

Adelaide Managed Funds

A subsidiary of Adelaide Bank

Media release

July 24, 2007

AMF Asset Backed Yield Trust *not* exposed to US sub-prime market

Adelaide Managed Funds is reassuring investors that the Asset Backed Yield Trust (the Fund) is not exposed to the US sub-prime mortgage market.

According to the Chief Executive Officer of Adelaide Managed Funds, Bruce Speirs, credit quality across the Fund's investments remained better than forecast.

"Some of our investors are particularly concerned with media reports that the Fund may be exposed to sub-prime mortgages in the United States," Mr Speirs said. "This is not the case."

The Asset Backed Yield Trust has a 14.2% exposure to Australian non-conforming loans, which are defined using different criteria to US sub-prime mortgages.

"In addition, our non-conforming loan exposure is in a mature portfolio, which currently operates with a conservative average Loan to Valuation Ratio (LVR) of 71.4%," Mr Speirs said.

"Losses on the portfolio underlying the Fund's exposure to non-conforming mortgages are trending at about 0.01%. We don't expect future losses in this portfolio to impact on the Fund's investment.

"We remain very confident in the credit quality of the Fund, and look forward to continuing to deliver strong results for our Unitholders," he said.

– Ends –

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About Adelaide Managed Funds

Adelaide Managed Funds, a wholly owned subsidiary of 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