

Adelaide Managed Funds

A subsidiary of Adelaide Bank

FOR IMMEDIATE RELEASE

4 March 2008

ADELAIDE MANAGED FUNDS ASSET BACKED YIELD TRUST ANNOUNCES UNIT BUY-BACK

The Directors of Adelaide Managed Funds Limited, responsible entity of the Adelaide Managed Funds Asset Backed Yield Trust (ARSN 120 038 002) (ASX: AYT), today announced that it intends to undertake an on-market buy-back of Units in the AYT.

According to the Chairman of Adelaide Managed Funds, Mr Steven Crane, the decision to initiate the buy-back reflects the confidence that the Board has in the underlying performance and credit quality of the AYT.

"The AYT is on track to deliver on its forecast annualised yield of between BBSW + 4.0% and BBSW + 4.5%. This represents a total distribution of between 19.2 and 20.1 cents per Unit for the 2008 financial year and we felt that the Unit price did not reflect these fundamentals," he said.

The current market price of an AYT Unit is \$1.595, which is an 18 per cent discount to the AYT's NTA announced on 7 February 2008 and represents a forecast cash yield of 12.6% for FY2008.

With the market price trading at such a discount to NTA and with the AYT's latent balance sheet capacity, the Directors believe it is prudent to implement an on-market buy-back. The Directors remain confident that Adelaide Managed Funds can continue to grow assets under management.

"The AYT has a high quality investment portfolio with no international exposure, the underlying fundamentals of which remain strong," Mr Crane said.

"Recent equity market volatility and international credit events have not impacted on our yield forecasts and the investment portfolio continues to perform to or above expectations," he said.

It is proposed that up to 10 per cent of the issued Units in the AYT (10 million Units) may be bought back over the next 12 months. However, the total amount that the AYT may spend on the buy-back is subject to the prevailing market price and availability of Units on ASX. The AYT proposes to use on-balance sheet cash to finance the buy-back of Units. The Directors expect the buy-back to be investor yield accretive.

The number of Units in the AYT held by Adelaide Managed Funds Limited and its associates is 167,500.

Deutsche Securities Australia Limited will act on the AYT's behalf in relation to the buy-back.

For further information, please contact:

Mr Bruce Speirs
Chief Executive Officer
Adelaide Managed Funds
08 8300 6194

Mr Kym Masters
Chief Investment Officer
Adelaide Managed Funds
08 8220 7258

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