

# Premium Income Fund

NSX Release: 2 December 2011



## Fixed Interest Securities – Capital Return of \$4.56 million

Wellington Capital Limited as responsible entity of the Premium Income Fund is delighted to advise that the Fund has received a capital return from a fixed interest security investment made by the Fund in 2006.

The Fund's investment in this security was written down to nil in 2008 as a result of the bleak outlook for the investment. The term of the investment was 29 years, with the investment due to mature in August 2035. No interest payments had been made since December 2007. The securities were invested in the loans market in the United States, with the loans generally being made to non-investment grade corporations in the United States.

The underlying portfolio in the United States has been subject to a trade sale. As a consequence, a capital return to investors has now been made, rather than at the end of the investment term in 2035. The Premium Income Fund has received a capital return of \$4.56 million.

Managing Director, Jenny Hutson said, *'I am delighted that the Fund has received \$4.56 million by way of capital return on an investment which had been written down to nil due to its extended term and the volatility and distressed nature of the United States loan market.'*

*'My team has actively pursued, and will continue to pursue, all recovery opportunities for all of the Fund's assets.'*

## For further information please contact:

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