

Adelaide Managed Funds

ASX Release

17 August 2011

ADELAIDE MANAGED FUNDS ASSET BACKED YIELD TRUST INVESTOR PRESENTATION

Adelaide Managed Funds as Responsible Entity for the Adelaide Managed Funds Asset Backed Yield Trust (**AYT**) has today released to the market an Investor Presentation (attached) to accompany the release of AYT's full year results.

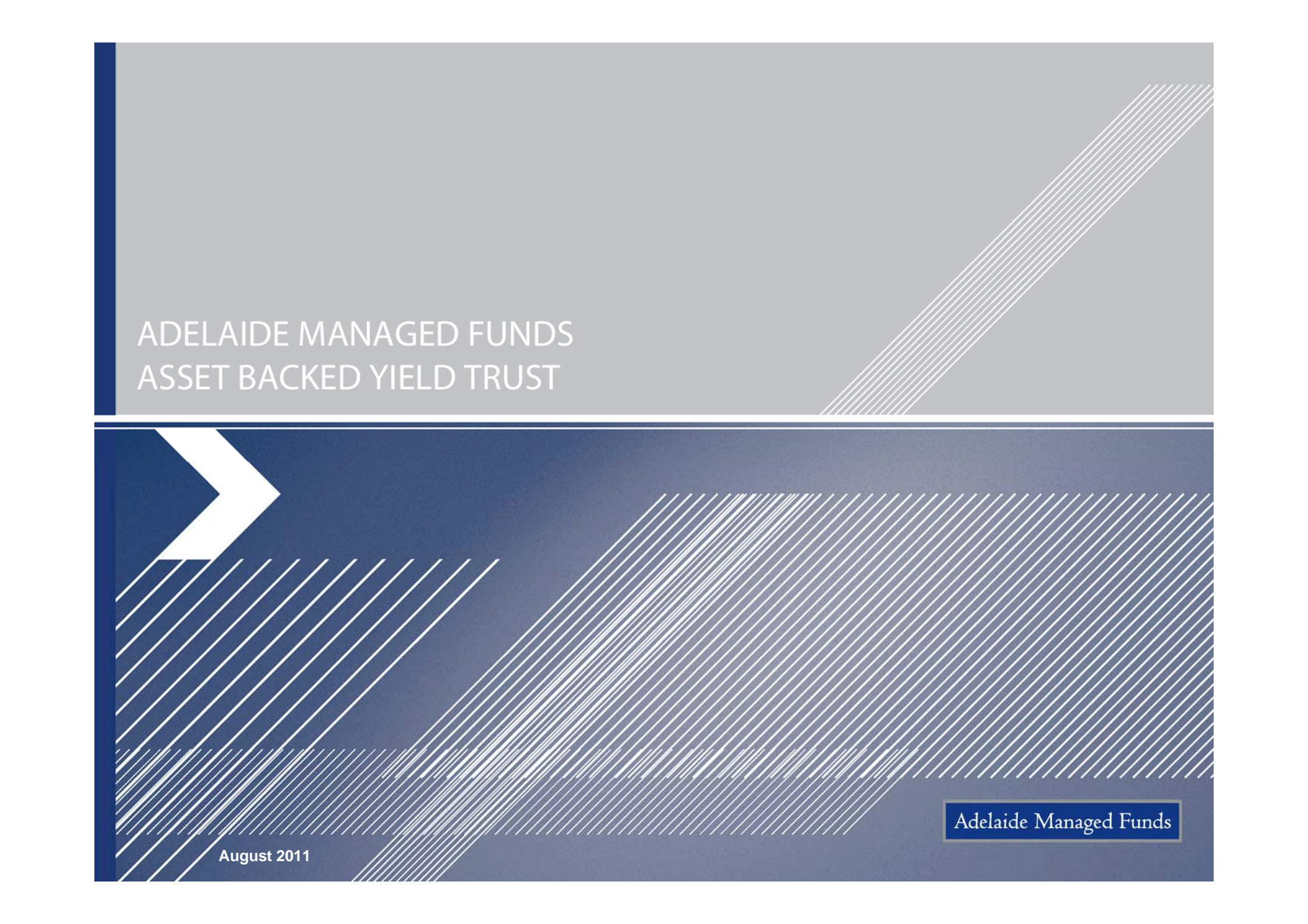
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About Adelaide Managed Funds

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



ADELAIDE MANAGED FUNDS
ASSET BACKED YIELD TRUST

August 2011

Adelaide Managed Funds

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1. HIGHLIGHTS

HIGHLIGHTS

- > Orderly wind down progressing well, with total capital returns of \$1.51 per Unit paid during FY11 and an additional \$0.03 to be paid in September 2011
- > Non-Conforming Mortgage investment on track to be fully repaid in October 2011, consistent with previous forecast
- > Delisting expected to occur by January 2012 (subject to ASX approval)
- > Impairment provision against MIS investment reduced by \$4.51 million as at 30 June 2011, reflecting expectations of increased future cash flows
- > Subject to no superior proposals, Management and Board currently expect that holding the MIS investment to maturity will result in the optimal outcome for Unitholders
- > Total income distributions of 5.24 cents per Unit for FY11

2. FULL YEAR FINANCIAL PERFORMANCE

FY11 FINANCIAL PERFORMANCE

- > Interest income decreased by 63.84% to \$5.97 million compared to the previous comparable period (pcp)
- > The decline in interest income was primarily due to the impact of asset repayments and subsequent capital returns to Unitholders, as well as asset impairment
- > Unitholders earned total income distributions of 5.24 cents per Unit during FY11
- > Unitholders received total capital returns of \$1.51 per Unit during FY11

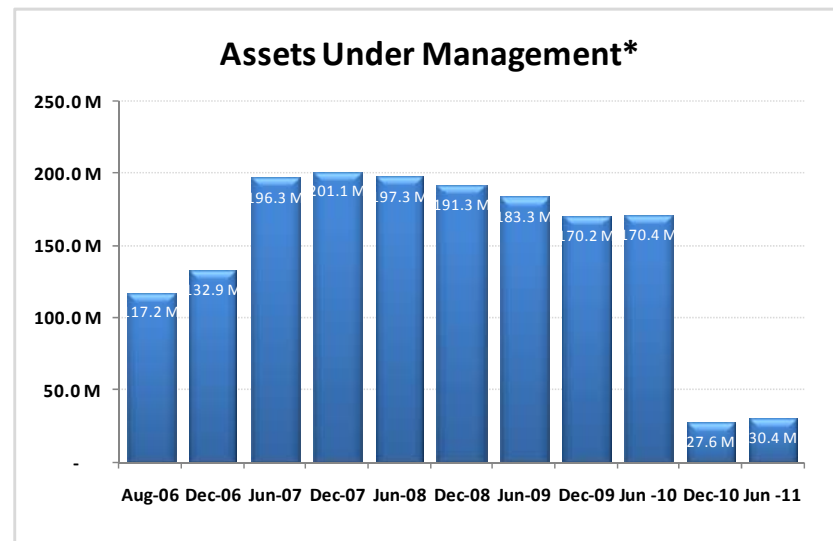
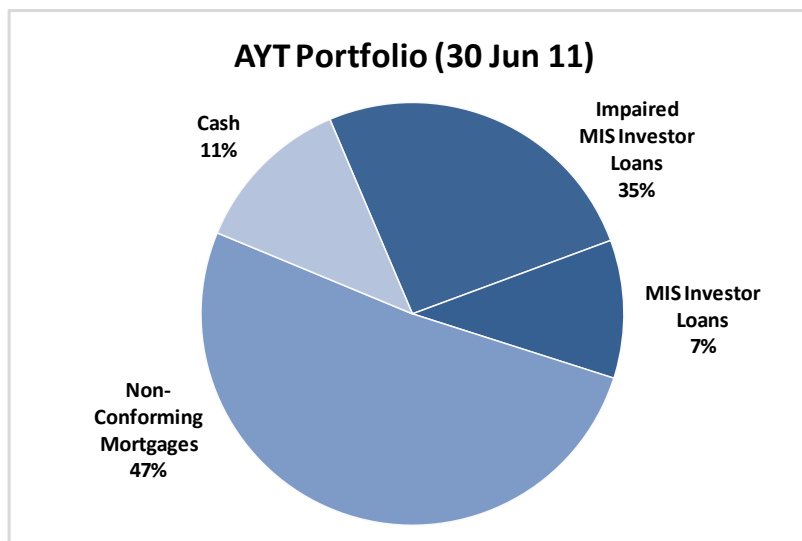
	Change from pcp	FY11 (\$m)	FY10 (\$m)
Interest Income	(63.84%)	5.97	16.51
Operating Expenses	(52.97%)	(1.03)	(2.19)
Distributable Income	(65.55%)	4.93	14.31
Unitholder Distribution (cents per Unit)	(65.86%)	5.24	15.35
Average 30-day BBSW	23.32%	4.76%	3.86%
Average Investment Balance (\$m)¹	(57.04%)	79.93	186.06

¹ Excludes impairment provision

3. INVESTMENT PORTFOLIO UPDATE

PORTFOLIO OVERVIEW

- > Margin Lending investment fully repaid in September 2010
- > Total capital returns of \$1.51 paid to Unitholders in FY11
- > Performing assets under management (including cash) total \$30.38 million as at 30 June 2011 (30 June 2010: \$170.45 million)
- > Impairment provision against MIS investment reduced by \$4.51 million to \$10.53 million as at 30 June 2011 (30 June 2010: \$15.78 million)



* includes impairment provision and cash balances

PORTFOLIO PERFORMANCE UPDATE

- > Non-Conforming Mortgage investment remains well supported by funded subordination and has a substantial buffer against losses
- > Continued Management focus on impaired MIS investment
- > For the purposes of valuing the MIS investment, Management has forecast that total losses incurred by the program will reach 42.54% (30 June 2010: 28.24%)
- > Increase in forecast losses a function of historical actual performance, assumed continued poor performance and removal of the previously forecast program clean up call execution

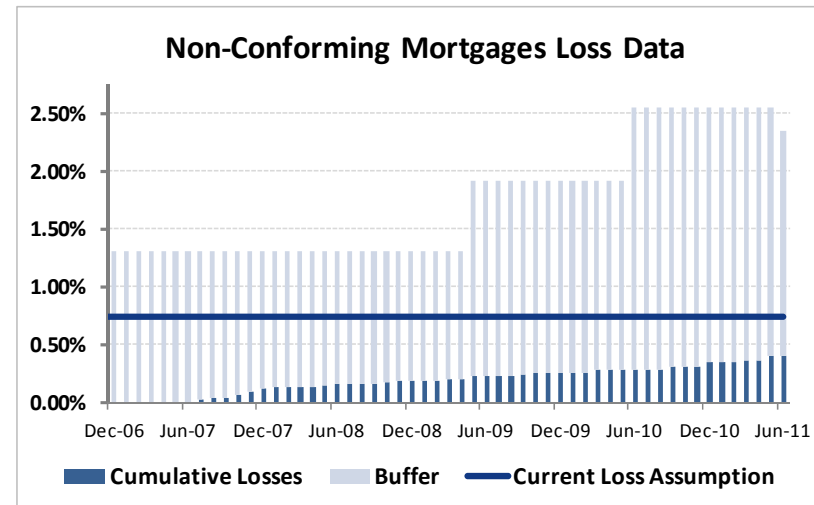
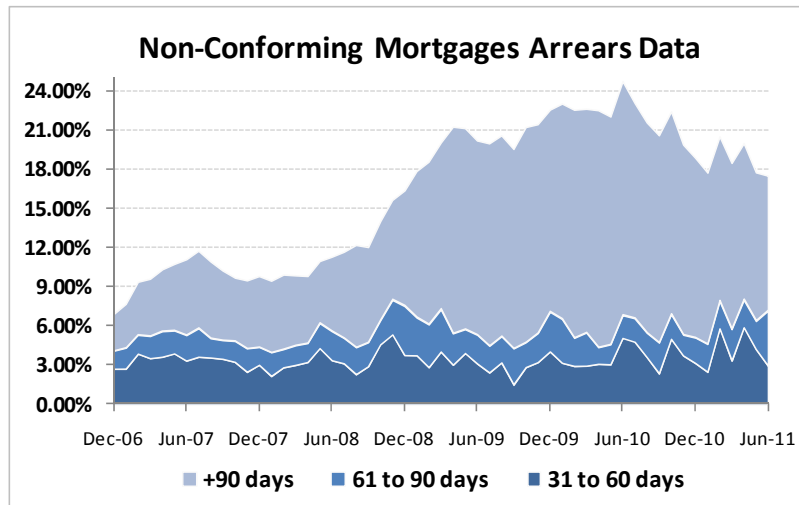
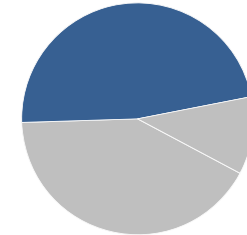
Investment	Actual Losses Recorded to 30 Jun 2011	Current Loss Assumptions	Losses where Fund Investment is Impacted	Loss Buffer Multiple (Current)	Loss Buffer Multiple (Previous)
Non-Conforming Mortgages	0.40%	0.74%	> 2.35%	5.9 x	7.3 x
MIS Investor Loans ¹	25.89%	42.54%	> 4.82%	0.0 x	0.0 x

¹ Impairment provision of \$10.5 million outstanding as at 30 June 2011

NON-CONFORMING MORTGAGES

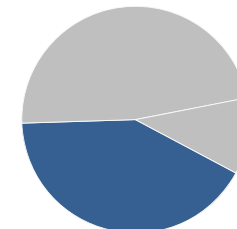
- > Investment continues to perform well despite high arrears
- > The continued high level of +90 day arrears reflects ongoing financial hardship cases however we note that these borrowers are still meeting payment arrangements and losses have not increased substantially
- > Cumulative losses remain substantially less than forecast and need to increase by more than 5 times before the Fund's investment is impacted
- > Investment forecast to be fully repaid in October 2011

Non-Conforming Mortgages (47%)

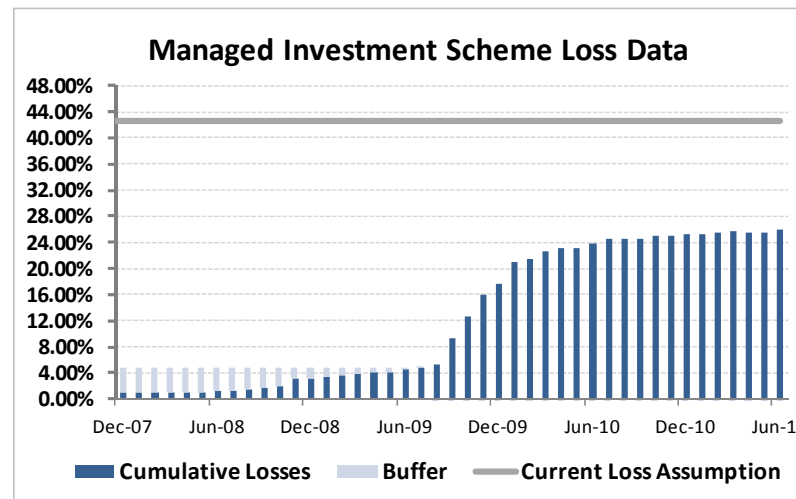
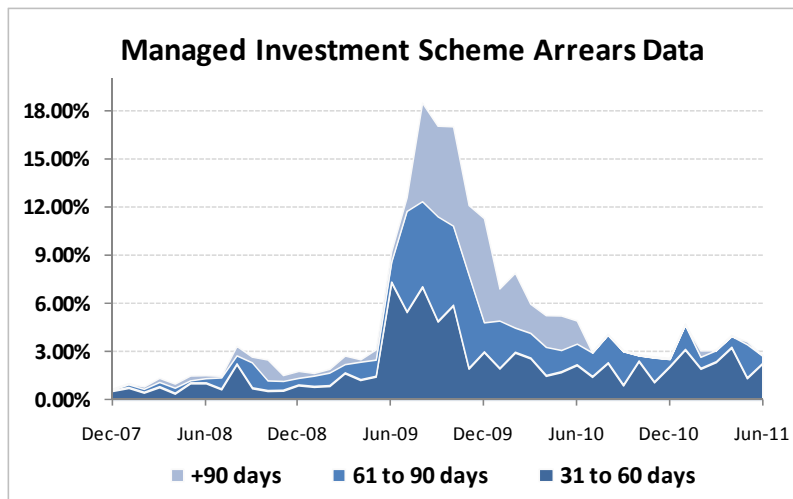


Managed Investment Schemes (42%)

MANAGED INVESTMENT SCHEMES



- > All receivables are investor loans offered to borrowers to facilitate their investment in various Great Southern MIS
- > Trust Manager formally advised AMF in August that the program clean up call is unlikely to be executed, giving Unitholders access to additional cash flow previously not forecast
- > Impairment provision subsequently reduced by \$4.51 million to \$10.53 million as at 30 June 2010, reflecting AMF’s current best estimate of loss
- > Investment cash flows now expected to be received until July 2013



4. STRATEGY UPDATE

STRATEGY UPDATE

- > On 17 September 2010 Unitholders approved the implementation of an orderly wind down of the Fund
- > Total capital of \$1.51 per Unit has been returned to Unitholders to date
- > A further capital return of \$0.03 per Unit will be paid on 9 September 2011, following the receipt of principal repayments on the Fund's MIS investment
- > AMF expect to delist the Fund by January 2012 (subject to ASX approval) following the repayment of the Non-Conforming Mortgage investment (forecast to occur in October 2011)
- > No distribution guidance to be given for FY12, though all distributable income (and capital) held in cash to be returned to Unitholders prior to delisting
- > Subject to no superior proposals, Management and Board currently expect that holding the MIS investment to maturity will result in the optimal outcome for Unitholders
- > Management and Board continue to seek to maximise returns to Unitholders throughout the implementation of the wind down

APPENDIX I

Additional Details on the Investment Portfolio

ADDITIONAL DETAILS ON THE INVESTMENT PORTFOLIO

Name	Asset category	Face Value (\$M)	Carrying Value (\$M)	% of Portfolio ³	Margin over BBSW (%)	Forecast Maturity	Repayment Mechanism
Cash	Cash at Bank	5.1	5.1	16.6%	-	-	-
Q10 Trust E Note	Mortgage Portfolio	10.0	10.0	32.9%	4.25% ⁴	October 2011	Voluntary program clean up call expected to be executed in October 2011. Call at the discretion of the Trust Manager (NAML).
Q10 Trust F Note	Mortgage Portfolio	11.0	11.0	36.2%	6.50% ⁵		
MIS Program 1 C Note	MIS Investor Loans	9.6 ¹	3.0 ²	10.0%	4.50%	July 2013	Voluntary program clean up call (at 10% of initial pool balance) not expected to be executed. Cash flows now expected to be received until July 2013.
MIS Program 1 D Note	MIS Investor Loans	5.3 ¹	1.3 ²	4.2%	12.50%		

*rounding differences may occur

¹ Does not include impairment provisions – impairment provision of \$10.5 million outstanding against MIS investments as at 30 June 2011

² Includes impairment provisions

³ Based off carrying value

⁴ Increased by 0.50% from 3.75% on 16 June 2011

⁵ Increased by 0.50% from 6.00% on 16 June 2011

APPENDIX II

Full Year Financial Statements

STATEMENT OF COMPREHENSIVE INCOME*

	FY11 A\$M	FY10 A\$M
Interest Income	5.97	16.51
Other Income – Reduction in Impairment Provision	4.51	-
Total Income	10.48	16.51
Operating Expenses	(1.03)	(2.19)
Impairment Provision	-	(12.32)
Interest Expense	-	(0.01)
Net Profit Before Finance Costs and Income Tax	9.44	1.99
Finance Costs – Distribution to Unitholders	(4.93)	(14.31)
Net Profit / (Loss) for the Year	4.51	(12.32)
Distributable Income	4.93	14.31
Distributable Income (cents per Unit)	5.24c	15.35c

* Rounding differences may occur

STATEMENT OF CASH FLOWS*

	FY11 A\$M	FY10 A\$M
Cash Flows from Operating Activities		
Interest Received	6.78	16.73
Interest Paid	-	(0.01)
Management Fee Paid	(1.22)	(1.92)
Other	(0.20)	(0.27)
Net Cash Flows from Operating Activities	5.36	14.52
Cash Flows from Financing Activities		
Distributions to Unitholders	(7.82)	(15.08)
Net Cash Flows used in Financing Activities	(7.82)	(15.08)
Cash Flows from Investing Activities		
Principal Receipts from Investments	128.88	16.14
Capital Returned to Unitholders	(142.12)	-
Net Cash Flows from / (used in) Investing Activities	(13.24)	16.14
Net Increase / (Decrease) in Cash and Cash Equivalents	(15.69)	15.58

* Rounding differences may occur