

Adelaide Managed Funds

ASX Release

17 September 2010

ADELAIDE MANAGED FUNDS ASSET BACKED YIELD TRUST CHAIRMAN'S ADDRESS & PRESENTATION

Adelaide Managed Funds (**AMF**), as Responsible Entity for the Adelaide Managed Funds Asset Backed Yield Trust (**AYT**) has released to the market the Chairman's Address and Investor Presentation (as attached) to be given at today's Extraordinary General Meeting of Unitholders.

For further information, please contact:

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Adelaide Managed Funds
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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**

EXTRAORDINARY GENERAL MEETING OF UNITHOLDERS

**Friday, 17 September 2010 at 10:00am (CST)
to be held at the David Spence Room, Adelaide Town Hall
128 King William Street, Adelaide SA 5000**

- AGENDA -

1. Chairman's Welcome / Open
2. Investor Presentation
3. Meeting Procedure and Voting Cards
4. Business of the Meeting
5. Proposed Resolutions
6. Close

- DETAILED AGENDA -

1. Chairman's Welcome / Open

Good morning ladies and gentleman and welcome to an Extraordinary General Meeting of Unitholders in the Adelaide Managed Funds Asset Backed Yield Trust.

My name is Nancy Fox. I am the Chairman of Adelaide Managed Funds. I have also been appointed as Chairman of this meeting under section 252S(1) of the Corporations Act.

I would like to commence proceedings by introducing my fellow Directors. From my far left:

- Mr Bruce Speirs
- Mr Stephen Treanor

An apology has been received from Mr David Oataway, the Company Secretary, who is unable to attend today's meeting.

To my right, representing management of Adelaide Managed Funds we have Mr Mark McKay, Senior Portfolio Manager.

In the audience, representing Mallesons Stephen Jaques, our legal advisers, we have Mr Daniel Natale.

Representing Computershare, who provide registry services, we have Ms Doris Grave.

I have been informed by the Company Secretary that this meeting has been convened in accordance with the Corporations Act and the scheme's Constitution.

The required number of Unitholders to constitute a quorum is two, either present in person or by proxy, and together holding at least 10% of all Units in the Fund.

I declare that there is a quorum. As it is now after 10:00am, I also declare this meeting open.

2. Investor Presentation

Prior to commencing the business of the meeting, I would like to hand over to Mr Mark McKay, Senior Portfolio Manager, to provide you with an overview of the proposed strategy for the Asset Backed Yield Trust, the resolutions on which you will be asked to vote today, and the current investment portfolio.

[REFER TO THE ATTACHED INVESTOR PRESENTATION]

Thanks Mark.

3. Meeting Procedure and Voting Cards

Before we commence the business of the meeting, I would first like to address some house keeping matters in relation to the meeting procedure and your voting cards.

As Chairman of the Meeting, I call for a poll on each of the Resolutions to be put forward today. The polls will be conducted at the completion of the business item. At registration you should have been issued with a blue coloured admission and voting card. If you are attending this meeting in more than one capacity – for example as a member in your own right and also as a proxy for another member – you will have been provided with a separate admission and voting card for each such capacity. Please ensure you complete each voting card at the appropriate time.

Voting is on the back of your blue admission and voting card.

Please carefully read the voting instructions set out on the voting card. Before placing the voting card in one of the ballot boxes that will be circulated at the appropriate time, you must:

- indicate the manner in which the vote or votes are to be cast
- print your name at the bottom of the voting card; and
- sign the voting card.

If you wish to cast all your votes in favour of a Resolution please mark the “FOR” box in relation to the Resolution.

If you wish to cast all your votes against a Resolution please mark the “AGAINST” box in relation to the Resolution.

If you are having difficulty in completing your voting card please speak to a member of staff who will assist you.

4. Business of the Meeting

I will now turn to the business of the meeting as identified in the Notice of Meeting provided to all Unitholders on 24 August 2010.

This Extraordinary General Meeting of Unitholders has been called to consider the implementation of the Board's proposal to:

- return capital to Unitholders upon the maturity (or other realisation) of the Lighthouse No. 4 Trust Notes (the “Material Capital Return”);
- return capital to Unitholders derived from the maturity (or other realisation) of the other assets of the Fund;
- delist the Fund; and

- ultimately, terminate and wind up the Fund.

The details of this proposal, including the reasons as to why the Board unanimously recommends that Unitholders vote in favour of the Resolutions to approve the proposal, are provided in the Explanatory Memorandum, also dated 24 August 2010, which has previously been distributed to Unitholders.

I propose to take the Explanatory Memorandum and the Notice of Meeting as read. On this basis, I do not propose to discuss the detail of the proposed strategy, but will open up the meeting to any questions that Unitholders may have prior to the poll being taken. If you wish to ask a question at the appropriate time, please indicate this by raising your voting card, stating your name and advising if you are a Unitholder or Proxyholder.

All questions are to be addressed to me as Chairman and should be relevant to the business of the meeting. I reserve the right, as Chairman, to rule questions as not pertaining to today's meeting or as being out of order. I will also dispense with the formality of moving or seconding Resolutions.



ADELAIDE MANAGED FUNDS
ASSET BACKED YIELD TRUST

September 2010

Adelaide Managed Funds

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1. Proposed Strategy
2. Investment Portfolio
3. Resolutions
4. Board Recommendation

1. PROPOSED STRATEGY

PROPOSED STRATEGY

- > During 2010, Management and Board completed a comprehensive strategic review of the Fund, taking into consideration:
 - > Unit trading price discount to NTA;
 - > Current market conditions;
 - > Unitholder feedback; and
 - > The Fund's original value proposition
- > Management and Board resolved that an orderly return of capital and gradual winding down of the Fund is in the best interests of Unitholders, subject to:
 - > No superior proposals being forthcoming; or
 - > A favourable change in market conditions
- > Proposed strategy announced to the market on 6 April 2010 and Explanatory Memorandum and Notice of Meeting issued on 24 August 2010
- > On 3 September 2010, AMF confirmed that the Fund would not be delisted until the Fund's Q10 Notes are fully repaid

2. INVESTMENT PORTFOLIO

MATERIAL CAPITAL RETURN

- > As per the announcement of 3 September 2010, the Fund's Lighthouse No. 4 Trust Senior Subordinated Note and Junior Subordinated Note have been repaid in full
- > Subject to Unitholder approval at today's meeting, this capital, representing **\$1.33 per Unit** or \$125.1 million in total will be returned to Unitholders in October
- > This capital return **will not** occur unless Unitholders vote in favour of the resolutions required
- > The Fund's Net Tangible Asset backing (\$1.64 per Unit as at 31 August 2010) will reduce by approximately \$1.33 if this capital return occurs

INVESTMENT PORTFOLIO

Name	Asset category	Face Value (\$M) ¹	% of Portfolio	Margin over BBSW (%)	Forecast Maturity	Repayment Mechanism
Cash	Cash at Bank	129.7	76.2%	-	-	-
Q10 Trust E Note	Mortgage Portfolio	10.0	5.9%	3.75%	October 2011	Program called on 16 June 2011 or at 5% of initial pool balance. Call at the discretion of the Trust Manager (NAML).
Q10 Trust F Note	Mortgage Portfolio	11.0	6.4%	6.00%		
MIS Program 1 C Note	MIS Investor Loans	13.6	7.9%	4.50%	May 2012	Program called at 10% of initial pool balance. Call at the discretion of the Trust Manager (AB Management).
MIS Program 1 D Note	MIS Investor Loans	6.2	3.6%	12.50%		

¹ Does not include impairment provisions – impairment provision of \$15.7 million outstanding against MIS investment as at 31 July 2010

3. RESOLUTIONS

RESOLUTIONS

- > Unitholders will shortly be asked to vote by way of a poll on the following resolutions:
 - > General approval to implement the proposed strategy (ordinary resolution);
 - > Approval to delist the Fund after the majority of capital has been returned to Unitholders (ordinary resolution); and
 - > Approval to amend the Fund's Constitution to give AMF the power to terminate the Fund (special resolution).
- > In order to fully implement the proposed strategy, Unitholders need to vote in favour of all resolutions

4. BOARD RECOMMENDATION

BOARD RECOMMENDATION

**THE BOARD UNANIMOUSLY RECOMMENDS THAT
UNITHOLDERS VOTE IN FAVOUR OF THE RESOLUTIONS TO
APPROVE THE PROPOSAL**

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