

Adelaide Managed Funds

A subsidiary of Adelaide Bank

ASX Release

19 February 2007

ADELAIDE MANAGED FUNDS ASSET BACKED YIELD TRUST INVESTOR PRESENTATION FOR FIRST HALF RESULT

Adelaide Managed Funds, as Responsible Entity for the Adelaide Managed Funds Asset Backed Yield Trust (ASX: AYTCA), has released to the market its Half Year Investor Presentation (refer attached).

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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



ADELAIDE MANAGED FUNDS
ASSET BACKED YIELD TRUST

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1. Overview of the Fund

Overview of the Fund

Description	 <ul style="list-style-type: none">> Australian Managed Investment Scheme investing in high yielding assets in securitisation programs> Current portfolio value is \$164.9 million (includes \$32.0 million proposed investment in MIS Investor Loan Securitisation Program)
ASX Listing	 <ul style="list-style-type: none">> ASX Listing on 31 August 2006 issuing 100 million units> First Instalment price of \$1.00 per unit raising \$100 million> Second Instalment price of \$1.00 per unit (due on 31 August 2007)
Responsible Entity	 <ul style="list-style-type: none">> Adelaide Managed Funds, a wholly owned subsidiary of Adelaide Bank and its specialist funds management division
Investment Manager	 <ul style="list-style-type: none">> Adelaide Bank, listed on ASX and capitalised at \$1.4 billion, with a strong record of innovation in the securitisation market
Investment Mandate	 <ul style="list-style-type: none">> Investment in notes issued by securitisation structures that have a granular portfolio of underlying receivables> Focused on lower rated notes and investment selection is made based on the risk-return profile of the investment and its place in the portfolio> Investments sourced from Adelaide Bank and some 3rd Parties

Investment highlights

Attractive yield

- > First distribution of 3.33 cents per unit paid to Unitholders on 12 February 2007
- > Annualised forecast cash distribution yield for FY2007 of 11.0% (equivalent to 9.13 cents per unit)
- > Policy to pay out all Distributable Income
- > From FY08 Benchmark rate for Performance Fee of BBSW + 4.25%

Unique investment opportunity

- > Exposure to investments not generally publicly available
- > Investment in predominantly high yielding investments
- > Investments backed by pools of loan and lease assets

Solid pipeline

- > Strong future investment flow expected
- > AMF has identified potential additional investments
- > Industry dynamics positive and conducive to future opportunities

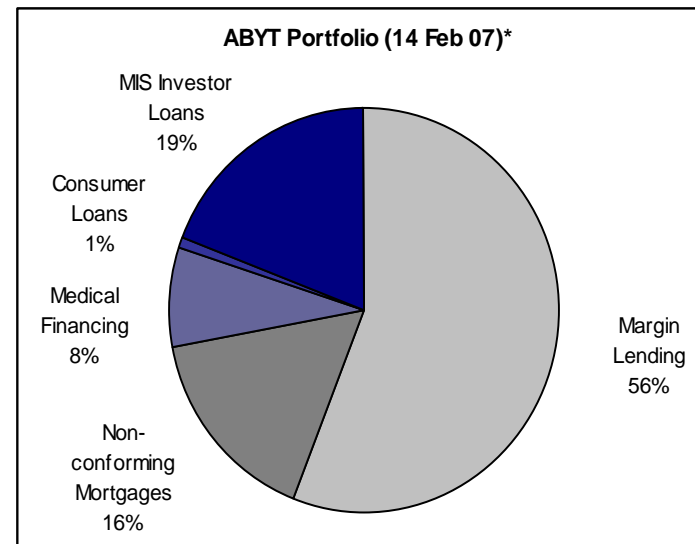
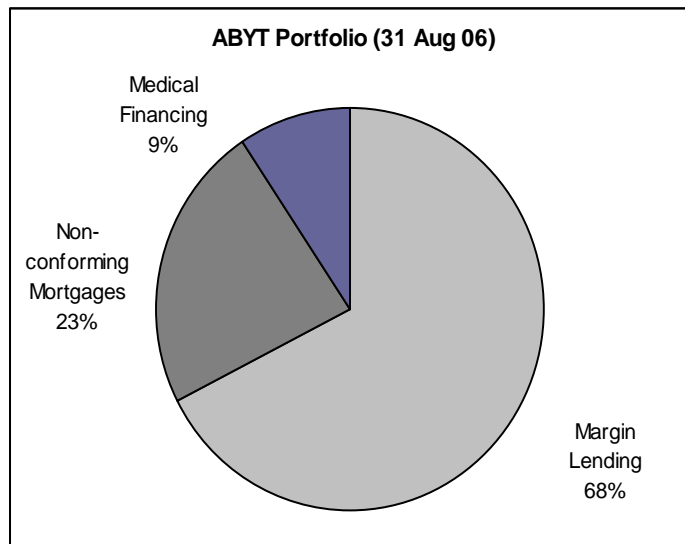
Relationship with Adelaide Bank

- > Access to Adelaide Bank's credit assessment and investment management experience
- > Utilise Adelaide Bank's systems and processes
- > Leverage off Adelaide Bank's securitisation and investment origination track record
- > Adelaide Bank expected to contribute strongly to future investment flow

2. Investment Portfolio Update

Portfolio Overview

- > Principal growth and portfolio amortisation of Initial Investments as forecast (net organic growth of \$18.0 million since listing)
- > In addition, three new investments approved by Adelaide Managed Funds Investment Committee:
 - > Non-conforming Mortgages \$1.0 million B Note (settled Dec 06)
 - > Consumer Loans \$1.5 million B Note (due to settle 31 Mar 07)
 - > MIS Investor Loans \$32.0 million C & D Notes (s.t Unitholder Approval)



* Proforma to include Consumer and MIS Loan Investments

Portfolio Performance Update

- > Performance of Initial Investments and the underlying portfolios of receivables has been as expected and forecast
- > Individual program arrears equal to or lower than expectations (including the Q10 Trust - Non-conforming Mortgages)
- > Individual program losses recorded to date are lower than those forecast in PDS dated 27 July 2006 (as detailed below)

Percentage of Original Face Value	Original Loss Assumptions (as detailed in PDS)	Actual Losses Recorded to 31 December 2006
Margin Lending	0.35%	nil
Non-conforming Mortgages	0.74%	0.00%
Medical Financing Program #1	1.02%	nil
Medical Financing Program #2	0.49%	0.13%

3. Half Year Financial Results

Profit and Loss Statement

Half Year Income Statement	Period from Allotment to 31 December 2007 A\$M
Investment income	4.50
Revenue from second instalment*	2.59
Total revenue	7.09
Operating expenses	(0.44)
Earnings before interest and taxation (“EBIT”)	6.65
Net interest expense	(0.73)
Profit before tax	5.92
Less: revenue from second instalment*	(2.59)
Distributable Income	3.33
Unitholder Distribution (cents per unit)	3.33c

* IFRS non-cash accounting adjustment

4. New Investment Opportunity

Investment Overview

- > Proposed Acquisition of two classes of subordinated notes totalling \$32.0 million
 - > Class C Note \$22.0 million BBSW + 4.50%
 - > Class D Note \$10.0 million BBSW + 12.50%
- > Subordinated notes are being issued by a special purpose securitisation trust established for the sole purpose of acquiring receivables from Adelaide Bank
- > Receivables are investor loans offered to borrowers to facilitate their investment in various managed investment schemes
- > All loans are provided for investment in a MIS product that has a current ATO Public Ruling (i.e. the proposed ATO changes will have no impact)
- > Investment will be funded utilising the Fund's available debt facility (gearing will increase from 29.1% to approximately 42.5%)
- > Unitholder benefits from Investment:
 - > Yield Enhancing (weighted average yield BBSW + 7.00%)
 - > Increases the diversity of the ABYT Investment portfolio
 - > Demonstrates value of strategic relationship with Adelaide Bank

Investment Structure

	Principal	Margin over BBSW (%)	Adelaide Managed Funds Shadow Rating
Class A Note (ABL or other 3rd Party)	\$80.0 million	0.60%	AAA
Class B Note (not issued)	Nil	n/a	n/a
Class C Note (Asset Backed Yield Trust)	\$22.0 million	4.50%	BB+ (minimum)
Class D Note (Asset Backed Yield Trust)	\$10.0 million	12.50%	Unrated
Excess Spread (Adelaide Bank)	Note: Alignment of Interests of Bank as Servicer with Investors		

Investment Structure cont.

Trustee	ABL Nominees Pty Ltd, a wholly owned subsidiary of Adelaide Bank
Trust Manager	AB Management Pty Ltd, a wholly owned subsidiary of Adelaide Bank
Security Trustee	ABL Custodians Pty Ltd, a wholly owned subsidiary of Adelaide Bank
Income and Capital Units	Adelaide Bank will hold all of the income and capital units of the Note Trust (i.e. Adelaide Bank's profit is at risk before the principal of the issued notes)
Funding	The Note Trust will fund the purchase of receivables by issuing four Classes of Notes (A, B, C and D) at par value. The Fund will subscribe to both the Class C and Class D Notes.
Fees of the Structure	No fees (other than market-based Trustee, Trust Manager and Servicer fees) will be payable to Adelaide Bank or any subsidiary of Adelaide Bank.
Originator of Receivables	Either Adelaide Bank or a 3 rd Party. Where receivables are transferred to Adelaide Bank by a 3 rd Party Originator prior to being assigned (by Adelaide Bank) to the Note Trust, the originator will be an entity with appropriate experience who has been approved by Adelaide Managed Funds.
Servicing	Adelaide Bank. The Bank may outsource this function to a 3 rd party under a separate arrangement but all representations and warranties will be given by Adelaide Bank

Receivable Portfolio Summary

Total Number of Loans	Approx. 2,000
Total Current Value of Loans	\$112 million
Maximum Loan Size	\$850k
Average Loan Size	\$55k
Loans less than \$100k	55%
Weighted average Loan Seasoning	10.6 months
Arrears (0 to 30 days)	2.9%
Arrears (> 30 days)	nil
Historical Losses for similar receivables funded by Adelaide Bank (since 2001)	0.17%
Multiple of Historic Losses before Adelaide Managed Funds Investment is Impacted	Approx. 8 times

5. Unitholder Approval

A Related Party Transaction

- > The Proposed Investment is a related party transaction due to:
 - > The relationship between Adelaide Managed Funds and Adelaide Bank; and
 - > Size of transaction (total investment > 5.0% of Unitholder equity)
- > ASX Listing Rules require that Unitholders vote to approve the investment at an Extraordinary General Meeting
 - > Directors (including the Independent Directors) of Adelaide Managed Funds have unanimously recommended the resolution
 - > Independent Expert (KPMG) has provided a report that found the investment fair and reasonable for Unitholders
 - > Extraordinary General Meeting will be held at 11am on Tuesday, 13 March 2007 at the Adelaide Town Hall, 128 King William Street, Adelaide.
- > Meets the Fund's investment criteria and has received approval from Independent Investment Committee, Party Transactions Committee and the Adelaide Managed Funds Board

Unitholder Approval Process

- > The Proposed Investment requires approval by a simple majority of Unitholders that vote
- > The Chairman of the meeting intends to vote all undirected proxies in favour of the resolution
- > Key dates for Unitholder Approval are outlined below

Explanatory Memorandum and Notice of Meeting sent to Unitholders	16 February 2007
Date for determining eligibility to vote	5pm, 9 March 2007
Deadline for lodgement of Proxies	11am, 11 March 2007
Meeting of Unitholders	11am, 13 March 2007
Expected Investment Settlement Date	14 March 2007

6. Fund Outlook

Outlook

- > Reaffirmed 11% annualised yield for FY07
 - > Equivalent to 9.13 cents per unit
 - > Forecast 2H07 distribution equal to 5.80 cents per unit
- > Fund expected to be fully invested at point that Adelaide Managed Funds calls the second instalment (due on 31 August 2007)
- > Underlying program arrears and losses still expected to remain within levels forecast in PDS
- > Future growth in the portfolio is expected to occur from:
 - > Organic growth in the margin lending and medical financing programs
 - > Investment flow from Adelaide Bank's Portfolio Funding division
 - > Third party asset flows

Outlook cont.

- > Adelaide Bank's Portfolio Funding business has a strong pipeline of future investments and will continue to provide investment opportunities for the Fund
- > Potential new investments currently identified
 - > Leasing 6 investments (circa \$9.5M)
 - > Non-conforming mortgages 3 investments (circa \$10M)
 - > Consumer Loans 2 investments (circa \$4.0M)
 - > MIS Loans 1 investment (circa \$2.0M)
 - > Medical Equipment 1 investment (circa \$1.5M)
- > Focus will remain on securitisation programs involving:
 - > Margin lending portfolios
 - > Mortgage portfolios, including non conforming loans
 - > Medical financing loans
 - > Personal loans
 - > Other receivables (equipment leases, credit card receivables)

7. Management Changes

Management Changes

- > Anthony Baum has joined the Board of Adelaide Managed Funds
 - > Replaces Barry Fitzpatrick who retired in December 2006
 - > Was Chief Executive Officer of Adelaide Managed Funds with overall executive responsibility
 - > Currently Chief General Manager Financial Markets with responsibility for the Business Lending (formerly Portfolio Funding and Business Banking) and Margin Lending businesses

- > Bruce Speirs appointed Chief Executive Officer of Adelaide Managed Funds
 - > Joined Adelaide Bank in 2004 and as Head of Products and Adelaide Managed Funds was responsible for the daily operations of AMF during 2006
 - > Was also responsible for the development and maintenance of Adelaide Bank's suite of Mortgage, Margin Lending and Deposit products
 - > Previously spent 9 years working for Ernst & Young in the Audit and Corporate Finance teams, in the Adelaide, London and Palo Alto offices

Management Changes cont.

- > Kym Masters promoted to Chief Investment Officer, Adelaide Managed Funds
 - > Joined Adelaide Bank in 2005 in the Portfolio Funding team
 - > Had responsibility for development and listing of the Asset Backed Yield Trust and has had ongoing portfolio management and operational responsibility for the Fund
 - > 8 years experience in investment banking including roles in structured finance, equity capital markets and Australian equities research

- > David Olsen appointed Portfolio Manager, Asset Backed Yield Trust
 - > Joined Adelaide Bank in 2005 in the Portfolio Funding team
 - > 6 years with NAB holding management positions in both Corporate Lending and Treasury
 - > Experience in structuring debt facilities for alternative asset classes, complex credit analysis and managing risk positions

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