

AMF YIELD FUND

2008/09 Annual Financial Report



Adelaide Managed Funds

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INVESTMENT HIGHLIGHTS

AMF Yield Fund investment objective

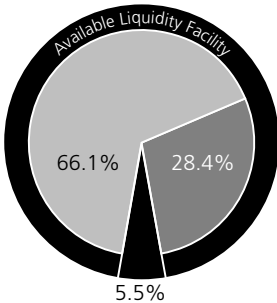
The objective of the AMF Yield Fund (the Fund) is to provide investors with regular income. The Fund seeks to achieve this by investing in AAA rated debt securities supplemented by highly rated cash and short term investments. The Fund aims to provide an investor return which is equivalent to a margin above the average 30-day Bank Bill Swap Rate (BBSW) over a rolling 12 month period.

AMF Yield Fund investment portfolio

As at 30 June 2009 the Fund held 66% of its assets in an investment backed by prime Adelaide Bank mortgages and 28% of investments were in a trust made up of loans by medical professionals. The remainder of the portfolio was held in cash and short term investments.

To continue meeting redemptions through FY2009 the Fund drew on a liquidity facility which was established to support the Fund's ability to meet redemptions within 24 hours. The undrawn amount of this facility is sufficient to cover 100% of Units outstanding. As at 30 June 2009 the Fund's liquidity facility had a limit of \$573.9m, of which \$375.2m was drawn.

Graph 1: Asset composition as at 30 June 2009

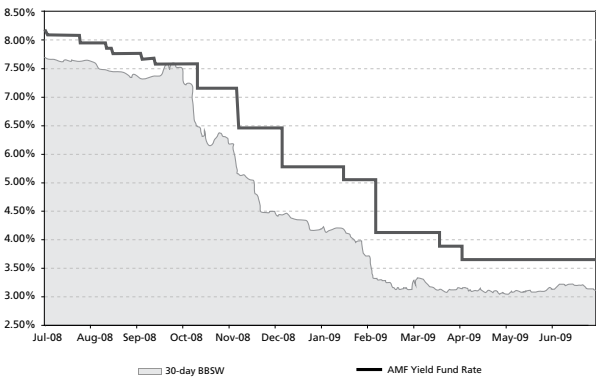


- Residential mortgage backed securities
- Asset backed securities
- Short term securities

Fund performance and growth

The report period was volatile for financial markets and the Fund continued to deliver strong returns to investors without any disruptions. As at 30 June 2009 funds under management were \$237,477,451. The Fund performance for the financial year was 5.64%, representing a margin equal to 0.77% above the average BBSW for the 12 months. The investments have retained their very strong credit ratings and this supports the Fund's ability to continue delivering strong returns into the future.

Graph 2: Nominal AMF Yield Fund return v 30-day BBSW



DIRECTORS' REPORT

In accordance with the Corporations Act 2001, the Directors of Adelaide Managed Funds Ltd (ABN 81 062 274 533), the Responsible Entity of the AMF Yield Fund (the "Fund") (ARSN 113 735 407), submit their report for the Fund for the year ended 30 June 2009.

The manager

Adelaide Managed Funds Ltd has acted in the capacity of Manager & Responsible Entity of the Fund for the year ended 30 June 2009. Bendigo and Adelaide Bank Ltd is the Custodian and Service Provider and as such has prepared these accounts.

Directors

The names of the Directors of Adelaide Managed Funds Ltd during the year and until the date of this report (unless otherwise stated) are:

J L Dawson (resigned 7 August 2009)

J McPhee (resigned 7 August 2009)

S Treanor

N Fox

A Baum

B Speirs (appointed 7 August 2009)

Principal activities

The principal activity of the Fund during the year was the pooling of investors' funds and the investment of the funds in highly rated securities. There has been no significant change in the nature of this activity during the year.

Fund information

The AMF Yield Fund is an Australian registered Fund. Adelaide Managed Funds Ltd, the Responsible Entity of the Fund, is incorporated and domiciled in Australia. The registered office of the Responsible Entity is located at The Bendigo Centre, PO Box 480, Bendigo, Victoria, Australia, 3552.

Review of operations

The Fund invests predominantly in AAA rated residential mortgage and asset backed securities, as well as appropriately rated liquid assets. The revenue earned by the Fund is derived solely as interest from its investments.

Results

The performance of the Fund for the year ended 30 June 2009, as represented by the results of its operations, was as follows:

Total interest income: \$44,482,952

Finance costs - distribution to Unitholders: \$30,817,962

The total value of assets held by the Fund as at 30 June 2009 was \$609,189,456 (June 2008: \$1,031,376,887). Management fees paid to Adelaide Managed Funds Ltd during the financial year were \$1,435,322 (June 2008: \$2,828,242).

The number of Units issued by the Fund during the year ended 30 June 2009 was 885,943,275 (June 2008: 4,404,536,658) with an additional 36,787,176 (June 2008: 98,596,916) Units issued as a result of Unitholder's reinvestment from distributions made. The number of Units redeemed during the year ended 30 June 2009 was 1,715,218,733 (June 2008: 5,172,354,089). The total number of Units issued by the Fund as at 30 June 2009 was 232,100,815 (June 2008: 1,024,589,095).

Distributions

A distribution by the Fund to ordinary Unitholders of \$30,817,962 (June 2008: \$96,181,223) was made during the year.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Fund during the year, not otherwise disclosed in this report or the financial statements.

Significant events after balance date

No other matter or circumstance has arisen since 30 June 2009, not otherwise dealt with in this report or the financial statements that has significantly affected or may significantly affect:

- (i) the operation of the Fund in future financial periods, or
- (ii) the results of those operations in future financial periods,
or
- (iii) the state of affairs of the Fund in subsequent financial periods.

Likely developments

In the opinion of the Directors, disclosure of any further information on likely developments would be prejudicial to the Fund.

Environmental issues

The operations of the Fund are not subject to particular or significant environmental regulations under a Commonwealth, State or Territory Law. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

Insurance and indemnification for officers or auditors

Indemnification

Since the end of the previous financial year, the Fund has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer of the Responsible Entity or an auditor of the Fund. So long as the officers of both the Manager and the Custodian act in accordance with the Constitution/Fund Deed and the Law, both parties remain fully indemnified out of the assets of the Fund against any losses incurred while acting on behalf of the Fund.

Insurance premiums

During the financial year an associate of the Responsible Entity has paid premiums in respect of its directors and officers for liability and legal expenses on insurance contracts for the financial year ended 30 June 2009. This entity has paid or agreed to pay in respect of the Fund, premiums in respect of such insurance contracts for the financial year ending 30 June 2010. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been directors of the Responsible Entity or executive officers of the Responsible Entity and this entity.

Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure is prohibited under the terms of the contracts.

Auditor's independence declaration

The audit of this financial report is in accordance with the declaration "Auditor's Independence Declaration to the Directors of Adelaide Managed Funds Limited as Responsible Entity of AMF Yield Fund" on page 10.

Rounding

The amounts contained in this report and the financial report have been rounded to the nearest thousand where rounding is applicable, under the option available to the Fund under ASIC Class Order 98/0100. The Fund is an entity to which this Class Order applies.

This report has been made in accordance with the resolution of directors.

A handwritten signature in black ink that reads "Jennifer Lynn Dawson". The signature is written in a cursive style with a large initial 'J' and 'D'.

Jennifer Lynn Dawson

Chairman

7 August 2009

Adelaide



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Independent auditor's report to the unitholders of AMF Yield Fund

We have audited the accompanying financial report of AMF Yield Fund (the Fund), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in net assets attributable to unitholders and cash flow statement for the year ended on that date, a summary of significant policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Responsible Entity are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Fund's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

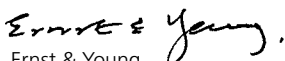
Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the director's report.

Auditor's Opinion

In our opinion:

1. the financial report of AMF Yield Fund is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of AMF Yield Fund at 30 June 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.


Ernst & Young



Colin Dunsford
Partner
Adelaide
7 August 2009



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**Auditor's Independence Declaration to the Directors of
Adelaide Managed Funds Limited as Responsible Entity
of AMF Yield Fund**

In relation to our audit of the financial report of AMF Yield Fund for the financial year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young
Ernst & Young

A handwritten signature in black ink, appearing to read 'Colin Dunsford'.

Colin Dunsford
Partner
Adelaide
7 August 2009

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	Jun-09 \$000's	Jun-08 \$000's
Income			
Interest income	3 (a)	44,483	99,009
Expense			
Interest expense	3(b)	12,230	-
Responsible Entity/ Manager's remuneration	3(b)	1,435	2,828
		<hr/>	
Net profit available to Unitholders		30,818	96,181
		<hr/>	
Finance costs - distribution to Unitholders	3(c)	30,818	96,181
		<hr/>	
Change in net assets attributable to Unitholders		-	-
		<hr/> <hr/>	

BALANCE SHEET

AS AT 30 JUNE 2009

	Note	Jun-09 \$000's	Jun-08 \$000's
Assets			
Cash	4	33,411	144,846
Trade and other receivables	5	1,889	6,787
Investments	6	573,890	879,744
Total assets		609,190	1,031,377
Liabilities			
Trade and other payables	7	(1,889)	(6,787)
Interest bearing liability	8	(375,200)	-
Total liabilities excluding net assets attributable to Unitholders		(377,089)	(6,787)
Net assets attributable to Unitholders	9	232,101	1,024,590

STATEMENT OF CHANGES
 IN NET ASSETS ATTRIBUTABLE
 TO UNITHOLDERS FOR THE YEAR
 ENDED 30 JUNE 2009

	Note	Jun-09 \$000's	Jun-08 \$000's
Net assets attributable to Unitholders at the beginning of the year		1,024,589	1,693,810
New Units issued during the year		885,943	4,404,536
Distributions reinvested		36,787	98,597
Units redeemed (withdrawals and fees)		(1,715,218)	(5,172,354)
Net profit available to Unitholders		30,818	96,181
Distribution to Unitholders		(30,818)	(96,181)
		<hr/>	<hr/>
Net assets attributable to Unitholders at the end of the year		232,101	1,024,589
		<hr/>	<hr/>

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Jun-09 \$000's	Jun-08 \$000's
Cash flows from operating activities			
Interest received		49,383	101,580
Interest paid		(11,182)	-
Fees paid to Manager and Custodian		(1,415)	(2,983)
Net cash flows from operating activities	4(b)	36,786	98,597
Cash flows from investing activities			
Acquisition of notes		-	(204,409)
Repayment of notes		305,854	546,305
Net cash provided by/ (used in) investing activities		305,854	341,896
Cash flows from financing activities			
Applications for Units		885,943	4,404,536
Redemption of Units (withdrawals)		(1,715,060)	(5,172,002)
Redemption of Units (fees)		(158)	(351)
Interest bearing liability		375,200	-
Net cash flows (used in)/ provided by financing activities		(454,075)	(767,817)
Net (decrease)/increase in cash and cash equivalents		(111,435)	(327,324)
Cash and cash equivalents held at the beginning of the financial year		144,846	472,170
Cash and cash equivalents held at the end of the financial year		33,411	144,846

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Corporate information

The financial report of AMF Yield Fund for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors of the Responsible Entity on 30 July 2009.

AMF Yield Fund is an Australian registered Fund, constituted in May 2005. Adelaide Managed Funds Ltd, the Responsible Entity of the Fund, is incorporated and domiciled in Australia. The registered office of the Responsible Entity is located at The Bendigo Centre, PO Box 480, Bendigo Victoria, Australia, 3552.

NOTE 2: Summary of significant accounting policies

(a) Basis of accounting

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 which includes applicable Accounting Standards. Other mandatory professional reporting requirements have also been complied with.

The financial report has been prepared on a historical cost basis. The balance sheet is presented on a liquidity basis. The financial report is presented in Australian dollars.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

NOTE 2: Summary of significant accounting policies (cont)

(c) Application of Accounting Standards

The Australian Accounting Standards and Interpretations that recently have been issued or amended but are not yet effective and have not been adopted for the reporting year ended 30 June 2009:

Reference	Title	Summary
AASB 101 (Revised), AASB 2007-8 and AASB 2007-10	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	<p>Introduces a statement of comprehensive income.</p> <p>Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.</p>
AASB 2008-5	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	<p>The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact.</p> <p>This was the first omnibus of amendments issued by the IASB arising from the Annual Improvements Project and it is expected that going forward, such improvements will be issued annually to remove inconsistencies and clarify wording in the standards. The AASB issued these amendments in two separate amending standards; one dealing with the accounting changes effective from 1 January 2009 and the other dealing with amendments to AASB 5, which will be applicable from 1 July 2009 [refer below AASB 2008-6].</p>

Application date of standard	Impact on Fund financial report	Application date for the Fund
1 January 2009	These amendments are only expected to affect the presentation of the Fund's financial report and will not have a direct impact on the measurement and recognition amounts disclosed in the financial report. The fund has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 July 2009
1 January 2009	The Fund has not yet determined the extent of the impact of the amendments, if any.	1 July 2009

NOTE 2: Summary of significant accounting policies (cont)

(c) Application of Accounting Standards (cont)

AASB 2008-6	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	This was the second omnibus of amendments issued by the IASB arising from the Annual Improvements Project. Refer to AASB 2008-5 above for more details.
AASB 2009-2	Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]	<p>The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy:</p> <ul style="list-style-type: none">• quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);• inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and• inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). <p>These amendments arise from the issuance of Improving Disclosures about Financial Instruments (Amendments to IFRS 7) by the IASB in March 2009.</p> <p>The amendments to AASB 4, AASB 1023 and AASB 1038 comprise editorial changes resulting from the amendments to AASB 7.</p>

1 July 2009	The Fund has not yet determined the extent of the impact of the amendments, if any.	1 July 2009
Annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009.	These amendments are only expected to impact upon the presentation of fair value measurements, such that the source of inputs are disclosed in accordance with the three-level hierarchy.	1 July 2009

NOTE 2: Summary of significant accounting policies (cont)**(c) Application of Accounting Standards (cont)**

AASB 2009-4	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]	The amendments to some Standards result in accounting changes for presentation, recognition, or measurements purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The main amendment of relevance to Australian entities is that made to IFRIC 16 which allows qualifying hedge instruments to be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements in AASB 139 that relate to a net investment hedge are satisfied. More hedging relationships will be eligible for hedge accounting as a result of the amendment. These amendments arise from the issuance of the IASB's Improvements to IFRSs. The amendments pertaining to IFRS 5,8, IAS 1,7,17,36 and 39 have been issued in Australia as AASB 2009-5 (refer below).
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	The Amendments to some Standards result in accounting changes for presentation, recognition, or measurements purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The main Amendment of relevance to Australian entities is that made to AASB 117 by removing the specific guidance on classifying land as a lease so that only the general guidance remains. Assessing land leases based on the general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible v property, plant and equipment) needs to be determined. These amendments arise from the issuance of the IASB's Improvements to IFRSs. The AASB has issued the amendments to IFRS 2, IAS 38, IFRIC 9 as AASB 2009-4 (refer above).

All other standards, amendments and interpretations that have been issued up to the date of signing but are not yet effective are not relevant to the entity/Fund and will have no impact on the results, financial position or disclosures by the entities.

1 July 2009	The Fund has not yet determined the extent of the impact of the amendments, if any.	1 July 2009
1 January 2009	The Fund has not yet determined the extent of the impact of the amendments, if any.	1 July 2010

NOTE 2: Summary of significant accounting policies (cont)

(d) Interest income

Interest income is recognised when control of the right to receive consideration has been attained.

Interest income comprises interest earned on deposits held with Bendigo and Adelaide Bank Ltd and other banks, and AAA rated investments, and is recognised as the interest accrues using the effective yield method.

(e) Distribution of income

Income is credited monthly to Unitholders' accounts.

(f) Cash and cash equivalents

Cash and cash equivalents in the balance sheet and for the purpose of the cash flow statement include cash at bank, deposits held at call with banks and short term investments with original maturity of three months or less.

(g) Income tax

Under current income tax legislation, the Fund is not liable to pay income tax provided the Unitholders are presently entitled to the income of the Fund and the Fund fully distributes its taxable income.

(h) Terms and conditions of Units on issue

Each Unit confers upon the Unitholder an equal interest in the Fund (subject to income entitlements), and is of equal value. A Unit does not confer an interest in any particular asset or investment of the Fund. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- > have their Units redeemed
- > receive income distributions
- > attend and vote at meetings of Unitholders, and
- > participate in the termination and winding up of the Fund.

As Unitholders have the ability to redeem Units from the Fund, all Unitholders' funds have been classified as liabilities of the Fund. All distributions paid and payable are classified as interest expense in the income statement.

(i) Trade and other receivables

Receivables include amounts where settlement has not yet occurred. Receivables are carried at original amounts less any provision for uncollectible amounts. Interest is accrued at the reporting date from the last payment. Amounts are generally received within 30 days of being recorded as receivables. Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

(j) Trade and other payables

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Fund, and include outstanding settlements on the purchase of investments and distributions payable. The carrying period is dictated by market conditions and is generally less than 30 days. Payables are measured at amortised cost.

(k) Goods & services tax (GST)

Expenses incurred by the Fund are recognised net of the amount of GST that can be recovered from the Australian Taxation Office (ATO). Amounts recognised as receivables and payables at balance date are inclusive of GST. Reduced input tax credits (RITC) recoverable by the Fund from the ATO are recognised as receivables in the balance sheet.

(l) Significant accounting judgements, estimates and assumptions

The Fund has not made any significant accounting judgements, estimates or assumptions in the preparation of this financial report that are required to be disclosed.

(m) Investments

Investments are classified as either financial assets held to maturity or as loans and receivables.

Investments held to maturity

The investment assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the Fund has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective yield method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process. Held to maturity investments are derecognised when the rights to receive cash flows have expired or the Fund has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables have fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective yield method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process. These assets are derecognised when the rights to receive cash flows have expired or the Fund has transferred substantially all the risks and rewards of ownership.

(n) Interest bearing liabilities

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognised in the income statement when the liabilities are derecognised and through the amortisation process. Interest when charged by the lender is recognised as an expense on an accrual basis.

NOTE 3: Interest income and distribution to Unitholders	Note	Jun-08 \$000's	Jun-07 \$000's
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(a) Finance income

Interest from investments		44,483	99,009
		44,483	99,009

(b) Expenses

Interest expense		12,230	-
Manager's remuneration		1,435	2,828
Finance costs - distribution to Unitholders		30,818	96,181
		44,483	99,009

**(c) Finance costs -
distribution to Unitholders**

Accrued distribution at the beginning of the year		(6,720)	(9,136)
Distributions paid during the year		36,787	98,597
Accrued distribution at the end of the year		751	6,720
		30,818	96,181

NOTE 4: Cash and cash equivalents**(a) Reconciliation of cash and cash equivalents**

For the purposes of the balance sheet and cash flow statement, cash and cash equivalents comprise:

Cash balance	33,411	144,846
Investments are valued in accordance with accounting policy Note 2(f)		
Average balance	59,673	263,896
Average interest rate	5.71%	6.98%

Maturity analysis based on remaining term to maturity at 30 June 2009

At call	33,411	144,846
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(b) Reconciliation of net profit attributable to Unitholders to net cash flows from operating activities

Net profit from operations	30,818	96,181
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Changes in assets and liabilities

GST receivable	(3)	11
Interest receivable	4,900	2,570
Interest payable	1,048	-
Manager/Responsible Entity fee payable	23	(165)

Net cash flows from operating activities

36,786	98,597
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NOTE 5: Trade and other receivables

Jun-09	Jun-08
\$000's	\$000's

Receivables other	760	2,822
Receivables due from other financial institutions	1,129	3,965
	1,889	6,787

Maturity analysis based on remaining term to maturity at 30 June 2009

At call	1,889	6,787
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NOTE 6: Investments	Jun-09	Jun-08
	\$000's	\$000's
Held to maturity investments at amortised cost	573,890	879,744
	573,890	879,744

Held to maturity investments are interest bearing securities with interest rates ranging from 3.67% to 8.22% and maturity periods ranging from 1 year to greater than 5 years. These investments are repriced monthly depending on the movements in the 30 day BBSW rate.

NOTE 7: Trade and other payables	Jun-09	Jun-08
	\$000's	\$000's
Interest payable	1,048	-
Manager/Responsible Entity fee	90	67
Distributions payable	751	6,720
	1,889	6,787

NOTE 8: Net assets attributable to Unitholders	Jun-09	Jun-08
	\$000's	\$000's
Borrowings	375,200	-
	375,200	-

Through the period the Fund drew on its liquidity facility to assist in meeting Unitholder redemptions. As at 30 June 2009, the liquidity facility had a limit of \$573,890,000 and was sufficient to cover the full redemption of Unitholder funds. The facility can be drawn with 1 day's notice and has an expiry date of 13 April 2010.

NOTE 9: Net assets attributable to Unitholders	Jun-09 \$000's	Jun-08 \$000's
Units on issue		
Opening balance	1,024,589	1,693,810
Gross movement		
Units issued – 885,943 (2008: 4,404,536) fully paid Units to \$1	885,943	4,404,536
Units redeemed – 1,715,218 (2008: 5,172,354) fully paid Units to \$1	(1,715,218)	(5,172,354)
Reinvestments – 36,787 (2008: 98,597) fully paid Units to \$1	36,787	98,597
Closing balance	232,101	1,024,589

NOTE 10: Auditors' remuneration	Jun-09 \$	Jun-08 \$
The audit fee paid/payable by Adelaide Managed Funds Ltd to Ernst & Young on behalf of AMF Yield Fund	6,000	5,600

NOTE 11: Segment information

The Fund operates in one business segment, being investment management. The Fund also operates from one geographic location, being Australia, from where its investing activities are managed. Revenue is derived from interest on investments.

NOTE 12: Financial instruments

(a) Net fair values

The Fund's trade and other receivables assets are valued in accordance with Note 2(i). The Fund's financial assets are valued in accordance with Note 2(m).

It is the Fund's intention to hold investments to maturity and recover the carrying value through future cash flows received. Under AASB 7 however, the Fund is required to place fair value on the loan and receivable investments. For the purposes of the fair value disclosure requirements under AASB 7, the calculation assumes that the Fund is required to liquidate its entire portfolio of investments immediately under current market conditions.

Many of the Fund's investments are illiquid. As a result, the Fund's ability to vary its portfolio in a timely fashion, to dispose of any or all assets or to receive a fair price for assets in response to changes in economic and other conditions may be limited. Furthermore, as the Fund acquires investments for which there is not a readily available market, the Fund's ability to obtain reliable information about the value of such investment may be limited. The Fund manages its liquidity ratio on a daily basis.

The Fund invests on a held-to-maturity basis. However the calculation is made assuming that the investments would be sold at current market yields. As there is a readily identifiable market for instruments with comparable ratings and in comparable asset classes, we have used the current market pricing to determine the fair value. The weighted average margin used to complete this calculation is 1.54% above the actual weighted average margin. Management's estimate of fair value as at 30 June 2009 is \$557,852,692 as compared to carrying value of \$573,590,250 (2008 fair value was \$870,828,713 as compared to carrying value of \$879,743,460).

The actual realised value for the portfolio in the event that it was liquidated may be higher or lower than the fair value calculated above.

The difference noted between the carrying value and estimated fair value as at 30 June 2009 does not indicate impairment with regard to the held to maturity investments. The carrying value of these investments will be recovered over the term to maturity through future cash flows as noted above.

NOTE 12: Financial instruments (cont)**(b) Interest rate risk exposures**

The Fund is exposed to interest rate risk through its cash assets, held to maturity investments and debt facility.

Financial asset	Weighted avg effective interest rate		Closing balance	
	Jun-09 % p.a.	Jun-08 % p.a.	Jun-09 \$000's	Jun-08 \$000's
Cash	5.71	6.98	33,411	144,846
Investments	5.76	7.50	573,890	879,744
Financial liability				
Debt facility	4.46	-	375,200	-

Interest rate sensitivity

Financial asset	Increase in interest rate	Sensitivity of profit and loss \$	Decrease in interest rate	Sensitivity of profit and loss \$
Cash	+ 1.00%	334,106	- 0.50%	(167,053)
Investment in notes	+ 1.00%	5,738,903	- 0.50%	(2,869,451)
Financial liability				
Debt facility	+ 1.00%	3,752,000	- 0.50%	1,876,000

There is no movement in equity as a result of changes in interest rates, other than the flow on effect of profit and loss to retained earnings.

Maturity analysis based on remaining term to maturity at 30 June 2008	Jun-09 \$000's	Jun-08 \$000's
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Cash

Less than 3 months	33,411	144,847
Total	<u>33,411</u>	<u>144,847</u>

Investments

Less than 3 months	-	-
Between 3 months and 12 months	-	-
Between 1 year and 5 years	-	293,441
Greater than 5 years	573,890	586,303
Total	<u>573,890</u>	<u>879,744</u>

(c) Liquidity and cash flow risk

Liquidity risk is that the Fund's assets cannot be easily converted to cash without some loss of capital.

This risk is mitigated by maintaining adequate cash deposits to meet withdrawals on an at call basis at face value. This controls the liquidity risks of satisfying Unitholders' redemption requests.

The Fund has liquidity facilities provided by Bendigo and Adelaide Bank Ltd that total \$573,890,000. This is a committed facility, renewable on 365 day basis, on an arms length basis. The Fund is able to draw on this facilities at any time to satisfy redemption requests.

Maturity profile of liabilities

	Maturity profile 30 June 2009 (\$)			
	Less than 3 months	Between 3 months and 12 months	Between 1 year and 5 years	More than 5 years
Management fees accrued	89,571	-	-	-
Distribution payable to Unitholders	750,953	-	-	-
Unitholders funds	232,100,815	-	-	-
Interest bearing liability	1,048,117	375,200,000	-	-
Total	233,989,456	375,200,000	-	-

	Maturity profile 30 June 2008 (\$)			
	Less than 3 months	Between 3 months and 12 months	Between 1 year and 5 years	More than 5 years
Management fees accrued	67,425	-	-	-
Distribution payable to Unitholders	6,720,367	-	-	-
Unitholders funds	1,024,589,095	-	-	-
Interest bearing liability	0	-	-	-
Total	1,031,376,887	-	-	-

Units in the Fund are generally redeemable within 24 hours, subject to the Manager's discretion.

(d) Credit risk exposures

Credit risk is the risk of loss as a result of the default of one of the Fund's investments and is limited to the carrying value of assets on the balance sheet. The Fund's investments are backed by pools of loans and leases and any loss would result from the underlying borrowers failing to repay their contractual loan obligations.

All of the investments have credit enhancements and are rated 'AAA' or 'A1+' by Standard and Poor's. The Units of the Fund have also been assessed by Standard and Poor's to be 'AAA' rated, the highest long term rating available. This rating is an assessment of the likelihood of investors receiving their interest and principal back in full, the highest likelihood Standard and Poor's issue.

(e) Market risk exposures

The risk of the carrying value of the Fund's investment being affected by movements in interest rates is managed by ensuring all transactions are within defined, approved limits. Other receivables and payables are valued at cost, which is equivalent to the net fair value.

NOTE 13: Director disclosures

- (a) The Directors of Adelaide Managed Funds Ltd during the financial year were:

J L Dawson (resigned 7 August 2009)

J McPhee (resigned 7 August 2009)

S Treanor

N Fox

A Baum

B Speirs (appointed 7 August 2009)

- (b) The Fund has not made, guaranteed or secured, directly or indirectly any loans to the Directors or their Director related entities during the year.
- (c) No Directors held any interests in AMF Yield Fund during the period covered by these financial reports. All interests held are on arms length basis and under normal circumstances.
- (d) There were no key management personnel employed by the Fund.

NOTE 14: Related parties

(a) Key management personnel

Disclosures in relation to key management personnel (KMP) during the year and until the date of this report are set out in Note 15.

(b) Other related parties - the Responsible Entity.

The Responsible Entity of AMF Yield Fund is Adelaide Managed Funds Ltd whose immediate and ultimate holding company is Bendigo and Adelaide Bank Ltd.

As at 30 June 2009 AMF Yield Fund held on deposit \$110,565 (June 2008: \$51,445,635) in Bendigo and Adelaide Bank Limited, the parent company of the manager related entity.

All remuneration and fees have been calculated in accordance with the Fund Deed/Constitution. Manager/Responsible Entity remuneration amounted to \$1,435,322 (June 2008: \$2,828,242) for the year ended 30 June 2009.

NOTE 15: Key management personnel

(a) Key management personnel

The key management personnel (KMP) of the Fund only include persons who are KMP of the Responsible Entity. The names of the KMP of the Responsible Entity during the year and until the date of this report (unless otherwise stated) are:

- J L Dawson Chairman
- J McPhee Director
- S Treanor Director
- N Fox Director
- A Baum Director
- B Speirs Chief Executive Officer
- K Masters Chief Investment Officer

There are no other key management personnel.

NOTE 15: Key management personnel (cont)

(b) Compensation of key management personnel

KMP of the Responsible Entity are paid by Bendigo and Adelaide Bank Ltd as their roles as KMP of the Responsible Entity, not of the Fund. KMP of the Responsible Entity are not remunerated by the Fund.

No securities were granted to KMP during the year as compensation.

Compensation is paid to the Responsible Entity in the form of fees and is disclosed in Note 14(b).

(c) Key management personnel's interest in financial instruments issued by the Fund.

No KMP and their related entities held any interest in the Units issued by the Fund.

(d) Key management personnel related entities

J Dawson is a Non Executive Director of Bendigo and Adelaide Bank Ltd

J McPhee is a Executive Director of Bendigo and Adelaide Bank Ltd

A Baum is an Executive of Bendigo and Adelaide Bank Ltd

NOTE 16: Subsequent events

Since 30 June 2009 there has not been any matter or circumstances not otherwise dealt with in the financial report that has significantly affected or may significantly affect the Fund.

DIRECTORS' DECLARATION

In the opinion of the Directors of Adelaide Managed Funds Ltd:

- (a) the financial statements and notes of the Fund are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Fund's financial position as at 30 June 2009 and of its performance for the year ended on that date;
and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001;
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed for and on behalf of the Board of Directors and in accordance with a resolution of the Directors.



Jennifer Lynn Dawson

Chairman

7 August 2009

Adelaide

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Adelaide Managed Funds