

# Rights Issue Information Booklet

Pursuant to section 1012DAA Corporations Act and Class Order 08/35

A non-renounceable rights issue of approximately 276,844,256 New Units on the basis of one (1) New Unit for every three (3) Units held at an issue price of \$0.09 per New Unit.

This Information Booklet is not a product disclosure statement and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Units offered by the Information Booklet. Investors should be aware of all information disclosed to Unitholders via the NSX Announcements platform.

If you are an Eligible Unitholder, this Information Booklet is important and requires your immediate attention. Please read it in its entirety. If, after reading this Information Booklet, you have any questions about the New Units being offered or any other matter, you should consult your professional advisor.

**This Offer closes at 5.00pm on 2 June 2011.**

**An investment in New Units under this Information Booklet should be considered speculative.**

**WELLINGTON CAPITAL LIMITED ACN 114 248 458 AFSL 291 562 AS  
RESPONSIBLE ENTITY OF THE PREMIUM INCOME FUND ARSN 090 687 577**

# Rights Issue Information Booklet

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## Corporate Directory

Responsible Entity  
Wellington Capital Limited  
ACN 114 248 458 AFSL 291 562

Registry  
Armstrong Registry Limited  
GPO Box 897  
Brisbane QLD 4001

Registered Address  
Level 22  
307 Queen Street  
Brisbane QLD 4000

Custodian  
Perpetual Nominees Limited  
Level 12  
123 Pitt Street  
Sydney NSW 2000

Directors  
Ms Jenny Hutson  
Mr Robert Pitt  
Ms MaryAnne Greaves

Company Secretary  
Ms MaryAnne Greaves

### Notice

Application will be made for listing of the Fund's securities offered by this Information Booklet by the National Stock Exchange of Australia Limited.

The fact that the National Stock Exchange of Australia Limited may list the securities of the Fund is not to be taken in any way as an indication of the merits of the Fund or the listed securities.

The National Stock Exchange of Australia Limited takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this document.

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## Letter from the Managing Director

Dear Unitholder

I am pleased to invite Eligible Unitholders to participate in this Offer for New Units in the Premium Income Fund. The Fund is conducting a non-renounceable rights issue of one (1) New Unit for every three (3) Units held at an issue price of \$0.09 per New Unit to raise up to \$24.91 million.

The primary purpose of this Offer is to raise the funds to finish three key land-based projects and other property projects over which the Fund holds security, in order to optimize their net realizable value. The priority property projects are located in the Townsville, Hunter Valley and Gold Coast areas. The capital raised will allow these projects and others to be finalized and then sold.

The Premium Income Fund has:

- fully repaid the Fund's \$100 million of debt. The Fund continues to operate without debt;
- made \$15 million in cash payments to unitholders;
- signed and settled 99 contracts across 13 properties representing gross total proceeds of \$114 million and net proceeds of \$82.5 million;
- signed conditional contracts for \$31.25 million for security properties located at Kooralbyn, Tweed Heads and Mackay;
- facilitated the completion of the apartment and hotel complex now known as Chifley Wollongong;
- facilitated the completion of 26 apartments at Icon Port, at Port Macquarie, with 10 of 26 now sold;
- settled a number of legal proceedings;
- maintained dialogue with relevant parties regarding the Fund's claim for \$147.5 million against the former MFS entities;
- raised \$7.55 million in capital at \$0.10 per unit;
- actively managed all of the assets of the Fund.

The Issue Price has been determined having regard to the market price for the Fund's Units and represents a 9.26% premium to the 30 day volume weighted average price of the Units on NSX as at 6 May 2011 and a 10% discount to the placement undertaken on 16 May 2011. \$7.55 million was raised from professional and sophisticated investors at \$0.10 per unit via the placement.

By subscribing for their Entitlement, Eligible Unitholders avoid being diluted in their holding. Eligible Unitholders may also wish to apply for additional Units in excess of their entitlement under the Top Up Facility.

To the extent that there is any shortfall, the Responsible Entity will place these Units with interested parties at its discretion. Funds raised from such a shortfall placement will be applied in a manner consistent with the objectives described in this Information Booklet.

I encourage you to consider this Information Booklet carefully in making your decision whether or not to apply for New Units.

Yours sincerely



Jenny Hutson  
Managing Director

## 1 Glossary

Term	Meaning
<b>Applicant</b>	A person or entity who submits an Entitlement and Acceptance Form
<b>Application Money</b>	The money received by the Fund pursuant to the Offer, being the Issue Price multiplied by the number of New Units applied for
<b>Board</b>	The board of directors of the Responsible Entity
<b>Closing Date</b>	2 June 2011 or such other later date as the Responsible Entity may notify
<b>Corporations Act</b>	Corporations Act 2001 (Cth)
<b>Directors</b>	The directors of the Responsible Entity
<b>Eligible Unitholder</b>	A Unitholder at the Record Date who has a registered address in Australia or New Zealand and is eligible to participate in the Rights Issue
<b>Entitlement</b>	The right to subscribe for New Units at the Issue Price under the Offer
<b>Entitlement and Acceptance Form</b>	An application form attached to this Information Booklet
<b>Fund</b>	Premium Income Fund ARSN 090 687 577
<b>Issue Price</b>	\$0.09 per New Unit
<b>New Units</b>	New units in the Fund issued under this Offer
<b>NSX</b>	National Stock Exchange of Australia Limited
<b>NSX Listing Rules</b>	The listing rules issued by NSX from time to time
<b>Offer</b>	The offer of New Units under this Information Booklet
<b>Information Booklet</b>	This document dated 19 May 2011
<b>Premium Income Fund</b>	Premium Income Fund ARSN 090 687 577
<b>Record Date</b>	18 May 2011
<b>Responsible Entity</b>	The manager and responsible entity of the Fund, Wellington Capital Limited ACN 114 248 458 AFSL 291 562
<b>Rights Issue</b>	The rights issue being offered under this Information Booklet

<b>Shortfall New Units</b>	Those New Units not taken up by Eligible Unitholders under the Offer, in respect of which the Responsible Entity reserves the right to place within three months
<b>Top Up Facility</b>	The ability to apply for an allocation of Top Up Units
<b>Top Up Units</b>	Additional Units which an Eligible Unitholder may apply for in excess of their Entitlement
<b>Unit</b>	Fully paid ordinary units in the Fund
<b>Unitholder</b>	A holder of Units in the Fund, and ' <b>Unitholding</b> ' refers to that person's unitholding in the Fund
<b>you</b>	The Eligible Unitholders under this Information Booklet

## 2 Important Information

### Important Notices

This Information Booklet is dated 19 May 2011.

This Issue is being made without a product disclosure statement in accordance with section 1012DAA of the Corporations Act and pursuant to Class Order 08/35. This Information Booklet is not a product disclosure statement or any other form of disclosure document regulated by the Corporations Act, and it has not been lodged with ASIC. Accordingly, this Information Booklet does not contain all of the information which a prospective investor may require to make an investment decision and it does not contain all of the information which would otherwise be required by Australian law or any other law to be disclosed in a product disclosure statement. The information in this Information Booklet does not constitute a securities recommendation or financial product advice.

This Information Booklet is important and should be read in its entirety before deciding to participate in the Offer. This Offer does not take into account, and this Information Booklet has been prepared without taking into account, the investment objectives, financial or taxation situation or particular needs of any Unitholder.

Before applying for New Units or Top Up Units, each Unitholder should consider whether such an investment, and the information contained in this Information Booklet, is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Unitholder should consult their stockbroker, solicitor, accountant or other professional advisor.

Neither the Responsible Entity nor any other person guarantees the repayment of capital or the payment of income. Investors should note that the past Unit price performance provides no guidance to its future Unit price performance.

By returning an Entitlement and Acceptance Form and arranging for payment for your New Units or Top Up Units in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have received and read this Information Booklet, you have acted in accordance with the terms of the Offer detailed in this Information Booklet and you agree to all of the terms and conditions as detailed in this Information Booklet.

#### No overseas offering

This Information Booklet and the accompanying Entitlement and Acceptance Form does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Information Booklet does not



constitute an offer to ineligible Unitholders. No action has been taken to lodge this Information Booklet in any jurisdiction outside Australia, or to otherwise permit a public offering of rights or Units, in any jurisdiction outside Australia or New Zealand.

This Information Booklet is not to be distributed in, and no offer of New Units or Top Up Units is to be made in countries other than Australia and New Zealand. The distribution of this Information Booklet in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of this Information Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

#### Definitions currency and time

Definitions of certain terms used in this Information Booklet are contained in section 1 of this document. All references to currency are to Australian Dollars and all references to time are to Australian Eastern Standard Time, unless otherwise indicated.

#### Entire Agreement

Subject to this paragraph, the terms contained in this Information Booklet constitute the entire agreement between the Fund and you as to the Offer and your participation in the Offer is to the exclusion of all prior representations, understanding and agreements.

#### Governing Law

This Information Booklet, the Offer and the contracts formed on acceptance of the applications are governed by the law applicable in Queensland, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Queensland, Australia.

#### Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Information Booklet. Any information or representation in connection with the issue not contained in the Information Booklet may not be relied upon as having been authorised by the Responsible Entity or any of its officers.

#### Continuous reporting and disclosure obligations

The Fund is a 'disclosing entity' (as defined in the Corporations Act) and as such is subject to regular reporting and disclosure obligations under the Corporations Act and the NSX Listing Rules. These obligations require the Responsible Entity of the Fund to notify NSX of information about specific events and matters as they arise for the purpose of NSX making the information available to the securities market conducted by NSX. In particular, the Fund has an obligation under the Listing Rules (subject to certain limited exceptions), to notify NSX once it is, or becomes aware of information concerning the Fund which a reasonable person would expect to have material effect on the price or value of the Fund's Units. NSX maintains records of announcements for all entities

listed on NSX. The announcements of the Fund are available for inspection at NSX and may be viewed on the NSX website at [www.nsx.com.au](http://www.nsx.com.au).

The Fund is also required to prepare and lodge with ASIC yearly and half yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an office of ASIC.

### **Rights Issue Information Booklet and disclosure obligations**

This Information Booklet is issued pursuant to section 1012DAA of the Corporations Act and Class Order 08/35 as an Information Booklet for the offer of securities for issue, under a rights issue, without disclosure to investors under Part 7.9 of the Corporations Act. Pursuant to the conditions imposed on the Fund by section 1012DAA of the Corporations Act and Class Order 08/35 for the making of a rights issue without disclosure to investors, the Fund has provided NSX with a notice that:

- sets out any information that had been excluded from a continuous disclosure notice in accordance with the NSX Listing Rules and that investors and their professional advisors would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
  - the assets and liabilities, financial position and performance, profits and losses and prospects of the Fund; or
  - the rights and liabilities attaching to the New Units; and
- states the potential effect of the issue of the New Units on control of the Fund and the consequences of that effect.

### 3 Key details of the Offer

#### 3.1 Description of the Offer

The Premium Income Fund is seeking to raise approximately \$24.91 million through a non-renounceable rights issue of approximately 276,844,256 New Units on the basis of one (1) New Unit for every three (3) Units held at an issue price of \$0.09 per New Unit.

The Offer will provide current Eligible Unitholders with an opportunity to acquire New Units in the Fund so as to fund the development and finalization of various property based projects over which the Fund holds the security as first mortgagee and where it is mortgagee in possession of the underlying real property.

Eligible Unitholders may also apply for additional Units over and above their Entitlement under the Top Up Facility.

#### 3.2 Important Dates

Event	Date
<b>Record Date to determine entitlement to New Units</b>	18 May 2011
<b>Despatch of Information Booklet, Entitlement and Acceptance Form</b>	19 May 2011
<b>Closing Date for acceptance</b>	2 June 2011
<b>Allotment of New Units</b>	3 June 2011
<b>Date by which Shortfall New Units may be placed</b>	12 August 2011

All dates and times are indicative only and subject to change. The Responsible Entity reserves the right to vary these dates and times without prior notice, including the right to close the Offer early, or to withdraw the Offer, or to accept late applications. Applicants are encouraged to submit their Entitlement and Acceptance Form as soon as possible.

#### 3.3 Purpose of the Offer and Utilisation of Funds

The purpose of this Offer is to allow existing Unitholders to participate at \$0.09 per Unit to raise up to \$24.91 million to be applied to finalizing various property based projects over which the Fund holds security as first mortgagee and where it is mortgagee in possession of the underlying real property. The priority projects are land based projects in the Townsville, Hunter Valley and the Gold Coast areas.

No minimum amount has been set for this Offer. In the event that all Eligible Unitholders do not take up their Entitlements, the Responsible Entity may place the Shortfall New Units with other parties.

### **3.4 Terms of New Units**

Units issued under this Offer will rank *pari passu* with existing Units on issue. The rights and liabilities attaching to all Units are set out in the Fund's Constitution.

### **3.5 Withdrawal**

The Responsible Entity reserves the right to withdraw the Offer at any time before the allotment of New Units. If the Offer does not proceed, Application Monies will be refunded without interest.

### **3.6 Rights of Eligible Unitholders**

An Entitlement and Acceptance Form setting out the Entitlement of Eligible Unitholders to New Units accompanies this Information Booklet. As a result of this Issue, Eligible Unitholders who do not take up all of their Entitlement will have their percentage Unitholding in the Fund diluted. Eligible Unitholders have the opportunity to subscribe for all, part or none of their Entitlement to New Units.

#### **Top Up Facility**

In addition, Eligible Unitholders may, under the Top Up Facility, apply for additional New Units over and above their Entitlement. However, there is no guarantee they will receive the number applied for, or any Top Up Units.

There is no cap on the number of additional New Units Eligible Unitholders may apply for, although the Top Up Unit pool will be limited to the amount of shortfall available under the Offer. The Responsible Entity has the right to reject any application for Top Up Units and to determine the way in which the Top Up Unit pool will be allocated.

#### **Rights trading**

The issue is non-renounceable, meaning that there will be no trading of rights or entitlements on NSX. Any New Units not taken up by the Closing Date will comprise the pool of Top Up Units. If applications for the Top Up Units do not take up the available pool, the Responsible Entity may place these Shortfall New Units.

### **3.7 Unitholders who are resident outside Australia**

The Offer is only available to Eligible Unitholders with registered addresses in Australia and New Zealand. The Responsible Entity considers that it would be unreasonable to extend the

Offer to Unitholders with registered addresses in other jurisdictions having regard to the cost and expense this would incur.

It is the responsibility of any person who comes into possession of this Information Booklet outside Australia to ensure compliance with all laws of any country relevant to their Application. Any person not in Australia considering taking up their Entitlement should consult their professional advisers regarding the Offer.

This Offer does not constitute an offer in the United States or in any place in which, or to any person to whom, it would not be lawful to make such an offer.

### **3.8 Underwriting**

The Offer is not underwritten.

### **3.9 Allotment**

The date for the New Units to be allotted under the Offer is expected to be 3 June 2011. All Unitholders who accept the Offer will receive their Entitlement in full. Any Application Monies relating to any rejected applications for Top Up Units will be refunded without interest.

The Responsible Entity will seek to place Shortfall New Units which are not accepted by Eligible Unitholders under the Offer. The Responsible Entity reserves the right to issue the shortfall at its discretion.

### **3.10 CHESS**

The Responsible Entity will apply to have the New Units issued under the Offer admitted to participate in CHESS in accordance with the NSX Listing Rules and ASTC Settlement Rules.

### **3.11 Advisers and expenses of the Offer**

The total expenses of the Offer payable in cash by the Fund, including fees to external financial and legal advisers are estimated to be \$25,000.

## 4 Capital structure

### 4.1 Issued capital

Number of Units on issue as at the date of this Information Booklet	830,532,768
Number of New Units offered under the Offer	276,844,256
Number of Units on issue after the Rights Issue	1,107,377,024
Issue Price per New Unit	\$0.09

The impact on the capital structure of this Offer is that cash will initially increase by up to approximately \$24.91million (before expenses of the Offer). The number of Units on issue will increase by up to 276,844,256 Units to reach 1,107,377,024 Units.

### 4.2 Financial Statements

The Annual Report for the 30 June 2010 financial year, and the most recent Financial Statements contained in the 31 December 2010 Half Year Financial Report, are available on the Fund's website at [www.newpif.com.au](http://www.newpif.com.au) or via [www.nsx.com.au](http://www.nsx.com.au). Previous annual reports and other financial information are also available on the Fund's website. These documents contain details concerning the financial performance and operations of the Fund and are relevant to considering an investment in the Fund.

## 5 Risks

### 5.1 Risk factors

An investment in the Fund is subject to various risk factors, some of which are specific to the business activities of the Fund, and others which are general in nature. Individually, or in combination, these might affect the future operating performance of the Fund and the value of the Units. An investment in the Fund should be considered in light of these various risks. Each of the risks set out below could, if they were to occur, have a material adverse impact on the Fund's performance and profits, and the market price of New Units.

Before deciding to invest in the Fund, investors should:

- read the entire Information Booklet;
- consider the risk factors that could affect the financial performance of the Fund;
- review these factors in light of their personal circumstances; and
- seek professional advice from their financial adviser, accountant, stockbroker, lawyer or other professional adviser before deciding whether to acquire New Units.

### 5.2 General investment risks

#### Stockmarket investments

Once the New Units are issued, they will be quoted on the NSX, and the Unit price of such Units may rise above or fall below the Issue Price. In addition, there is no guarantee that an active trading market will be available for the New Units. The price at which Units are traded on the NSX may be adversely affected by domestic and international economic conditions, and market sentiment.

#### General economic conditions

The operating and financial performance of the Fund may also be influenced by a variety of general economic and business conditions including the level of inflation, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates, could be expected to have a consequential adverse impact on the Fund's operating and financial performance.

In addition, changes in economic and business conditions or government policies in Australia or internationally may impact on the property projects against which the money raised under this Rights Issue are applied. Adverse changes in such things as the level of inflation, interest rates, exchange rates, government policy, consumer spending, employment rates are outside the control of the Responsible Entity and may have a material adverse impact on the development projects it is seeking to finalise and sell.

#### Accounting standards

Changes to Australian accounting standards could materially adversely affect the financial performance and position reported in the Fund's financial statements.

#### Taxation risks

Changes in the current taxation regime in Australia may affect the Fund and its Unitholders. Personal tax liabilities are the responsibility of each individual investor. Neither the Responsible Entity nor the Fund is responsible either for taxation or penalties incurred by investors.

### 5.3 Specific investment risks

There are various risks which are particular to the Fund and its current business operations.

#### Property development risks

There may be difficulties and challenges in finishing the projects which will be the subject of application of the funds raised under this Offer, which will result in those projects requiring further funding before they can be finished and sold. For example, if development approvals are not provided as expected, or government authorities or local council imposes unanticipated requirements on the project, additional funds may be required and development timeframes may not be achieved. Delays may increase costs to the Fund and impact on returns to investors. Similarly, increased development costs and unforeseen project expenses may be incurred by the Fund, impacting on returns to investors.

#### Asset sales

The anticipated timeframe for marketing and selling the finalized underlying security assets may not be achieved, resulting in unanticipated costs to the Fund and impacting on returns to investors.

#### Property values

The assumed sales price of the properties to be sold by the Fund may not be achieved. This will impact on the possible returns to investors.

#### Litigation

The Fund is currently involved in various legal proceedings. The legal costs involved in participating in these proceedings may be unexpectedly high, and the Fund may not be successful in all of the proceedings.



## **6 Actions Required**

### **6.1 To take up your entitlement in full and/or Top Up in excess of your Entitlement**

If you wish to take up all of your Entitlement, please complete the Entitlement and Acceptance Form which accompanies this Information Booklet, in accordance with the instructions set out in that form.

If you wish to take up your Entitlement in full, you may also apply for Top Up Units in excess of your Entitlement by completing the relevant section of the Entitlement and Acceptance Form. Any amount not used for the additional Top Up Units will be refunded. Subscriptions in excess of Entitlements will only be filled out of Shortfall New Units. The Responsible Entity reserves the right to accept, scale back or refuse any application for Top Up Units in excess of a Unitholder's Entitlement.

Once completed, please forward the Entitlement and Acceptance Form, together with your cheque or bank cheque for the amount shown on your form, in the reply paid envelope to reach the Fund's registry by 5.00pm on the Closing Date.

If you wish to take up part only of your Entitlement, please complete the Entitlement and Acceptance Form by inserting the number of New Units for which you wish to accept the Offer, being less than your Entitlement, and forward the completed Entitlement and Acceptance Form together with your cheque for the total amount payable to reach the Fund's registry by 5.00pm on the Closing Date.

### **6.2 To decline the Offer**

If you do not wish to take up any part of your Entitlement to New Units, you are not required to take any action, in which case you will receive no New Units and your Entitlement will lapse. If you do not take up your Entitlement, you will as a result of this Offer, have your percentage unitholding in the Fund, diluted.

### **6.3 Shortfall New Units**

The Responsible Entity reserves the right to place the Shortfall New Units at its discretion. The issue price for the Shortfall New Units will be \$0.09. Shortfall New Units will be deemed to be issued pursuant to this Offer.

### **6.4 Payment**

Payments will only be accepted in Australian dollars by cheques drawn on and payable by any Australian bank.

Unitholders should not forward cash. Receipts for payments will not be issued. Entitlement and Acceptance Forms and accompanying cheques may be lodged at any time before the Closing Date. The Responsible Entity will not be responsible for postal or delivery delays. Cheques should be made payable to 'PIF Rights Issue Offer' and crossed 'Not Negotiable'.

### **6.5 Entitlement and Acceptance Form is binding**

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Units on the terms and conditions set out in this Information Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Units. The Responsible Entity's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form, is final.

### **6.6 Taxation**

There may be taxation implications associated with participating in this issue and receiving New Units. The Responsible Entity considers that it is not appropriate to give advice regarding the taxation consequences of subscribing for New Units, or the subsequent disposal of any New Units allotted and issued under this Offer. The Responsible Entity, its advisers and officers do not accept any responsibility or liability for any taxation consequences to potential Applicants. The Responsible Entity recommends that all Unitholders consult their own professional tax advisers in connection with subscribing for and subsequent disposal of New Units allotted and issued under this Offer.

### **6.7 Privacy**

The Responsible Entity collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's Unitholding in the Fund. By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Responsible Entity directly, or by the Unit Registry. The Responsible Entity holds and will use that information to assess your Application. The Responsible Entity collects your personal information to process and administer your Unitholding in the Fund and to provide related services to you. If you do not complete the Entitlement and Acceptance Form in full, the Responsible Entity may reject your Application. The Responsible Entity may disclose your personal information for purposes related to managing your Unitholding, including to the Unit registry, the Responsible Entity's agents, contractors and third party service providers, including mailing houses and professional advisers, and to NSX and regulatory bodies. You can obtain access to personal information that the Responsible Entity holds about you. To make a request for access to your personal information held by or on behalf of the

Fund, please contact the Responsible Entity at the contact details at the front of this Information Booklet.

## **6.8 Enquiries**

If you have any queries about your Entitlement, please contact the Unit Registry, the details of which are set out in the Corporate Directory at the front of this Information Booklet. Alternatively, contact your financial planner, stockbroker, solicitor, accountant or other professional adviser.

## **6.9 Directors Statement**

This Information Booklet is signed in accordance with a resolution of Directors of Wellington Capital Limited as Responsible Entity of the Fund.



Jenny Hutson  
Managing Director  
19 May 2011

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# PREMIUM INCOME FUND RIGHTS ISSUE ENTITLEMENT AND ACCEPTANCE FORM

NON-RENOUNCEABLE ISSUE OF UP TO 276,844,256 NEW UNITS AT AN ISSUE PRICE OF \$0.09 CENTS EACH ON THE BASIS OF ONE NEW UNIT FOR EVERY THREE UNITS HELD, PAYABLE IN FULL UPON ACCEPTANCE OF THIS OFFER.

**All correspondence to**  
Armstrong Registry Services Limited  
GPO Box 897  
BRISBANE QLD 4001  
**Tel:** 07 3231 0050  
**Tel:** + 617 3231 0050 (outside Aust)  
**Fax:** + 61 7 3231 0099  
[www.armstrongregistries.com.au](http://www.armstrongregistries.com.au)  
[registry@armstrongregistries.com.au](mailto:registry@armstrongregistries.com.au)

<b>SRN/HIN:</b>	
<b>Number of Units held at Record Date</b>	

## A. RIGHTS ACCEPTANCE & TOP UP UNITS

If you wish to accept your FULL ENTITLEMENT please complete and return this form WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW. The return of this form by 5.00 pm Brisbane time on 2 June 2011 with payment will constitute acceptance of the Offer. Your signature is only required when an alteration to your address is indicated by you over the page.

Entitlement to New Units on the basis of one New Unit for every three Units held	Price per Unit	Amount Payable for Full Acceptance, at \$0.09 per New Unit
	<b>x \$0.09 per Unit</b>	

If you wish to accept PART ONLY OF YOUR ENTITLEMENT please complete this form showing in the box below the NUMBER OF NEW UNITS BEING ACCEPTED and the appropriate amount payable.

Number of New Units accepted	Price Per Unit	Amount Payable for Full Acceptance, at \$0.09 per New Unit
	<b>x \$0.09 per Unit</b>	

If you wish to apply for TOP UP UNITS IN ADDITION TO YOUR ENTITLEMENT please complete this form showing in the box below the NUMBER OF ADDITIONAL NEW UNITS BEING APPLIED FOR and the appropriate amount payable.

Number of Top Up Units	Price Per Unit	Amount Payable for Top Up Units, at \$0.09 per New Unit
	<b>x \$0.09 per Unit</b>	

If the person completing this form is acting for the Unitholder, the return of this form together with payment will constitute acceptance of the Offer by the Unitholder, and if that person is acting under Power of Attorney, he/she states he/she has not received notice of revocation and that he/she has authority to accept the Offer.

## B. PAYMENT (Enter your cheque details below)

Drawer	Bank	Branch (BSB)	Amount of Cheque(s)

**CHEQUES SHOULD BE MADE PAYABLE TO "PREMIUM INCOME FUND- RIGHTS ISSUE"**

## C. CONTACT DETAILS (Enter your contact details below)

Contact Name	Telephone	Email Address

By submitting this Application form, I/We represent and warrant that I/we have read and understood the Information Booklet to which this Application Form relates and declare that this Application is completed and lodged according to the Information booklet and the instructions on the reverse of the Application form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of the Premium Income Fund and agree to the terms and conditions of the Offer under this Rights Issue.

**LODGEMENT INSTRUCTIONS ARE ON THE REVERSE OF THIS FORM**

# LODGEMENT INSTRUCTIONS TO APPLICANTS

## PLEASE READ THESE INSTRUCTIONS CAREFULLY

### ACCEPTANCE OF YOUR ENTITLEMENT IN FULL OR PART

Multiply the number of New Units for which you are accepting by \$0.09, then fill in the acceptance details, where necessary, in the space provided on the front of this form. Complete your cheque details on the front of this form and send your cheque and completed form to:

Armstrong Registry Services  
GPO Box 897  
BRISBANE QLD 4001

E: pif@armstrongregistries.com.au  
F: +617 3231 0099

**IF YOU DO NOT DEAL WITH YOUR ENTITLEMENT IT WILL LAPSE.**

### PAYMENT

All cheques (expressed in Australian currency) are to be made payable to "PIF - RIGHTS ISSUE OFFER" and crossed "Not Negotiable".

### PAYMENT - OVERSEAS RESIDENTS

Overseas Unitholders who are permitted to apply for units must obtain a draft in Australian currency payable on a bank in Australia, or where the Unitholder has an account with a bank in Australia, by a cheque drawn on that bank within Australia.

The Australian currency draft should be attached to your completed form and the document mailed to:

Armstrong Registry Services  
GPO Box 897  
BRISBANE QLD 4001

E: pif@armstrongregistries.com.au  
F: +617 3231 0099

Personal cheques drawn on overseas banks in Australian or any foreign currency will not be accepted. These will be returned and the acceptance deemed to be invalid.

### INTERPRETATION

Terms used in this Entitlement and Acceptance Form have the same meaning as defined in the Information Booklet.

**THE OFFER CLOSES 5.00PM BRISBANE TIME ON 2 JUNE 2011**

### CHANGES OF ADDRESS SUPPORTED BY YOUR SIGNATURE(S)

If your address is not exactly as shown, please provide details below. This is only relevant for Issuer Sponsored registered holdings. CHESS holders must notify your sponsoring broker for amendments to holdings on the CHESS Subregister.

#### CHANGE OF ADDRESS DETAILS – ISSUER SPONSORED ONLY

#### SIGN HERE FOR ADDRESS AMENDMENTS

Individual 1/  
Sole Director and Company Secretary

Joint Unitholder 2/  
Director

Joint Unitholder 3/  
Director and Company Secretary

### Privacy Statement:

Armstrong Registry Services Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a Unitholder (including your name, address and details of the units you hold) to be included in the public register of the entity in which you hold units. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your unitholding. Your personal information may be disclosed to the entity in which you hold units. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form. Our privacy policy is available on our website (<http://www.armstrongregistries.com.au>).