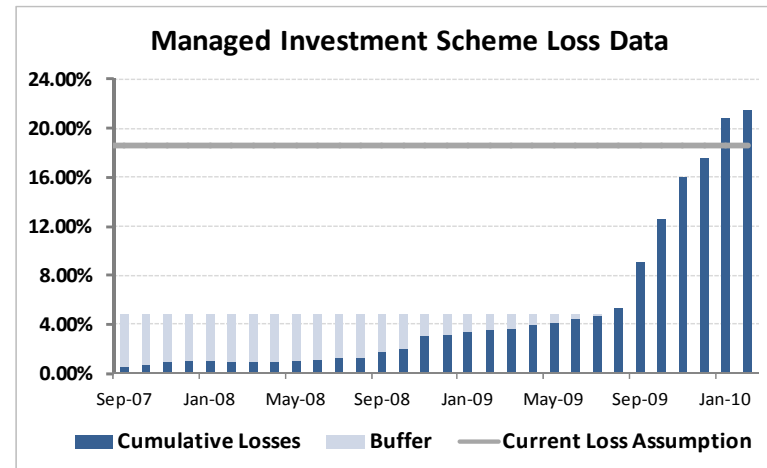
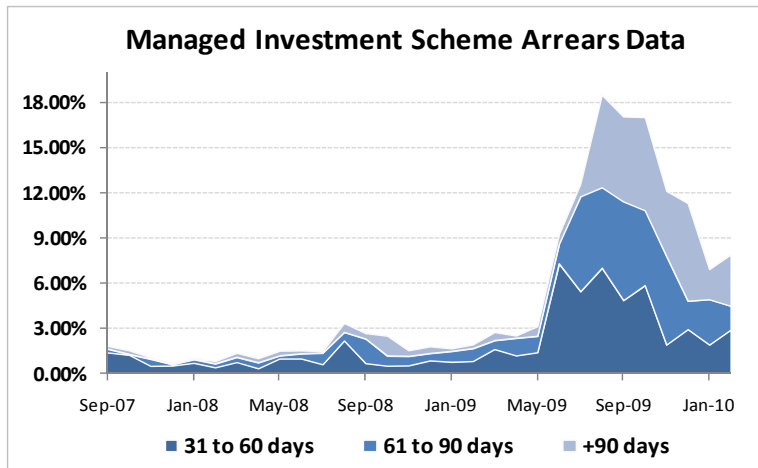
- > Granular portfolio of high performing loans to medical professionals
- > Portfolio arrears are less than 1.0% and losses need to increase by more than 12 times before the Fund's investment is impacted
- > Fund's investment is supported by funded subordination of 8.53%
- > Current loss assumption remains well below level where investment will be impacted



MANAGED INVESTMENT SCHEMES



- > All receivables are investor loans offered to borrowers to facilitate their investment in various Great Southern MIS
- > All loans secured by plantations and have full recourse to borrower
- > Total impairment provision of \$16.6M recognised as at 28 February 2010, reflecting AMF’s current best estimate of loss
- > Continued high degree of focus from Management and AMF will continue to pursue all avenues to ensure maximum recoveries for Unitholders



4. HALF YEAR FINANCIAL RESULTS

PROFIT AND LOSS STATEMENT

	1H10	1H09
	A\$M	A\$M
Investment Income	8.05	11.96
Total Revenue	8.05	11.96
Operating Expenses	(1.14)	(1.16)
Impairment Provision	(12.32)	-
Earnings Before Interest and Taxation (EBIT)	(5.41)	10.80
Net Interest Expense	(0.01)	(0.22)
Profit Before Tax	(5.42)	10.58
Adjustment for: Impairment Provision	12.32	-
Distributable Income	6.90	10.58
Distributable Income (cents per Unit)	7.50c	11.16c

CASHFLOW STATEMENT

	1H10 A\$M	1H09 A\$M
Cash Flows from Operating Activities		
Interest Received	8.30	12.21
Interest Paid	-	(0.21)
Management Fee Paid	(1.05)	(1.10)
Other	(0.06)	(0.04)
Net Cash Flows from Operating Activities	7.19	10.86
Cash Flows from Financing Activities		
Unit Buyback	-	(5.89)
Distributions to Unitholders	(7.88)	(11.52)
Net Borrowings	-	1.25
Net Cash Flows used in Financing Activities	(7.88)	(16.16)
Cash Flows from Investing Activities		
Investments Repaid/(Acquired)	1.65	4.42
Net Cash provided by Financing Activities	1.65	4.42
Net Increase in Cash and Cash Equivalents	0.96	(0.88)

5. FUND OUTLOOK

OUTLOOK

- > FY10 yield forecast to be at the lower end of target range of between BBSW + 4.0% to BBSW + 4.5%
 - > Equivalent to annual distribution of between 15.90 and 16.90 cpu
 - > Floating rate yield of between **7.95%** and **8.45%** at the current BBSW (based on weighted average Units on issue and par value)¹
 - > Equivalent to a yield of **12.09%** to **12.85%** at a \$1.315 Unit price²
- > Management and Board will continue to focus on maximising value for Unitholders by:
 - > Maintaining the credit performance of the Fund; and
 - > Continuing to pay quarterly distributions
- > Unitholder approval will be sought to implement an orderly wind down of the Fund in relation to any material capital returns, subject to:
 - > No superior proposals being forthcoming; or
 - > A favourable change in market conditions.

¹ 30-day BBSW at 28 February 2010 was 3.95%

² As at 28 February 2010

APPENDIX I

Additional Details on the Investment Portfolio

ADDITIONAL DETAILS ON THE INVESTMENT PORTFOLIO

Name	Asset category	Value (\$M)	% of Portfolio	Margin over BBSW (%)	Funded Subordination (%)	Excess Spread ⁽¹⁾	Total Support ⁽²⁾ (\$M)
Lighthouse No. 4 Trust	Margin Lending	75.0	41.6%	1.25%	3.56%	1.42%	70.1
Lighthouse No. 4 Trust	Margin Lending	50.1	27.8%	12.50%	0.00%	1.42%	20.0
Q10 Trust E Note	Mortgage Portfolio	10.0	5.5%	3.75%	6.90%	1.91%	30.1
Q10 Trust F Note	Mortgage Portfolio	11.0	6.1%	6.00%	0.00%	1.91%	19.1
Program No. 2 D Note	Medical Financing	13.2	7.3%	6.00%	8.53%	0.00%	15.4
MIS Program 1 C Note	MIS Investor Loans	14.5	8.1%	4.50%	11.47%	0.00%	6.6
MIS Program 1 D Note	MIS Investor Loans	6.6	3.7%	12.50%	0.00%	0.00%	0.0

(1) Cumulative over the life of the program, noting that only the Q10 Program “traps” excess spread

(2) Funded subordination and cumulative excess spread based upon Investment as at 28 February 2010

ADDITIONAL DETAILS ON THE INVESTMENT PORTFOLIO

Name	Asset Category	Value (\$M)	Forecast Maturity	Mechanism
Lighthouse No. 4 Trust	Margin Lending	75.0	1.7 years	Program maturity on 30 September 2010. Subordinated Notes are to be repaid within 13 months of this date but only if the Senior Notes have been repaid or the repayment can be funded by the issue of new Subordinated Notes.
Lighthouse No. 4 Trust	Margin Lending	50.1		
Q10 Trust E Note	Mortgage Portfolio	10.0	1.3 years	Program called on 16 June 2011 or at 5% of initial pool balance. Call at the discretion of the Trust Manager.
Q10 Trust F Note	Mortgage Portfolio	11.0		
Program No. 2 D Note	Medical Financing	13.2	2.0 years	Issuer has the option to redeem all Notes on the 6 th anniversary of the initial distribution date, 10 February 2012.
MIS Program 1 C Note	MIS Investor Loans	14.5	2.3 years	Program called at 10% of initial pool balance. Call at the discretion of the Trust Manager.
MIS Program 1 D Note	MIS Investor Loans	6.6		