

Premium Income Fund

NSX Release: 8 July 2011



Investor Forum – Castlereagh

Wellington Capital is aware that Castlereagh held an investor forum on 6 July 2011 where a range of questions were asked and responded to by Castlereagh.

The Investor Forum broadcast on 6 July 2011 makes false and misleading statements about Wellington Capital and its conduct and should be disregarded by Unitholders in the Fund.

Meeting on 23 June 2011

Wellington Capital was ready, willing, able and available to properly participate in the meeting on 23 June 2011. Castlereagh obstructed that occurring by:

- refusing to agree a way forward as to the meeting chair; and
- excluding Link Registry Services from participation in the meeting registration process.

Managing Director of Wellington Capital Jenny Hutson said:

'I have over 20 years experience in corporate meeting procedure. All of my actions and those of Wellington Capital were aimed at ensuring that Unitholders properly had the opportunity to participate in the meeting on 23 June 2011. Despite my best efforts that could not be achieved.'

The majority of Unitholders by number and value who have voted by proxy have supported Wellington's continuation as the manager of the Premium Income Fund.

I am particularly grateful for the letters, emails and calls of encouragement and support received from investors in the Fund. I am committed to ensuring that my team continues to work for Unitholders with integrity, diligence and in a professional way to achieve the best possible outcome.'

Wellington Capital Limited attended the nominated venue for the 23 June 2011 meeting. The Fund's registry services provider Armstrong had sub-contracted the registry role to Link Market Services and engaged two scrutineers from Bentleys to oversee the meeting process.

Mr Armstrong of Castlereagh during in discussion with Jenny Hutson, Managing Director, Wellington Capital excluded Link from providing registry services to the meeting. He indicated that it was the requisitionists meeting and that Computershare had been contracted by them and was the only party that would be providing registry services.

Mr Armstrong had been made aware by Jenny Hutson of the proxy position which was in favour of Wellington Capital. The proxy position was subsequently released to NSX on 23 June 2011 is set out below.

		Open Proxies	For Proxies	Against Proxies	Abstain Proxies
Motion 1	Special Resolution to amend the Constitution in respect of quorum requirements for Members Meetings	10,324,406	208,857,600	272,666,544	1,899,377
Motion 2	Special Resolution to amend the Constitution to remove the current quorum requirement for Members meetings to consider removal of the Responsible entity	10,324,406	208,587,233	272,354,085	2,654,839
Motion 3	Special Resolution to remove exit fees payable upon removal of a Responsible Entity	10,324,406	210,407,738	270,796,529	1,896,977

		Open Proxies	For Proxies	Against Proxies	Abstain Proxies
Motion 4	Special Resolution to reinstate management fees payable to the Responsible Entity	10,324,406	202,817,688	279,307,090	3,117,844
Motion 5	Resolution to remove Wellington Capital Limited as Responsible Entity of the Premium Income Fund	10,324,406	208,638,814	310,739,020	1,844,132
Motion 6	Resolution to appoint Castlereagh Capital Limited as the new Responsible Entity of the Premium Income Fund	10,324,406	208,359,693	311,476,706	1,809,532
Motion 7	Special Resolution to amend the Constitution to reinstate issue price provisions	10,324,406	208,595,400	271,685,486	2,782,739

Wellington Capital sought to provide a proper avenue for the tabling and consideration of all proxies that have been lodged with Wellington. This included all proxies received at that time by the respective registry providers of the parties.

Investors present

Wellington's aim was to ensure that those investors who had expressed their opinion by way of proxy or corporate representative or sought to be present in person had that vote counted. This opportunity was denied by the actions of Castlereagh.

Relationship with ASIC

Wellington Capital Limited has worked co-operatively with ASIC in relation to a range of important issues affecting the Fund and is committed to continuing to work cooperatively with ASIC to optimise the available outcomes for Unitholders.

Proxies

Wellington Capital Limited as responsible entity of the Premium Income Fund understands that every unitholder who has a right to vote at the meeting and chooses to do so should have their say.

Those who have cast their vote will have their proxies available to be carried into the meeting on 14 July 2011 in the event that the Federal Court orders that the meeting is able to proceed.

For further information please contact:

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