

Adelaide Managed Funds

ASX Release

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ADELAIDE MANAGED FUNDS ASSET BACKED YIELD TRUST BENDIGO AND ADELAIDE BANK GROUP TRADING POLICY

In accordance with ASX Listing Rule 12.9 (effective 1 January 2011), following is the Bendigo and Adelaide Bank Group (**BEN**) Trading Policy, applicable to Adelaide Managed Funds as a wholly owned subsidiary of BEN.

For further information, please contact:

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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 AYT, please visit:
www.adelaidemanagedfunds.com.au

Bendigo and Adelaide Bank Group

Trading policy

Overview

Application

This policy applies to employees and directors of Bendigo and Adelaide Bank, and directors of Adelaide Managed Funds and any other subsidiaries designated by the board.

Note: Adelaide Managed Funds (AMF) is the responsible entity for Adelaide Managed Funds Asset Backed Yield Trust (AYT), a listed entity.

References to Bendigo and Adelaide Bank are to Bendigo and Adelaide Bank and references to the Group are to Bendigo and Adelaide Bank and its wholly-owned subsidiaries (including AMF).

Note: All Group employees are employed by Bendigo and Adelaide Bank.

Background

Bendigo and Adelaide Bank Group directors, executives and employees may have information that could have a material effect on the price or value of Bendigo and Adelaide Bank securities, AYT securities or the securities of other companies and entities.

If this information is unpublished, the Corporations Act restricts you from doing any of the following.

- Trading (applying for, acquiring, or disposing of the securities) or procuring someone else to trade in those securities.
- If the securities are listed, communicating the information to another person if you know or ought reasonably know that the other person would or would be likely to trade the securities.

In addition, the Corporations Act prohibits directors, officers and employees from gaining advantage for themselves or someone else through the improper use of their position or improper use of information obtained because of their position.

Penalties are imposed for a breach of these provisions and a criminal offence may be committed. Compensation may also be payable to third parties who suffer a loss.

The Corporations Act and the ASX listing rules require disclosure of trading in a company's securities by its directors.

The policy

This document sets out a trading policy for Bendigo and Adelaide Bank Group (including AMF) directors and staff.

This policy is only a summary of complex legislative provisions, and should only be used as a general guide, not as legal advice. For corporate governance purposes, the policy also imposes obligations beyond those imposed by law. It remains the responsibility of each director and employee to make sure that they do not do anything prohibited by the Corporations Act. If you have any questions about this policy please contact Company Secretariat.

The policy makes the distinction between "designated officers" and all other employees. You are only a designated officer if you are in the category of persons listed in clause 1 below. A "designated officer" generally is a person who is in a position that by its nature brings the person into contact with confidential information about Bendigo and Adelaide Bank regularly.

If you are a designated officer, the following provisions apply to you.

- Part A: Trading policy – designated officers (clauses 2–8).
- Part C: Explanation – all officers and employees (clauses 10–15)
- Part D: Other dealing (clauses 16-18).

If you are *not* a designated officer, the following provisions apply to you.

- Part B: Trading policy – all other employees (clause 9).
- Part C: Explanation – all officers and employees (clauses 10-15)
- Part D: Other dealing (clauses 16-18).

Policy

Part A - trading policy – designated officers

1. Who is a designated officer?

The following are designated officers.

- Directors of Bendigo and Adelaide Bank.
- Members of the Bendigo and Adelaide Bank Executive Committee.¹
- Directors of AMF and any other subsidiaries designated from time to time by the board.

Directors of the following subsidiaries have been designated at the date of last review of this policy.

- Rural Bank Limited.
- Sandhurst Trustees Limited.

- Other employees designated from time to time by the board.

In the case of Bendigo and Adelaide Bank securities, the following employees have been designated at the date of last review of this policy.

- All employees working in Company Secretariat.
- All employees working in Group Legal.
- All employees working in Strategy.
- All employees working in Public Relations.
- All employees working in the Finance Department. (Note that the Finance Department includes Accounting and Strategic Finance.)
- All employees working in Group Assurance.
- Direct reports of the Managing Director.
- Head of Group Operational Risk.
- Personal assistants of Executive Committee members.

In the case of AYT securities, the following employees have been designated at the date of last review of this policy.

- All employees working in Company Secretariat.
 - All employees working in Group Legal.
 - All employees working in Public Relations.
 - All employees working in the Finance Department. (Note that the Finance Department includes Accounting and Strategic Finance.)
 - All employees working in Internal Audit.
 - Direct reports of the Managing Director.
 - Head of Group Operational Risk
 - Personal assistants of Executive Committee members.
 - Staff who work within AMF business unit and other staff that support AMF.
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¹ Executive committee members are “key management personnel” within the meaning of Accounting Standard AASB 124 Related Party Disclosure.

2. When can a designated officer trade in Bendigo and Adelaide Bank securities (or AYT securities)?

2.1 Restriction

You may only trade in Bendigo and Adelaide Bank securities (or AYT securities) if *all* of the following requirements are met.

- A black-out period does not apply, or if it does apply, an exception applies, or consent is given under the procedures below.
- You do not have unpublished price sensitive information.
In the case of Bendigo and Adelaide Bank securities, examples of information you may have that mean this requirement is not met.
 - A proposed acquisition or alliance by Bendigo and Adelaide Bank.
 - A proposed capital raising by Bendigo and Adelaide Bank.
- You have first followed the notice procedure below.

2.2 Exceptions

(a) The following exceptions apply and you are permitted to trade even if you have unpublished price-sensitive information.

- An application for, or acquisition of, shares or interests in shares in Bendigo and Adelaide Bank under an employee share plan or following the exercise of options granted under an executive incentive plan. This exception only allows you to apply for, or acquire, the shares or interests in shares under the rules of the relevant plan. The exception does not apply to trades after that acquisition or application.

Note on exception: Exception in Corporations Regulations 9.12.01(b).

- An acquisition under an offer or invitation made to all or most shareholders in Bendigo and Adelaide Bank or most unitholders in AYT (eg rights issue, share purchase plan, equal access buy-back scheme or dividend or distribution reinvestment plan). In the case of a dividend or distribution reinvestment plan, the exception applies if you elected to participate in the plan outside the black-out period and when you did not have price sensitive information.

Note on exception: In all cases, based on equal information defence or relief (s1043M(2)(b) and s1043N). In addition, in the case of a DRP, the person does not apply for, acquire, dispose of shares or procure another person to do so at the time the person possesses the information.

- An acquisition by a new director of Bendigo and Adelaide Bank of shares in the Bank to meet the requirement in the Bank's constitution to hold a share qualification.

Note on exception: Exception in Corporations Regulations 9.12.01(a).

- A sale of securities under a mortgage or charge, or under a mortgage, charge or pledge or lien of documents of title to the securities.

Note on exception: Exception in Corporations Regulations 9.12.01(e).

When can a designated officer trade in Bendigo and Adelaide Bank securities (or AYT securities)?

Continued

(b) The following exceptions apply and you are permitted to trade only if you do *not* have unpublished price-sensitive information.

- An undertaking to accept or the acceptance of a takeover offer.
 - The exercise of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a prohibited period and there has been an exceptionally long prohibited period or a number of consecutive prohibited periods and the designated person could not reasonably have been expected to exercise it at a time when free to do so. The exception does not apply to trades after the exercise or conversion.
 - The transfer of securities you hold into a superannuation fund or other saving scheme in which you are a beneficiary.
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3. Black-out period

Trading is not permitted during black-out periods, unless an exception applies or consent is given under the procedures below.

(a) Automatic black-out period: 10 weeks before any of the following until the next business day after the day on which the announcement is made.

- The date of release of the half year announcement to ASX (in each case in relation to the relevant entity).
- The date of release of the full year announcement to ASX (in each case in relation to the relevant entity).

(b) Board-imposed black-out period: The board of Bendigo and Adelaide Bank may impose a black-out period for designated officers by notice at any time. The black-out period is subject to the exceptions set out above and any other exceptions the board decides.

The board of AYT may impose a black-out period for designated officers in relation to AYT by notice at any time.

4. Notice procedure

4.1 Notice: The following designated officers must give a written notice (in any required form) to the person set out below, in each case through the Company Secretariat, in each of the following cases.

(a) Before trading, of the intention to trade. The form of notice includes confirmation that the person is not in possession of unpublished price sensitive information (see 10-12 below for an explanation).

(b) Immediately after trading, to confirm the transaction.

Bendigo and Adelaide Bank securities

<i>Designated officer</i>	<i>Person to be told</i>
Chairman	Chairman of Governance & HR Committee
All other Directors	Chairman
Executive Committee members	Managing Director
All other designated officers	Managing Director

All notifications must be reported to the board in the Company Secretary's report.

Notice procedure	AYT securities	
<i>Continued</i>	<i>Designated officer</i>	<i>Person to be told</i>
	AMF independent directors	AMF board or Managing Director of Bendigo and Adelaide Bank
	Bendigo and Adelaide Bank Executive Committee members, AMF CEO	Managing Director of Bendigo and Adelaide Bank
	Staff who work within AMF business unit and other staff that support AMF	Executive, Banking and Wealth
	<i>Note: other staff that support AMF may be in other business units such as Finance.</i>	
	All notifications must be reported to the board in the Company Secretary's report.	
	4.2 Exceptions: The following exceptions to the notice requirement apply.	
	<ul style="list-style-type: none"> • In the case of an acquisition under a dividend or distribution reinvestment plan. <i>For employees:</i> No notice is required. <i>For directors:</i> No notice is required before an acquisition, but immediate notice is still required after an acquisition (as the acquisition must be reported to ASX). • In the case of an application for, or acquisition of, shares under an employee share plan or following the exercise of options granted under an executive incentive plan. <i>For employees:</i> No notice is required. <i>For executive directors:</i> No notice is required before an acquisition, but immediate notice is still required after an acquisition (as the acquisition must be reported to ASX). 	

<p>5. Consent procedure</p>	<p>5.1 Request: If there are exceptional circumstances and you want to trade during the black-out period, unless you come within an exception set out above (clause 2.2) you must obtain consent <i>before</i> trading.</p> <p>5.2 Consent: Consent to acquire securities will not be given. Consent to dispose of securities will only be given if the person set out in clause 4 above forms an opinion that one of the following applies.</p> <ul style="list-style-type: none"> • Severe financial hardship. Example: A pressing financial commitment that cannot be satisfied otherwise than by selling the relevant securities. • Other exceptional circumstances. Example: A court order or court-enforceable undertaking. <p>Consent will only be given if you confirm you are not in possession of price sensitive information.</p> <p>The consent will apply for the period of time advised to you.</p> <p>Note: The circumstances and time period will be discussed with you. It is unlikely the time period will be greater than 1 week.</p> <p>Consent may also be subject to conditions.</p> <p>5.3 Procedure: You must apply in writing for the consent of the person set out in clause 4 above, set out the circumstances you believe justify the request, and confirm that you do not have price sensitive information. The consent must be provided in writing before you trade.</p> <p>The request may be made, and the consent may be given, by electronic means.</p> <p>Any consents must be reported to the board in the Company Secretary's report, and in the case of AYT securities, also to the AMF board.</p>
<p>6. Additional restriction – short term trading</p>	<p>A designated officer may not engage in short term trading in securities in Bendigo and Adelaide Bank or AYT. You may not trade in securities of Bendigo and Adelaide Bank or AYT with a view to making a profit in trading. For this purpose, “short term” trading means selling securities within 6 months of buying them.</p>
<p>7. Additional restriction - transactions or arrangements which limit the economic risk of participants in an executive incentive plan</p>	<p>(a) A participant in an executive incentive plan may not enter into a transaction designed to remove the “at risk” element of an entitlement under the plan before it vests.</p> <p>(b) A participant in an executive incentive plan may only enter into a transaction designed to remove the “at risk” element of an entitlement under the plan after it vests and if the board has not decided to restrict or prohibit the participant doing this.</p> <p><i>An example of a transaction or arrangement designed to remove the “at risk” element of an entitlement is a hedging agreement.</i></p>
<p>8. Additional restriction - margin loan facilities</p>	<p>A designated officer who is a director or member of the Executive Committee may not include his or her Bendigo and Adelaide Bank securities or AYT securities in a margin loan portfolio.</p>

Part B - trading policy – all other employees

9. Trading in Bendigo and Adelaide Bank securities

9.1 Restriction

- You may only trade in Bendigo and Adelaide Bank securities or AYT securities if you do not have unpublished price sensitive information.

In the case of BEN, examples of information you may have that means this requirement is not met include the following.

- A proposed acquisition or alliance by Bendigo and Adelaide Bank.
- A proposed capital raising by Bendigo and Adelaide Bank.

9.2 Exceptions

The following exceptions apply even if you have unpublished price-sensitive information.

- An application for, or acquisition of, shares or interests in shares in Bendigo and Adelaide Bank under an employee share plan or following the exercise of options granted under an executive incentive plan. This exception only allows you to apply for, or acquire, the shares or interests in shares under the rules of the relevant plan. The exception does not apply to trades after that acquisition or application.

Note on exception: Exception in Corporations Regulations 9.12.01(b).

- An acquisition under an offer or invitation made to all or most shareholders in Bendigo and Adelaide Bank or most unitholders in AYT (eg rights issue, share purchase plan, equal access buy-back scheme or dividend or distribution reinvestment plan). In the case of a dividend or distribution reinvestment plan, the exception applies if you elected to participate in the plan outside the black-out period and when you did not have price sensitive information.

Note on exception: In all cases, based on equal information defence or relief (s1043M(2)(b) and s1043N). In addition, in the case of a DRP, the person does not apply for, acquire, dispose of shares or procure another person to do so at the time the person possesses the information.

- A sale of securities under a mortgage or charge, or under a mortgage, charge or pledge or lien of documents of title to the securities.

Note on exception: Exception in Corporations Regulations 9.12.01(e).

Part C - Explanation – all officers and employees

10. What is information?	<p>The Corporations Act says that “information” <i>includes</i> the following.</p> <p>(a) Matters of supposition and other matters that are insufficiently definite to warrant being made known to the public.</p> <p>(b) Matters relating to the intentions, or likely intentions, of a person.</p> <p>Information does not need to come from the Group (or from your role at Bendigo and Adelaide Bank) – it can come from anywhere.</p> <p><i>Example: A proposal to enter into a corporate transaction (eg an alliance or acquisition), even though it is not definite that Bendigo and Adelaide Bank will enter into the transaction. For example, the acquisition might be subject to due diligence or board approval.</i></p>
11. What is price sensitive information?	<p>In the case of Bendigo and Adelaide Bank securities, price-sensitive information is information that may have a material effect on the price or value of Bendigo and Adelaide Bank securities.</p> <p>In the case of AYT securities, price-sensitive information is information that may have a material effect on the price or value of AYT securities.</p> <p>This means information that would, or would be likely to, influence persons who commonly acquire securities in deciding whether or not to acquire or dispose of the securities.</p> <p><i>In the case of BEN, examples follow of information that may be material.</i></p> <ul style="list-style-type: none">• <i>The half-yearly or full year results.</i>• <i>The financial performance of Bendigo and Adelaide Bank against its budget.</i>• <i>The financial performance of Bendigo and Adelaide Bank against market expectations.</i>• <i>A proposed alliance, joint venture or acquisition.</i>• <i>A proposed change in credit rating.</i>• <i>A significant new proposal or development.</i>• <i>Ending an existing alliance or joint venture.</i>• <i>A proposed significant funding arrangement.</i>• <i>A proposed capital raising.</i>• <i>A proposed dividend or change in dividend policy.</i>• <i>A change in capital structure, including a buy-back of shares.</i>• <i>An unexpected potential liability eg material litigation.</i>• <i>A significant bad debt or credit loss.</i>• <i>A change in the directors or a significant change in senior management.</i>

12. What is unpublished information?

Under the Corporations Act, unpublished information is information that is *not* “generally available”. Information is generally available if it meets one of the following tests.

(a) It consists of readily observable matter.

This means facts directly observable in the public arena. “Readily” means promptly, quickly or easily.

Examples: A published industry report on banking that is available to the public.

A crisis in the banking industry reported in the media.

(b) Both of the following apply.

(i) It has been made known in a manner that would, or would be likely to bring it to the attention of persons who commonly invest in securities of a kind whose price might be affected by the information.

(ii) Since it was made known, a reasonable period for it to be disseminated among such persons has elapsed.

Example: Information in an announcement made by Bendigo and Adelaide Bank to ASX, after a period of time has elapsed from when the announcement was made eg one business day.

(c) It consists of deductions, conclusions or inferences made or drawn from either of both of the following.

- Readily observable matter.
- Information which has been made public (under paragraph (b)(i)).

13. What is a security?

When the term “securities” is used in this policy, it means “financial products” under the Corporations Act. This term is broadly defined and includes shares, options to acquire shares, interests in a managed investment scheme (eg AYT), derivatives in relation to shares (eg warrants created by third parties) and hybrid securities (eg convertible notes).

14. What is meant by “trading”?

When this policy says that trading is permitted or is not permitted, it covers *all* of the following.

- Applying for, acquiring, or disposing of the securities or entering into an agreement to do so.

Examples: Buying or selling shares or options over shares in Bendigo and Adelaide Bank, exercising an option to acquire shares. Entering into a dividend reinvestment plan.

- Procuring someone else to trade in those securities or to enter into an agreement to do so.

Example of procuring: A person procures someone else to trade if they incite, induce or encourage another person to buy or sell Bendigo and Adelaide Bank securities eg by advising a friend, a family member, a family company or trust to buy or sell the securities.

- Communicating (directly or indirectly) the information to another person if you know or ought reasonably know that the other person would or would be likely to trade the securities or to procure someone else to do so.

Note: In addition, confidentiality obligations are owed to Bendigo and Adelaide Bank by its employees that would prevent the communication of information about Bendigo and Adelaide Bank, its related companies and its customers and information coming to your knowledge in the performance of your duties as an employee of Bendigo and Adelaide Bank.

If it is necessary to communicate price sensitive information to a third party for the purposes of Bendigo and Adelaide Bank business (eg to external advisers or another party with whom we are negotiating), it is important to make sure that the third party is bound by confidentiality obligations and is made aware of the price sensitive nature of the information and restrictions on trading. This is important not only in relation to trading, but also to make sure that Bendigo and Adelaide Bank complies with its continuous disclosure obligations. See Bendigo and Adelaide Bank Limited – Continuous Disclosure Policy.

15. Who is covered by the trading restriction?

The trading restriction applies to the following.

- All employees of the Group
- Directors of Bendigo and Adelaide Bank, directors of AMF, and directors of any other subsidiaries designated by the board.
- *Your spouse.
- *Your children under 18 years.
- *Trustees of a trust of which you or your family are beneficiaries.

*You must make sure that your spouse, children and trustees are informed of this policy and you must take reasonable steps to make sure they comply with it.

It applies to trading by any of the above persons.

- On their own behalf.
- As agent for someone else.
- Through third parties.

Examples: Trading through nominees, agents or controlled entities (eg a company controlled by you or your family).

Part D – Other dealing

Dealing in securities of other companies

16. What are the restrictions?

The legal prohibitions on trading apply if you have price-sensitive information about other companies, even though you do not work for them. In working for Bendigo and Adelaide Bank you may come across price-sensitive information relating to other companies.

Examples: Bendigo and Adelaide Bank may be proposing to enter into an alliance with another company – the information about the proposed alliance may be price sensitive information for the other company as well as for Bendigo and Adelaide Bank.

You may come across price-sensitive information (eg forecasts or other financial information) about a corporate client of Bendigo and Adelaide Bank – as well as being confidential information, that information may be “unpublished price-sensitive” information about that client.

You may come across price-sensitive information (eg profit information) about a Community Bank® company – as well as being confidential information, that information may be “unpublished price-sensitive” information about that Community Bank® company.

The Corporations Act prohibits you from trading in those securities.

Note: If the company is not listed, the prohibition in the third dot set out above under “14. What is meant by “trading”?”, being communicating the information to another person if you know or ought reasonably know that the other person would or would be likely to trade the securities, does not apply. However, confidentiality obligations owed to Bendigo and Adelaide Bank (and confidentiality obligations owed by Bendigo and Adelaide Bank to the other company) mean that nonetheless you must not communicate information you receive during the course of your employment outside the Bank.

Dealing in other products

17. What are the restrictions?

The prohibition also applies to dealing in other investment products. If you have unpublished price sensitive information that is relevant to other investment products it is recommended that you seek your own legal advice.

Example: You have an interest in a Sandhurst Trustees Limited managed fund and you are aware of unpublished information about fund performance. Changing your investment may breach the law and it is recommended that you seek legal advice.

Purchasing Community Bank® company shares

18. What are the restrictions?

Before purchasing shares in a Community Bank® company, you must obtain written approval from Bendigo and Adelaide Bank. If you work in the branch network, the approval must be obtained from your State Manager. In other cases, the approval must be obtained from the Company Secretary.

The following conditions apply:

- A limit of 5,000 shares applies to your holdings in any one Community Bank® company. For this purpose, the holdings of your spouse and children are aggregated with your holdings.
- You must have a connection to the community in which the Community Bank® company operates.

Example: You live or work in the community.