

NOTICE OF MEETING AND EXPLANATORY MEMORANDUM

In relation to the Meeting of Unitholders of the Premium Income Fund
ARSN 090 687 577 to be held at:

Date:	6 June 2013
Time:	11.00am
Location:	Brisbane Convention and Exhibition Centre Cnr Merivale and Glenelg Streets, South Bank, Brisbane

*Issued by Wellington Capital Limited ACN 114 248 458 AFSL 291562
as responsible entity of the Premium Income Fund ARSN 090 687 577*

**This is an important document – it relates to the Premium Income Fund.
Please read the information carefully.**

**If you are in doubt about the Resolutions, you should contact your
professional adviser or call the Wellington Hotline on 1300 854 885.**



IMPORTANT NOTICE

What is this document?

This Notice of Meeting and Explanatory Memorandum has been prepared and is issued by Wellington Capital Limited as the responsible entity of the Premium Income Fund to allow Unitholders to vote on certain Resolutions to be put to Unitholders in general meeting.

No investment advice

The information contained in this Notice of Meeting and Explanatory Memorandum does not constitute financial product advice, and has been prepared without reference to Unitholders' particular investment objectives, financial situation, taxation position, and needs. It is important that you read the Notice of Meeting and Explanatory Memorandum in its entirety before making any decision on how to vote on the Resolutions. If you are in any doubt, you should consult your professional adviser or call the Wellington Hotline on 1300 854 885.

Responsibility

Wellington Capital as responsible entity of the Premium Income Fund has prepared this document.

Questions

If you have any questions about your holding of Units or the Resolutions, please contact the Wellington Hotline on 1300 854 885, email Wellington Capital at investorrelations@newpif.com.au, or consult your own professional adviser.

Date

This Notice of Meeting and Explanatory Memorandum is dated 6 May 2013.

KEY DATES

4 June 2013 11.00am	Latest date and time for receipt of proxy forms for the Meeting.
4 June 2013 7.00pm	Entitlement time and date for determining eligibility to vote at the Meeting, for the purposes of Corporations Regulation 7.11.37.
6 June 2013 11.00am	Meeting to be held in Room M1 and M2, Brisbane Convention and Exhibition Centre, Corner Merivale and Glenelg Streets, South Bank, Brisbane.

All references to time in this Explanatory Memorandum are to Brisbane time. This timetable is indicative only. Wellington Capital reserves the right to vary the timetable set out above, and will notify Unitholders of any changes on its website: www.wellcap.com.au.



GLOSSARY

ARL	Asset Resolution Limited ACN 159 827 871
ASIC	Australian Securities and Investments Commission
ASIC Claim	The court proceedings commenced by ASIC in the Supreme Court of Queensland, referred to as Proceeding 12122 of 2009
Class Action	Proceeding NSD324 of 2009 commenced in the Federal Court of Australia, New South Wales District Registry
Constitution	The constitution of the Fund
Explanatory Memorandum	The information contained in this document
Fund	Premium Income Fund ARSN 090 687 577
Listing Rules	The listing rules issued by the NSX
Meeting	The meeting of Unitholders called for 6 June 2013
Notice of Meeting	The notice of meeting set out from page 5 of this document
NSX	National Stock Exchange of Australia Limited ACN 000 902 063
Perpetual	Perpetual Nominees Limited ACN 000 733 700, the custodian of the Fund
PIF Claims	The claims which Wellington Capital as responsible entity of the Fund has or may have against one or more parties for loss and damage caused to the Fund by the conduct of third parties, including the RE Claim. Refer Section 5.2 of the Explanatory Memorandum.
Proceeds Payment Deed	The Deed dated 18 April 2013 between Wellington Capital, ARL and Perpetual in relation to the payment of proceeds in the PIF Claims
RE Claim	Proceeding NSD 557 of 2013 commenced in the Federal Court of Australia, New South Wales District Registry
Registry	Armstrong Registry Services Pty Ltd ACN 139 056 643, the registry provider for the Fund
Resolutions	The resolutions set out in this Notice of Meeting
Share	A share in Asset Resolution Limited
Unit	A Unit in the Fund
Unitholders	A registered holder of Units in the Fund
Wellington Capital	Wellington Capital Limited ACN 114 248 458 AFSL 291562



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LETTER TO UNITHOLDERS



6 May 2013

Dear Unitholder

MEETING – 6 JUNE 2013

I am pleased to provide you with the Notice of Meeting and Explanatory Memorandum in relation to the meeting of Unitholders of the Premium Income Fund to be held on 6 June 2013. Five resolutions are proposed. It is the recommendation of each of the directors of Wellington Capital that you **vote for** each of the proposed resolutions.

If all Resolutions are passed, the following will occur:

- all of the remaining assets of the Premium Income Fund (except existing Shares held in Asset Resolution Limited) will be transferred to Asset Resolution Limited in return for 188,721,784 Shares in Asset Resolution Limited;
- the Premium Income Fund will cease trading on 14 June 2013 and be voluntarily delisted from the NSX on 28 June 2013;
- the Units in the Premium Income Fund will be bought back by the Fund and cancelled in exchange for 2 Shares in Asset Resolution Limited for each 5 Units in the Fund. This is scheduled to occur on 28 June 2013, following which the Fund will have no assets. The Fund will no longer be a managed investment scheme and application will be made for its deregistration;
- all Unitholders in the Fund will cease to be Unitholders, but will be shareholders in Asset Resolution Limited;
- all future cash payments arising out of or relating to the former assets of the Fund will be made by Asset Resolution Limited; and
- all Unitholders in the Fund who were Unitholders as at 15 October 2008 will have a contractual right to the proceeds of the legal proceedings referred to as the PIF Claims. All Unitholders who became Unitholders after 15 October 2008 will have no right to the proceeds of the legal proceedings referred to as the PIF Claims.

Asset Sale and Delisting Proposal

Consistent with its aim to investigate opportunities for Unitholders which are in the best interests of Unitholders, Wellington Capital entered into a conditional Security Sale Agreement with Asset Resolution Limited on 18 April 2013 to transfer all the assets in the Premium Income Fund (except existing Shares held in Asset Resolution Limited) to Asset Resolution Limited in exchange for 188,721,784 additional Shares in Asset Resolution Limited.



LETTER TO UNITHOLDERS

The proposal set out in the Resolutions includes the subsequent delisting of the Fund from the NSX and amendments to the Constitution of the Fund to include a power of attorney clause in the Constitution. The power of attorney clause will be for the sole purpose of enabling all Units in the Fund to be bought back and cancelled in exchange for 2 Shares in Asset Resolution Limited for each 5 Units in the Fund, immediately following delisting.

Proceeds Payment Deed

Unitholder approval is also being sought to the Proceeds Payment Deed of 18 April 2013. This Deed records that all proceeds from legal proceedings referred to as the PIF Claims brought by Wellington Capital in its capacity as responsible entity of the Fund will be made available to Asset Resolution Limited to pay to those Unitholders who were Unitholders of the Fund on 15 October 2008.

The Proceeds Payment Deed records that Asset Resolution Limited will have a contractual obligation to make relevant payments to those Unitholders who were Unitholders on 15 October 2008.

There are two Resolutions in relation to the Proceeds Payment Deed. This is to ensure that the issue is considered by the two separate groups of Unitholders in the Fund who will be affected differently by the terms of the Proceeds Payment Deed.

Recommendation

The directors of Wellington Capital have reviewed the proposed Resolutions and recommend that Unitholders **vote for all of the Resolutions**.

Your vote is important

A meeting to consider the Resolutions will be held at 11.00am on 6 June 2013 at rooms M1 and M2, Brisbane Convention and Exhibition Centre, Corner Merivale and Glenelg Streets, South Bank, Brisbane, Queensland.

Unitholders are encouraged to vote by completing and returning the **enclosed yellow Proxy Form** in the reply paid envelope provided, by fax or by email, or alternatively to attend the Meeting itself. Proxy Forms must be received no later than 11.00am on 4 June 2013 to be valid.

Further information

If you have any questions in relation to the Meeting, please contact the Wellington Hotline on 1300 854 885 or email Wellington Capital at investorrelations@newpif.com.au.

Yours sincerely

Jenny Hutson
Chair
Wellington Capital Limited





NOTICE OF MEETING

Wellington Capital Limited ACN 114 248 458 AFSL 291562, responsible entity of the Premium Income Fund ARSN 090 687 577, gives notice that a Meeting of Unitholders will be held at rooms M1 and M2, Brisbane Convention and Exhibition Centre, Cnr Merivale and Glenelg Streets, South Bank, Brisbane, Queensland on 6 June 2013, at 11.00am to consider the Resolutions set out below:

BUSINESS OF THE MEETING

Resolution 1:

Ordinary Resolution to Approve Sale of Main Undertaking of the Fund

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That subject to and conditional on Resolutions 2, 3, 4 and 5 being approved, and in accordance with Listing Rule 6.42, Unitholders approve by way of ordinary resolution the sale of all assets of the Premium Income Fund (except existing Shares held in Asset Resolution Limited) to Asset Resolution Limited in exchange for 188,721,784 Shares in Asset Resolution Limited being issued to Perpetual Nominees Limited, the custodian of the Premium Income Fund.'

Resolution 2:

Special Resolution to delist Premium Income Fund from the official list of the National Stock Exchange of Australia

To consider and, if thought fit, pass the following resolution as a special resolution:

'That subject to and conditional on Resolutions 1, 3, 4 and 5 being approved, and in accordance with Listing Rule 2.25, Unitholders approve by way of special resolution the voluntary withdrawal of the listing of the Premium Income Fund from the official list of the NSX.'

Resolution 3:

Special Resolution to amend Constitution

To consider and, if thought fit, pass the following resolution as a special resolution:

'That subject to and conditional on Resolutions 1, 2, 4 and 5 being approved, the Constitution of the Fund be amended by special resolution inserting new clauses 33 and 34 in the following form:

33. POWER OF ATTORNEY FOR COMPULSORY BUY BACK

Only effective when not admitted to Official List

33.1 *This Power of Attorney is only in force when the Scheme is an unlisted scheme. The powers set out in this clause are not able to be used when the Scheme is admitted to an Official List of SX.*

33.2 *When the Scheme is not admitted to an Official List of an SX these powers are able to be exercised regardless of any other clause in this Constitution.*

Power of attorney

33.3 *Each Unitholder at the time the Scheme is removed from the Official List of an SX irrevocably appoints the Responsible Entity and each of its directors severally, as an attorney of the Unitholder, with power:*

- (a) to do all acts which are required to be done by the Responsible Entity to facilitate a buy back of all of the Scheme Units in accordance with clause 34;*
- (b) to take further action and to execute further instruments which are, or are in the opinion of the Responsible Entity, necessary or desirable to*



facilitate the buy back of all of the Scheme Units in accordance with clause 34; and

- (c) to appoint (and remove at will) at any time any person as a substitute for an attorney to facilitate the buy back of all of the Scheme Units in accordance with clause 34.*

33.4 Each Unitholder ratifies and confirms now and for the future all actions lawfully undertaken by or on behalf of any attorney under this power of attorney for the purposes of the buy back of all of the Scheme Units in accordance with clause 34.

33.5 Each Unitholder declares that this power of attorney will be in force from the time of delisting of the Scheme from the Official List of an SX and until all actions required to be taken under the power of attorney have been completed for the purposes of the Scheme Unit buy back set out in clause 34.

34 COMPULSORY BUY BACK OF PREMIUM INCOME FUND UNITS

Terms of the Compulsory Buy Back

34.1 Unitholders who are eligible to participate in the Buy Back Offer will receive two ordinary shares in Asset Resolution Limited ACN 159 827 871 for every five Units in the Premium Income Fund.

The maximum number of Premium Income Fund Units which can participate in the Buy Back Offer is 830,532,768 and the total number of shares in Asset Resolution Limited which will be transferred as consideration to participating Unitholders is 388,737,788.

34.2 If a Unitholder holds Units jointly with another person (for example, a spouse) Unitholders will receive shares in Asset Resolution Limited held jointly.

Declining the Buy Back Offer

34.3 Unitholders are not able to decline the Buy Back offer.

Effect of Acceptance

34.4 By virtue of the Power of Attorney set out in clause 33, Unitholders are deemed to have accepted the Buy Back Offer and irrevocably and unconditionally agreed that the Unitholder's Units in the Premium Income Fund will be cancelled and Unitholders will receive two shares in Asset Resolution Limited as consideration for each five cancelled Units.

and that the responsible entity be authorised and instructed to do all things necessary to implement the changes proposed by this Resolution.'



Resolution 4

Ordinary Resolution to approve the Proceeds Payment Deed – Unitholders as at 15 October 2008 that remain Unitholders as at the voting entitlement date for the Meeting

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

‘That subject to and conditional on Resolutions 1, 2, 3 and 5 being approved, that, the terms of the Proceeds Payment Deed be approved by ordinary resolution by Unitholders who were Unitholders in the Fund as at 15 October 2008 and remain Unitholders as at the voting entitlement date for this Meeting.’

Resolution 5

Ordinary Resolution to approve the Proceeds Payment Deed – Unitholders as at the voting entitlement date for the Meeting who were not Unitholders on 15 October 2008

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

‘That subject to and conditional on Resolutions 1, 2, 3 and 4 being approved, that the terms of the Proceeds Payment Deed be approved by ordinary resolution by Unitholders who are Unitholders as at the voting entitlement date for this meeting and who were not Unitholders in the Fund as at 15 October 2008.’

Interdependent Resolutions

Resolutions 1, 2, 3, 4 and 5 are interdependent, such that the approval of each Resolution is conditional on the approval of the other four Resolutions.

By order of the Board of Wellington Capital Limited.

Mary-Anne Greaves
Company Secretary
6 May 2013

Voting Exclusion Statement

Voting exclusion

Wellington Capital will disregard any votes cast by any party who has an interest in the resolution.

However Wellington Capital need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person Chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.



VOTING & ELIGIBILITY

Quorum

The quorum necessary for the Meeting is two Unitholders present at all times during the Meeting.

How to vote

To vote on the Resolutions, you may either:

- complete the enclosed Proxy Form and return it to Wellington Capital or Armstrong Registry Services no later than 11.00am on 4 June 2013; or
- attend the Meeting to be held at rooms M1 and M2, Brisbane Convention and Exhibition Centre, Cnr Merivale and Glenelg Streets, South Bank, Brisbane, Queensland on 6 June 2013 at 11.00am.

Details of how to complete the Proxy Form are set out on the form itself.

Voting intentions of the Chair

The Chair intends to vote any undirected proxies appointing the Chair as proxy in favour of the Resolutions.

Voting

Majority required

Resolution 1	is an ordinary resolution which must be passed by at least 50% of total votes cast by Unitholders entitled to vote on the Resolution. Resolutions 2, 3, 4 and 5 must also be passed for Resolution 1 to take effect.
Resolution 2	is a special resolution which must be passed by at least 75% of total votes cast by Unitholders entitled to vote on the Resolution. Resolutions 1, 3, 4 and 5 must also be passed for Resolution 2 to take effect.
Resolution 3	is a special resolution which must be passed by at least 75% of total votes cast by Unitholders entitled to vote on the Resolution. Resolutions 1, 2, 4 and 5 must also be passed for Resolution 3 to take effect.
Resolution 4	is an ordinary resolution which must be passed by at least 50% of total votes cast by Unitholders entitled to vote on the Resolution. Resolution 1, 2, 3 and 5 must also be passed for Resolution 4 to take effect.
Resolution 5	is an ordinary resolution which must be passed by at least 50% of total votes cast by Unitholders entitled to vote on the Resolution. Resolution 1, 2, 3 and 4 must also be passed for Resolution 5 to take effect.

Entitlement to vote

All Unitholders recorded on the register at 7.00pm on 4 June 2013 are entitled to attend and vote at the Meeting. Transfers registered after this time will be disregarded in determining entitlements to vote at the Meeting.

Jointly held interests

If an interest in the Fund is held jointly, and more than one Unitholder votes in respect of that interest, only the vote of the Unitholder whose name appears first in the register of Unitholders will be counted.



Appointment of proxy

If you are entitled to vote at the Meeting, you have the right to appoint a proxy. A Proxy Form is enclosed with this Notice of Meeting. The proxy does not need to be a Unitholder in the Fund.

Instructions regarding completion of the Proxy Form are set out on the form.

Corporate Representative

If a representative of a corporate Unitholder or proxy is to attend the meeting you will need to provide the appropriate 'Certificate of Appointment of Corporate Representative' prior to admission to the meeting.

A form of the certificate may be obtained from Armstrong Registry Services Pty Ltd on request.

Questions

If you have any questions regarding the Meeting, please contact the Wellington Hotline on 1300 854 885 or by email at investorrelations@newpif.com.au.

Unitholders can vote by proxy or in person. Your proxy form should be:

POSTED TO: Armstrong Registry Services Pty Ltd
Reply Paid 897
BRISBANE QLD 4001

OR FAXED TO: +617 3231 0099

OR DELIVERED TO: Level 22, 307 Queen Street
BRISBANE QLD 4000

OR EMAILED TO: pif@armstrongregistries.com.au



EXPLANATORY MEMORANDUM

OVERVIEW

Summary

Consistent with its aim to investigate opportunities which are in the best interests of Unitholders, Wellington Capital entered into a conditional Security Sale Agreement with Asset Resolution Limited on 18 April 2013 to sell the assets of the Fund (except existing Shares held in Asset Resolution Limited), in exchange for the issue of 188,721,184 Asset Resolution Limited shares. This agreement is subject to approval by Unitholders.

The Resolutions proposed in this Notice also involve the delisting of the Premium Income Fund from the NSX and amendments to the Constitution to insert a power of attorney clause into the Constitution to enable all Units in the Premium Income Fund to be bought back and cancelled in exchange for 2 Shares in Asset Resolution Limited for each 5 Units held in the Premium Income Fund.

A Proceeds Payment Deed was also entered into on 18 April 2013. This Deed will ensure that the proceeds from all PIF Claims are paid to Asset Resolution Limited for payment to Unitholders who were Unitholders on 15 October 2008.

Asset Sale and Delisting Proposal

A number of steps are involved in the proposed transaction:

- all of the remaining assets held by the Fund (except existing Shares held in Asset Resolution Limited) will be sold to Asset Resolution Limited in return for the issue of 188,721,184 shares in Asset Resolution Limited;
- removal of the Fund from the Official List of the NSX. This will mean that the Fund will be delisted and there will be no mechanism by which Unitholders can buy or sell their Units on the NSX;
- amendments to the Constitution of the Fund to enable a buy back and cancellation of Units in the Fund immediately following the Fund's delisting. The consideration which Unitholders will receive for the buy back and cancellation of their Units will be 2 Shares in Asset Resolution Limited for each 5 Units held in the Fund.

Proceeds Payment Deed

A conditional Proceeds Payment Deed was signed on 18 April 2013 between Wellington Capital, Perpetual and Asset Resolution Limited which records that any proceeds from legal proceedings referred to as PIF Claims, will be paid to Asset Resolution Limited for payment by it to Unitholders who were Unitholders on 15 October 2008.

Post Completion

Following implementation of the proposal set out in the Resolutions, the Fund will have no assets or liabilities and will no longer be a managed investment scheme. Application will be made for the Fund to be deregistered.

The directors of Wellington Capital have reviewed the proposed Resolutions as set out in this Explanatory Memorandum and recommend that Unitholders vote in favour of all of the Resolutions.



1. RESOLUTION 1

1.1 Ordinary Resolution 1: Approval of Sale of Main Undertaking of the Fund

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

‘That subject to and conditional on Resolutions 2, 3, 4 and 5 being approved and in accordance with Listing Rule 6.42, Unitholders approve by way of ordinary resolution the sale of all assets of the Premium Income Fund (except existing Shares held in Asset Resolution Limited) to Asset Resolution Limited in return for 188,721,784 shares in Asset Resolution Limited being issued to Perpetual Nominees Limited, the custodian of the Premium Income Fund.’

Resolution 1 is interdependent on Resolutions 2, 3, 4 and 5. This means that Resolutions 2, 3, 4 and 5 must be passed for Resolution 1 to have effect.

1.2 Summary

Consistent with its aim to investigate opportunities which are in the best interests of Unitholders, Wellington Capital has entered into a conditional Security Sale Agreement with Asset Resolution Limited in regards to a potential transaction whereby the Fund would transfer all remaining assets of the Premium Income Fund (except existing Shares held in Asset Resolution Limited) in consideration for 188,721,784 shares in Asset Resolution Limited.

If approved, the Security Sale Agreement will see the Fund dispose of its main undertaking.

1.3 What is the main undertaking of the Premium Income Fund?

The main undertaking of the Premium Income Fund is the assets of the Fund which comprise mortgage loans and units in other funds, debts due to it and cash.

This Resolution seeks Unitholder approval for the transfer of all of the main undertakings being all remaining assets (except existing Shares held in Asset Resolution Limited) to Asset Resolution Limited.

If all Resolutions are passed by Unitholders, the Fund will, following the implementation of all of the Resolutions, have no assets.

1.4 Why is Unitholder approval being sought?

NSX Listing Rule 6.42 provides that if a listed entity proposes to make a significant change in the nature or scale of its activities, it must obtain the approval of Unitholders.

Wellington Capital has determined that if approved, the Security Sale Agreement with Asset Resolution Limited will ultimately constitute the disposal of the Fund’s main undertaking. Wellington Capital is therefore seeking Unitholder approval under NSX Listing Rule 6.42 in order to approve the Security Sale Agreement and transfer the Fund’s main undertaking, which constitute the remaining assets of the Fund (except existing shares held in Asset Resolution Limited) to Asset Resolution Limited.

The terms of the Security Sale Agreement are conditional on this Resolution and all other Resolutions being passed by Unitholders in general meeting.

Wellington Capital believes that the transfer of the remaining assets to Asset Resolution Limited is in the best interests of Unitholders as it will ensure one experienced team with access to new sources of capital and potential asset purchasers is managing the realisation of the remaining assets in a cost effective way.



1.5 What will Unitholders receive as a result of the sale of the Fund's main undertaking?

In the event that this Resolution is passed by Unitholders and interdependent Resolutions 2, 3, 4 and 5 are also passed by Unitholders, the following steps will occur:

- The Security Sale Agreement with Asset Resolution Limited will proceed to completion;
- The Fund will cease trading on the NSX on 14 June 2013 and be delisted on 28 June 2013; and
- All Units in the Premium Income Fund will be bought back and cancelled on 28 June 2013. In return, Unitholders will receive 2 shares in Asset Resolution Limited for each five Units they hold in the Fund.

Shares in Asset Resolution Limited are not listed on an Australian stock exchange and can only be sold by private treaty.

1.6 Balance sheet of the Fund

The balance sheet of the Fund as at 31 December 2012 is set out below. The notes to the Balance Sheet are set out in the Half Yearly Report lodged with NSX on 1 March 2013. Copies of the Half Yearly Report and Annual Report for the Fund are available free of charge on request.

The proforma Balance Sheet for the Fund on 28 June 2013 assuming completion of the transfer of all remaining assets to Asset Resolution Limited and finalisation of the Unit buy back and cancellation on the basis of 2 Asset Resolution Limited shares for every 5 units in the Fund is also set out below.

Premium Income Fund	31 December 2012 \$000's	28 June 2013 (Proforma)
ASSETS		
Cash and cash equivalents	3,156	Nil
Receivables	3,995	Nil
Other financial assets	9,930	Nil
Financial assets held at fair value through profit or loss	9,197	Nil
Inventory	18,813	Nil
Mortgage loans	2,688	Nil
TOTAL ASSETS	47,779	Nil
LIABILITIES		
Payables	3,913	Nil
Loans	10,012	Nil
TOTAL LIABILITIES	13,925	Nil
NET ASSETS	33,854	Nil
EQUITY		
Contributed equity	245,638	Nil
Accumulated losses	(217,526)	Nil
	28,112	Nil
Non-controlling interest	5,742	Nil
TOTAL EQUITY	33,854	Nil
UNITS ON ISSUE	830,532,768	Nil



1.7 Announcements made to NSX since 1 January 2013

All announcements made to NSX since 1 January 2013 are set out below. Copies are available from the NSX website www.nsx.com.au, the Wellington Capital website www.wellcap.com.au, or free of charge upon request.

Date	Title	Summary
6 February 2013	Perpetual Nominees v Rytelle Pty Ltd & Ors – Supreme Court of Victoria proceedings 6858/2009	Decision handed down in favour of Perpetual Nominees Limited in the proceedings between Perpetual Nominees v Rytelle Pty Ltd & Ors.
28 February 2013	Sale of 57.5% Interest in Trust that Owns Chifley Wollongong Hotel	The Fund realized its final 57.5% of the units in the Trust for \$8.9 million payable over three instalments.
1 March 2013	NSX Form 2C – Half Yearly Report	NSX Form 2C for the half yearly report for the period ending December 2012.
1 March 2013	Half Yearly Financial Report to 31 December 2012	Half Yearly Report and Interim Financial Report for the Half Year ended 31 December 2012.
4 March 2013	Perpetual Nominees v Rytelle Pty Ltd & Ors	Final orders were handed down in relation to the decision in favour of Perpetual Nominees in proceedings 6858/2009.
11 March 2013	Chifley Wollongong	A comparison of position from September 2010 to March 2013.
25 March 2013	Oxygen Estate in Duns Creek, New South Wales (Mortgagee in Possession)	A conditional contract was entered into to sell the land as mortgagee in possession for \$1.1 million payable over 12 months.
25 March 2013	Notice of Voluntary Withdrawal of Listing on Official List of the National Stock Exchange	Notice of Voluntary Withdrawal of the Premium Income Fund from the Official list of the National Stock Exchange.
9 April 2013	Commencement of proceedings in the Federal Court of Australia – NSD557/2013	A Statement of Claim has been filed with the NSW District Registry of the Federal Court of Australia against KPMG and others
17 April 2013	Sale of Assets for \$5.2 million	An unconditional contract has been entered into for \$5.2 million for the sale of assets payable on or before 18 June 2013.
18 April 2013	Conditional Sale of Assets to Asset Resolution Limited	A conditional agreement to sell all of the remaining assets of the Premium Income Fund has been entered into with Asset Resolution Limited.
19 April 2013	Correction to Conditional Sale of Assets to Asset Resolution	A correction to the number of ordinary shares that will be on issue in Asset Resolution Limited following the Sale of Assets by the Fund.
26 April 2013	Replacement compliance plan	Replacement compliance plan for the Premium Income Fund



1.8 Value for Unitholders

The table below sets out the value of the Fund's assets sold or contracted to be sold since 31 December 2012 plus the value of the remaining assets of the Fund, being the 150,025,399 existing Shares in Asset Resolution Limited:

Description	Value
Sale of 57.5% interest in the Trust that owns Chifley Wollongong Hotel announced 28 February 2013 ¹	\$1.6 million
Sale of Assets for \$5.2 million announced 17 April 2013 ²	\$5.2 million
Conditional sale of assets to Asset Resolution Limited in exchange for 188,721,784 Shares in Asset Resolution Limited announced 18 April 2013 ³	\$20.62 million
Existing Shares in Asset Resolution Limited held following the sale of assets on 20 December 2012 being 150,025,399 Shares in Asset Resolution Limited ⁴	\$16.39 million
TOTAL VALUE	\$43.81 million

¹ \$1.6 million was received by the Fund on 28 February 2013. A further \$7.3 million is payable in 2014. Asset Resolution Limited will, following completion of the transfer of assets to it, own the \$7.3 million debt and associated security.

² This sale of assets for \$5.2 million is unconditional and scheduled to settle on or before 18 June 2013 as announced on 17 April 2013.

³ The sale of all remaining assets to Asset Resolution Limited is conditional upon the approval of Unitholders in general meeting and scheduled to occur one business day after the satisfaction of all conditions in the contract as announced on 18 April 2013. The sale includes the proceeds from the sale of the Oxygen Estate of \$1.1 million over 12 months as announced on 25 March 2013.

⁴ The Premium Income Fund currently holds 150,025,399 Shares in Asset Resolution Limited following the sale of assets to the value of \$16.39 million to Asset Resolution Limited as announced on 19 December 2012.

All assets of the Fund, after it has paid all liabilities, will be transferred to Asset Resolution Limited. This includes the Fund's cash balance at that time. Consequentially if all resolutions are passed, all future cash payments arising from or associated with those assets will be made by Asset Resolution Limited, not the Premium Income Fund.

1.9 Asset Resolution Limited

Asset Resolution Limited will bring to the assets acquired from the Fund, its access to a global network through its team which is experienced in the optimal realisation of mortgage loans and other security assets similar to those of the Fund. Asset Resolution Limited will manage and realise the acquired assets in a value-maximising manner. As assets are realised, Asset Resolution Limited will make returns to shareholders. Upon realisation of all acquired assets and the payment of available returns to shareholders, Asset Resolution Limited will cease to trade.



1.10 Asset Resolution Limited's board

The Board of Asset Resolution Limited comprises commercial leaders with significant legal, banking, business turnaround and corporate governance experience. The Directors are Chairman, the Honorable David Beddall, Wayne Jenvey, Lindsay Johnston and Tony Pope.

The Honourable David Beddall - Chairman

David Beddall was a Federal member in the Australian Parliament from 1983 to 1998. In this period, he held the portfolios of Minister for Resources, Minister for Communications and Minister for Small Business, Constructions and Customs.

David has served as President of the Franchisee Association of Australia Incorporated, as a Member of the Australian Competition & Consumer Commission Franchising Consultative Committee, as a National Councillor of the Australian Industry Group, and as Councillor - Queensland Executive Member (Branch Secretary & Treasurer) of the Australian Industry Group (Qld).

Since 1998, David has operated in the private sector with a series of directorships with public and private companies as well as not-for-profit industry organisations. He has further served as chairman of an ASX200 listed company.

Wayne Jenvey – Director

Wayne Jenvey has over 20 years experience in corporate litigation, regulatory compliance, asset recovery and dispute resolution. Wayne is a partner at a prominent law firm where he heads the Commercial Litigation practice group in Brisbane.

Wayne is frequently involved in representing public companies, major banks, foreign entities and joint ventures in various superior court jurisdictions in relation to contractual disputes, shareholders' rights, intellectual property claims, banking and finance recoveries and enforcement procedures.

Wayne has been commonly called upon to provide advice in the areas of corporations law, contractual disputes and directors' duties and dealings with corporate regulators such as the Australian Competition and Consumer Commission (ACCC), the Australian Taxation Office (ATO) and the Australian Securities and Investments Commission (ASIC).

Wayne holds a Bachelor of Laws and Master of Laws. He is also a member of the Australian Institute of Company Directors (AICD) and is a nationally accredited mediator.

Lindsay Johnston – Director

Lindsay Johnston has had over 16 years experience with the Bank of Queensland, where he held the title of General Manager of Credit.

Lindsay's specialties include credit risk, risk assessment, market risk and asset management. Lindsay brings an extensive wealth of banking experience to the ARL Board of Directors.

Lindsay holds a Bachelor of Business (Accounting) and a Masters of Business Administration (International Business).

Tony Pope

Tony Pope has more than 40 years experience in banking and funds management. Tony has been involved in the senior management of finance and investment banking companies with experience in lending, treasury, equipment leasing and structured finance. He is a Fellow of CPA Australia.

Tony was involved in the turnaround of the Estate Mortgage Trusts and their restructure into the successful listed property trust, Meridian Investment Trust. Acting as the Fund Manager for a number of years, Tony negotiated the takeover of two other listed trusts, one of which was a retail trust with 10 shopping centres in New South Wales and Queensland. Tony is recognised throughout the property and finance and funds management industries for his common sense, sound and conservative advice and significant expertise in the restructuring of property assets and funds.



1.11 Proforma Balance Sheet of Asset Resolution Limited

A proforma Balance Sheet for Asset Resolution Limited as at 28 June 2013 assuming completion of the transfer of all remaining assets to Asset Resolution Limited and finalisation of the Unit buy back and cancellation on the basis of 2 Asset Resolution Limited Shares for every 5 Units in the Fund is set out below. This Balance Sheet has been prepared by Wellington Capital based on publicly available information.

Asset Resolution Limited	28 June 2013 (Proforma)
ASSETS	
Cash and cash equivalents	3,743,137
Receivables	7,300,000
Other financial assets	-
Financial assets held at fair value through profit or loss	1,561,700
Mortgage loans	118,898,300
TOTAL ASSETS ¹	131,503,137
LIABILITIES	
Payables	7,328,637
Loans	-
TOTAL LIABILITIES	7,328,637
NET ASSETS	124,174,500
SHAREHOLDERS FUNDS	
Issued capital	127,760,000
Retained earnings	(3,585,500)
TOTAL EQUITY	124,174,500
SHARES ON ISSUE	1,169,270,556
NET ASSET BACKING PER ASSET RESOLUTION LIMITED SHARE	10.62 cents

¹ Asset Resolution Limited purchased \$90.75 million in assets from the Fund as announced on 5 September 2012. In addition \$3,743,137 in cash was transferred together with \$3,743,137 in liabilities being rates, land tax and body corporate levies connected to properties held as security for mortgage loans. Asset Resolution Limited purchased \$16.39 million in assets from the Fund as announced on 19 December 2012. Asset Resolution Limited has contracted to purchase \$20.62 million in assets from the Fund as announced on 18 April 2013 conditional upon the Resolutions being approved by Unitholders.

² Total liabilities comprises \$3,743,137 in liabilities assumed by Asset Resolution Limited on 5 September 2012 plus Wellington Capital's estimate of Asset Resolution Limited's net operating costs between 5 September 2012 and 28 June 2013.



1.12 Summary of constitution of Asset Resolution Limited

The following is a summary of the major provisions of the Asset Resolution Limited's constitution:

ASX Listing Rules

A reference to the ASX Listing Rules, the ASX Market Rules, ACH Clearing Rules, ASTC Settlement Rules, the ASX or related matters in the constitution only has effect if, and only if, at the relevant time the Company is listed on the ASX. The Company is not currently listed.

Directors

The number of directors must be the great of at least three or the number of directors in office when a decision on the number of directors is made (not counting Alternates).

A director need not be a member of the Company.

Alternate Directors

The Directors may appoint a person who is approved by the board to act as Alternate for a specified period or each time the Appointor is unable to attend a board meeting or act as a Director.

Managing Director

The board may appoint one or more Directors to be a Managing Director. The appointment of a Managing Director terminates if the Managing Director ceases for any reason to be a Director of the board remove the Managing Director from office.

Directors' Remuneration

Directors are to be paid out of Company funds as remuneration for their services, such sum as accrues on a daily basis as the Company in general meeting determines to be divided among them equally or as otherwise decided by the board.

Directors who devote special attention to the business of the Company or who perform services which are regarded as being outside the scope of their ordinary duties as Directors, or who at the request of the board engage in any journey on Company business, may be paid extra remuneration as determined by the board. Directors are also entitled to their reasonable travel, accommodation and other expenses incurred in attending Company or board meetings, or meetings of any committee engaged in the Company's business.

Any Director may be paid a retirement benefit as determined by the board subject to Division 2 of Part 2D.2 of the Corporations Act and the ASX Listing Rules.

Indemnity and Insurance

The Company may in its discretion indemnify Directors, secretaries and executive officers of the Company against any liability incurred by them by virtue of their holding office as, and acting in the capacity of, Director, secretary or executive officer, other than a liability owed to the Company or a related body corporate of the Company or where the liability does not arise out of conduct involving a lack of good faith.

The Company may pay insurance premiums for officers against any liability incurred by the Officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the duties of the Officer.

Meetings of members

The Company must hold an annual general meeting as required by section 250N of the Corporations Act.

Any Director may convene a general meeting of the company whenever the Director thinks fit or when required by section 249D or 250N of the Corporations Act or by order made under section 249G of the Corporations Act.

At least 28 days' written notice of meeting must be given individually to each member, each director and the auditor.



Two voting members must be present to constitute a quorum for a general meeting. The Chairman of the board is to chair the meeting of members.

Every member has a right to attend all meetings of members whether or not entitled to vote. If a call on a share is due and unpaid, the holding of that share does not entitle the member to be present, speak or vote at, or be counted in the quorum for, a meeting of members.

A member may appoint not more than two proxies to attend and act for the member at a meeting of members.

A member may appoint an attorney to act, or to appoint a proxy to act, at a meeting of members.

An appointment of a proxy or an attorney is not effective for a particular meeting of members unless the instrument is received by the Company at its registered office or is transmitted to and received at a fax number at that office at least 48 hours before the time for which the meeting was called or if the meeting has been adjourned, at least 48 hours before the resumption of the meeting.

A member that is a body corporate may appoint an individual to act as its representative at meetings of members as permitted by section 250D of the Corporations Act.

Entitlement to Vote

Subject to the Corporations Act and the terms on which shares are issued:

On a show of hands:

- (a) if a member has appointed two proxies, neither of those proxies may vote;
- (b) a member who is present and entitled to vote and is also a proxy, attorney or representative of another member has one vote; and
- (c) subject to (a) and (b) every individual present who is a member, or a proxy, attorney or representative of a member, entitled to vote has one vote.

On a poll every member who is present in person or by proxy, attorney or representative has one vote for every fully paid share held and in respect of each partly paid share held has a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

If an equal number of votes is cast for and against a resolution at a meeting of members, the chairman of the meeting does not have a second or casting vote and the matter is decided in the negative.

Restriction on Voting Rights

If the Corporations Act or ASX Listing Rules require that some members are not to vote on a resolution or that votes cast by some members be disregarded, those members have not right to vote on that resolution.

Method of Voting

A resolution put to the vote at a meeting of members must be decided on a show of hands unless a poll is demanded either before or on declaration of the result of the vote on a show of hands.

A poll may be demanded by at least five members entitled to vote on the resolution or members entitled to cast at least 5% of the votes that may be cast on the resolution, or the by the chairman.

Financial Reports and Audit

The Company must prepare a financial report and a directors' report that comply with part 2M.3 of the Corporations Act and must report to members in accordance with section 314 of the Corporations Act no later than the deadline set by section 315 of the Corporations Act.

The Company's financial report for each financial year is to be audited and an auditor's report obtained.



Shares

The board, on behalf of the Company, may issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the board decides.

The Company may issue preference shares on terms set out in the constitution unless other rights have been approved by Special Resolution of the Company. The holder of a preference share has:

- (a) an entitlement to be paid on each dividend date in priority to any payment of dividend on any other class of shares, a preferential dividend;
- (b) the entitlement on a winding up to payment in cash of the amount then paid up on the shares and if dividends are cumulative, any arrears of dividend in priority to payment to the holders of ordinary shares and any other class of preference share but has not right to participate in surplus assets and profits of the Company;
- (c) no right to vote at any meeting of members except if it relates to dividends, share capital, buy back agreement, rights attached to the share, proposal to wind up the company, or proposal for the disposal of the whole of the Company's property, business and undertaking.

The Company may issue redeemable shares on terms set out in the constitution unless other rights have been approved by Special Resolution of the company. The holder of a redeemable share has:

- (a) the right to vote at all meetings of the Company;
- (b) the right to participate in any dividend declared on the class of shares held; and
- (c) the right to participate in the division of any surplus assets or profits of the Company.

The Company must not issue shares or grant options if the issue or grant would result in a breach of the ASX Listing Rules.

Partly Paid Shares

If a share is issued on terms that some or all of the issue price is payable by instalments, the registered holder of the share must pay every instalment to the Company when due. Prepayments of some or all of the amount unpaid on the share may be accepted by the board.

The board may from time to time call upon shareholders for unpaid monies on their shares. If such a call is made, shareholders are liable to pay the amount of each call in the manner and at the time specified by the board. Such calls may be payable by instalments. The board may make different calls on different classes of shares.

Forfeiture and lien

The Company is empowered to forfeit shares in relation to any part of allotment monies, calls, instalments, interest, expenses and dividends which remain unpaid following notice sent to a shareholder.

The Company has a first lien or charge for unpaid calls, instalments and related interest and any amount it is legally required to pay in relation to a shareholder's shares.

Dividends

The Directors may set aside amounts as they think proper as dividend reserves. Subject to the Corporations Act, ASX Listing Rules and the terms of issue of shares, the board may by resolution either declare or determine a dividend is payable and may fix the amount, the time for and method of payment.

Subject to the terms of issue the Company may pay a dividend on one class of shares to the exclusion of another class.

Dividends may be in cash or by distribution of specific assets (including shares or securities of any other corporation).



Share Plans

The board may adopt and implement reinvestment plans under which any dividend or other cash payments in respect of a share or other securities is entitled to.

Transfer of Shares

Subject to the rules of the constitution a member may transfer a share by any means permitted by the Corporations Act or by law.

Unmarketable Parcels

The board may sell a share that is part of an unmarketable parcel if it gives written notice to the member under which the member may notify the Company that they elect to retain their holding.

Where the company sells the shares, the Company must pay the sale and otherwise apply the proceeds to any unpaid called amount and provide the balance to the holder.

Alternation of Share Capital

The Company may capitalise profits, reserves or other amounts available for distribution to members. Subject to the Corporations Act, the constitution and the ASX Listing Rules the company may convert shares into larger or smaller number of shares, convert an ordinary share into a preference share and vice versa, or an ordinary share into a redeemable share and vice versa.

Winding Up

Subject to the terms of issue of shares the surplus assets of the company remaining after payment of its debts are divisible among the members in proportion to the number of fully paid shares held by them. A partly paid share is counted as a fraction of a fully paid share equal to the proportion which the amount paid on it bears to the total issue price of the share.

Wellington Capital as responsible entity of the Premium Income Fund recommends that Unitholders VOTE IN FAVOUR of this Resolution.



2. RESOLUTION 2

2.1 Resolution 2: Delisting of the Premium Income Fund from the National Stock Exchange

To consider and, if thought fit, pass the following Resolution as a special resolution:

'That subject to and conditional on Resolutions 1, 3, 4 and 5 being approved, and in accordance with Listing Rule 2.25, Unitholders approve by way of special resolution the voluntary withdrawal of the listing of the Premium Income Fund from the official list of the NSX.'

Resolution 2 is interdependent on Resolutions 1, 3, 4 and 5. This means that Resolutions 1, 3, 4 and 5 must be passed for Resolution 2 to have effect.

2.2 Summary

Subject to Unitholder approval, all remaining assets of the Fund (except existing Shares held in Asset Resolution Limited) will be sold to Asset Resolution Limited. The proposal also involves the delisting of the Fund from the NSX. Upon removal, the Fund's Units will cease to be quoted by the NSX and will not be able to be traded through the market operated by the NSX.

Listing Rule 2.25 allows the NSX to remove an entity from its Official List at the request of the listed entity as follows:

'An issuer whose primary listing is on the Exchange may only voluntarily withdraw its listing if it gives the Exchange at least 90 days' notice and the issuer has obtained the approval of the holders of each class of its listed securities by way of a three quarters majority vote at duly convened meetings of those holders.'

This proposal requires approval of Unitholders by special resolution. If the Resolution is passed, the Fund is expected to delist from the NSX on 28 June 2013, which is more than 90 days from the date of the Fund's notice of its intention to delist was provided to the NSX.

2.3 Why delist from the National Stock Exchange?

The predominant factors which have resulted in Wellington Capital seeking approval for delisting of the Fund are as follows:

- subject to Unitholder approval, all the assets of the Fund (except existing Shares held in Asset Resolution Limited) will be sold to Asset Resolution Limited;
- subject to Unitholder approval and finalisation of the Security Sale Agreement, all the Units in the Fund will be bought back and cancelled, and the Fund will cease to have any assets or Units on issue;
- it will not be possible for the Fund to remain listed once Unitholder approval has been received to the Resolutions because the Fund will not meet the NSX requirements to be a listed entity.

In considering this Resolution, Wellington Capital has carefully considered what it regards as the actual and potential advantages, disadvantages and alternatives to this proposal.

2.4 Key Dates in relation to this Resolution

25 March 2013	Date of Notice given under Listing Rule 2.25 to the NSX
6 June 2013	Meeting of Unitholders
14 June 2013	Suspension of trading of Fund Units on the NSX, assuming Unitholder approval is obtained
28 June 2013	Delisting from NSX, assuming Unitholder approval is obtained



2.5 Alternatives considered

As set out in section 1 of this Explanatory Memorandum, Wellington Capital considers that the proposal including the Security Sale Agreement entered into with Asset Resolution Limited is in the best interests of Unitholders.

The only other viable alternative to the proposal is maintaining the status quo. It is the view of Wellington Capital that the net asset backing of Units in the Fund is not currently reflected in the market price which is being obtained on the NSX. In addition, the costs of remaining listed on the NSX are relatively high when compared with the current assets of the Fund as set out in the Half Yearly Financial Report for the period ended 31 December 2012.

2.6 Reasons for the proposal to delist

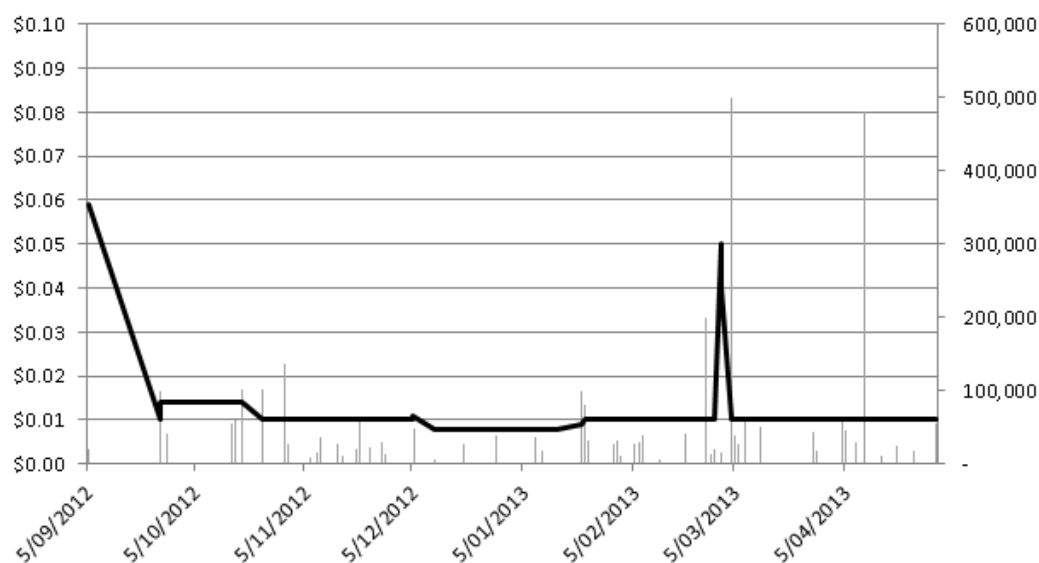
Acting in the best interests of Unitholders

Listing on the NSX has provided liquidity for many Unitholders since 2008. Subject to Unitholder approval, if the proposal proceeds, the Fund will no longer have any assets of value, or any Units, and will as a consequence not comply with the Listing Rules. Accordingly, it will not be possible to remain listed on the NSX.

Decreasing market price and liquidity

As assets of the Fund have been sold and the consideration received has been transferred to Unitholders, the volume of Units traded on the NSX has decreased:

Chart 1: Unit Price and Volume traded on NSX since September 2012



Once the Premium Income Fund is delisted, a buy-back and cancellation of Units will occur in accordance with Resolution 3.

Cost of being Listed

Regardless of the value of assets of the Fund, whilst listed, the Fund continues to incur direct and indirect costs, which will cease once the Fund is delisted.

Wellington Capital has considered the alternatives and concluded that it is in the best interests of Unitholders to proceed with the proposal which includes delisting of the Fund from the NSX.



2.7 Effect of delisting

The Directors recognise that there are various disadvantages of delisting which need to be taken into account:

Inability to trade Units in the Fund

If the Fund is delisted, Unitholders will no longer have the ability to buy and sell Units on the NSX.

Removal of Listing Rules protection

The NSX Listing Rules will cease to apply to the Fund once delisted and Unitholders will not have the benefit of protections inherent in the NSX Listing Rules. These include restrictions relating to:

- **Continuous disclosure**

NSX Listing Rules regarding continuous disclosure will cease to apply to the Fund following delisting.

- **General disclosure**

The Fund will not be required to report on matters specifically required of listed entities.

Wellington Capital does not believe any of the effects listed above will detrimentally affect Unitholders in the event the proposal is approved by Unitholders as Unitholders will cease to hold any Units in the Fund.

2.8 What happens if the proposal is not approved

If the Resolutions are not approved by Unitholders, the Fund will remain listed on the NSX and the proposal will not proceed. The Fund will continue to incur listing expenses and will continue to comply with its obligations as a registered managed investment scheme and a listed entity on the NSX.

2.9 No Trading after delisting

If the Resolutions are approved by Unitholders and the proposal proceeds, then immediately after delisting occurs, all Units in the Premium Income Fund will be bought back and cancelled. The consideration for the buyback of 5 Units in the Fund is 2 shares in Asset Resolution Limited.

Shares in Asset Resolution Limited are not listed on an Australian stock exchange and can only be sold by private treaty.

Wellington Capital as responsible entity of the Premium Income Fund recommends that Unitholders VOTE IN FAVOUR of this Resolution.



3. RESOLUTION 3

3.1 Special Resolution 3: Amendment of Fund Constitution to facilitate buy back

To consider and, if thought fit, pass the following resolution as a special resolution:

'That subject to and conditional on Resolutions 1, 2, 4 and 5 being approved, the Constitution of the Fund be amended by special resolution inserting new clauses 33 and 34 in the following form:

33. POWER OF ATTORNEY FOR COMPULSORY BUY BACK

Only effective when not admitted to Official List

- 33.1 *This Power of Attorney is only in force when the Scheme is an unlisted scheme. The powers set out in this clause are not able to be used when the Scheme is admitted to an Official List of SX.*
- 33.2 *When the Scheme is not admitted to an Official List of an SX these powers are able to be exercised regardless of any other clause in this Constitution.*

Power of attorney

- 33.3 *Each Unitholder at the time the Scheme is removed from the Official List of an SX irrevocably appoints the Responsible Entity and each of its directors severally, as an attorney of the Unitholder, with power:*
- (a) *to do all acts which are required to be done by the Responsible Entity to facilitate a buy back of all of the Scheme Units in accordance with clause 34;*
 - (b) *to take further action and to execute further instruments which are, or are in the opinion of the Responsible Entity, necessary or desirable to facilitate the buy back of all of the Scheme Units in accordance with clause 34; and*
 - (c) *to appoint (and remove at will) at any time any person as a substitute for an attorney to facilitate the buy back of all of the Scheme Units in accordance with clause 34.*
- 33.4 *Each Unitholder ratifies and confirms now and for the future all actions lawfully undertaken by or on behalf of any attorney under this power of attorney for the purposes of the buy back of all of the Scheme Units in accordance with clause 34.*
- 33.5 *Each Unitholder declares that this power of attorney will be in force from the time of delisting of the Scheme from the Official List of an SX and until all actions required to be taken under the power of attorney have been completed for the purposes of the Scheme Unit buy back set out in clause 34.*

34 COMPULSORY BUY BACK OF PREMIUM INCOME FUND UNITS

Terms of the Compulsory Buy Back

- 34.1 *Unitholders who are eligible to participate in the Buy Back Offer will receive two ordinary shares in Asset Resolution Limited ACN 159 827 871 for every five Units in the Premium Income Fund.*

The maximum number of Premium Income Fund Units which can participate in the Buy Back Offer is 830,532,768 and the total number of shares in Asset Resolution Limited which will be transferred as consideration to participating Unitholders is 388,737,788.



- 34.2 *If a Unitholder holds Units jointly with another person (for example, a spouse) Unitholders will receive shares in Asset Resolution Limited held jointly.*

Declining the Buy Back Offer

- 34.3 *Unitholders are not able to decline the Buy Back offer.*

Effect of Acceptance

- 34.4 *By virtue of the Power of Attorney set out in clause 33, Unitholders are deemed to have accepted the Buy Back Offer and irrevocably and unconditionally agreed that the Unitholder's Units in the Premium Income Fund will be cancelled and Unitholders will receive two shares in Asset Resolution Limited as consideration for each five cancelled Units.*

and that the responsible entity be authorised and instructed to do all things necessary to implement the changes proposed by this Resolution.'

Resolution 3 is interdependent on Resolutions 1, 2, 4 and 5. This means that Resolutions 1, 2, 4 and 5 must be passed for Resolution 3 to have effect.

3.2 Changes to the Constitution

A copy of the Constitution of the Fund highlighting all proposed changes is available on request to Unitholders by post or by email.

A copy of the current Constitution of the Premium Income Fund is available on the Wellington Capital website www.wellcap.com.au and the NSX website www.nsx.com.au. Copies will also be provided to Unitholders by post, free of charge, on request.

Unitholders requiring a copy of the current Constitution or the proposed marked up constitution should contact the Wellington Hotline on 1300 854 885 (+617 3231 0000 outside Australia) or by email to investorrelations@newpif.com.au.

3.3 Power of Attorney will be exercised

The Power of Attorney clause set out in Resolution 3 will be exercised by Wellington Capital as responsible entity of the Fund in the event that Resolutions 1, 2, 4 and 5 are also approved by Unitholders.

The Power of Attorney will be used for the purposes of the buy back of all Units in the Fund as set out below.

3.4 The buy back

If all Resolutions are approved by Unitholders, the buy back of Units in the Fund will take place once the Fund is delisted from the NSX. Subject to Unitholder approval, this is anticipated to take place on 28 June 2013.



3.5 Terms of the buy back

As set out above, the terms of the compulsory buy back are as follows:

Eligibility	Unitholders who are eligible to participate in the buy back offer will receive 2 shares in Asset Resolution Limited for every 5 Units held in the Premium Income Fund.
Participating Units	The maximum number of Premium Income Fund Units which can participate in the buy back offer is 830,532,768 and the total number of Shares in Asset Resolution Limited which will be transferred as consideration to participating Unitholders is 388,737,788.
Jointly held Units	If a Unitholder hold Units jointly with another person (for example, a spouse) Unitholders will receive shares in Asset Resolution Limited held jointly.
Declining the Offer	Unitholders are not able to decline the buy back offer if all Resolutions are approved by the required majority.

3.6 How many Units will participate in the buy back?

The maximum number of Fund Units which can participate in the buy back offer is 830,532,768 and the total number of Shares in Asset Resolution Limited which will be transferred as consideration to participating Unitholders is 388,737,788.

The number of Units in the Fund is 830,532,768. All Units in the Fund will participate in the buy back.

3.7 Consideration for the buy back

The consideration for the buyback is 2 Shares in Asset Resolution Limited for each 5 Units in the Premium Income Fund.

3.8 What will Unitholders receive to show the buy back has occurred?

Unitholders do not need to complete any forms or do anything to have their Units participate in the buy back.

As a result of the buy back, Unitholders will receive the following:

- Documentation recording the buy back and cancellation of their Units in the Fund. The closing balance will be zero; and
- Documentation from Asset Resolution Limited recording the transfer of Shares in Asset Resolution Limited as consideration for the buy back. The allocation of these Shares will be calculated on the basis that Unitholders will receive 2 Shares in Asset Resolution Limited for every 5 Units that are subject to the buy back in the Premium Income Fund.

Once the buy back has been finalised, you will no longer be a Unitholder of the Premium Income Fund. You will be a shareholder of Asset Resolution Limited.

Most Unitholders in the Premium Income Fund are already shareholders of Asset Resolution Limited as a result of the in specie distribution which occurred in September 2012 to Unitholders who held Units as at 4 September 2012. Those Unitholders who remain Unitholders on delisting of the Premium Income Fund will have their Units bought back and will receive additional Shares in Asset Resolution Limited on the basis of 2 Shares in Asset Resolution Limited for every 5 Units held.

Unitholders who have become Unitholders since 4 September 2012, and remain Unitholders on delisting of the Premium Income Fund, will become new shareholders in Asset Resolution Limited on the basis of 2 Shares in Asset Resolution Limited for every 5 Units held.

Shares in Asset Resolution Limited are not listed on an Australian stock exchange and can only be sold by private treaty.

Wellington Capital as responsible entity of the Premium Income Fund recommends that Unitholders VOTE IN FAVOUR of this Resolution.



4. RESOLUTION 4

4.1 Resolution 4: **Ordinary resolution to approve the Proceeds Payment Deed – Unitholders as at 15 October 2008 who remain Unitholders at the voting entitlement date for this Meeting**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

‘That subject to and conditional on Resolutions 1, 2, 3 and 5 being approved, that the terms of the Proceeds Payment Deed be approved by ordinary resolution by Unitholders who were Unitholders in the Fund as at 15 October 2008 and remain Unitholders as at the voting entitlement date for this meeting.’

Resolution 4 is interdependent on Resolutions 1, 2, 3 and 5. This means that Resolutions 1, 2, 3 and 5 must be passed for Resolution 4 to have effect.

4.2 Summary

Subject to Resolutions 1, 2, 3 and 5 being approved by Unitholders, the Proceeds Payment Deed will become unconditional.

The Proceeds Payment Deed sets out the protocol for distributing the proceeds from legal proceedings referred to as the PIF Claims.

Wellington Capital announced on 9 April 2013 that it had filed an Originating Process and a Statement of Claim in the New South Wales District Registry of the Federal Court of Australia, against KPMG the former auditor of the Fund’s compliance plan. The Statement of Claim in the new proceedings NSW 557/2013 closely mirrors the claim made in the Fund Class Action which was commenced in 2009 by representatives of Unitholders in the Fund which seeks damages for losses incurred by the Fund in the period between January 2006 and March 2009.

Wellington Capital as responsible entity of the Fund is represented by Johnson Winter & Slattery in the new proceedings. Johnson Winter & Slattery are also the lawyers representing the Class Action members.

The new proceedings are based on the same factual circumstances as the Fund Class Action and it is proposed that the two cases be heard together.

Wellington Capital as responsible entity of the Fund is funded by IMF (Australia) Limited (ASX:IMF) in relation to the proceedings. IMF is also funding the Class Action members in the Fund Class Action. There will be no litigation expense to the Fund in relation to these newly commenced proceedings which seeks damages for losses incurred by the Fund in the period between January 2006 and March 2009.

It is the view of Wellington Capital that it is appropriate that those persons and entities who were Unitholders in the Fund as at 15 October 2008 are the appropriate parties to receive all proceeds from the PIF Claims. These Unitholders are the Unitholders who suffered the loss the subject of the legal proceedings referred to as the PIF Claims.

This view of Wellington Capital has been made available to the public via the NSX since 2 June 2011 and has been restated in the financial statements of the Fund for each reporting period.



4.3 What is the effect of the Deed?

The effect of the Proceeds Payment Deed is that Asset Resolution Limited undertakes and agrees in favour of Wellington Capital and Perpetual to pay all proceeds from the PIF Claims, promptly on receipt, to the Unitholders of the Fund as at 15 October 2008 and to report to Wellington Capital upon having done so.

The term 'proceeds' is defined to mean sums payable to Wellington Capital or Perpetual following a determination of the PIF Claims by a Court. It includes any amount received by Wellington Capital or Perpetual as a result of settlement of the PIF Claims. It excludes the amount of any legal costs or any monies due under any litigation funding agreement entered into by Perpetual or Wellington Capital if it is required by the litigation funding agreement to deduct or pay any such costs from the proceeds.

The Proceeds Payment Deed does not transfer the legal proceedings to Asset Resolution Limited.

4.4 Not all Unitholders will benefit from the Deed

At law, the proceeds of any litigation commenced on behalf of the Fund will, unless a court orders otherwise, be assets of the Fund. This means that the Unitholders who are Unitholders at the time when an asset comes into the Fund have an entitlement to it.

The Proceeds Payment Deed seeks to change this so that all proceeds received by the Fund from the PIF Claims are paid, but only to those parties who were Unitholders as at 15 October 2008, being those Unitholders who together held the 755,195,542 Units on issue at that time.

Unitholders who became Unitholders in the Fund after 15 October 2008 will have no right to the proceeds of the PIF Claims and will not receive any benefit.

4.5 The view of Wellington Capital

It has been, and remains, the view of Wellington Capital that those who should benefit from the PIF Claims are those Unitholders who were Unitholders in the Premium Income Fund as at 15 October 2008.

Unitholders who have purchased Units since 15 October 2008 have not suffered the losses which are the subject of the PIF Claims.

Wellington Capital believes that it is equitable and just, given the history of the Fund, that the Proceeds Payment Deed be approved so that the proceeds of the PIF Claims are paid to those parties who were holders of the 755,195,542 Units in the Premium Income Fund as at 15 October 2008.

4.6 Voting eligibility for Resolution 4

Unitholders as at 15 October 2008 who remain Unitholders at the voting entitlement date for this Meeting are eligible to vote on this resolution and not vote on Resolution 5.

Wellington Capital as responsible entity of the Premium Income Fund recommends that Unitholders VOTE IN FAVOUR of this Resolution.



5. RESOLUTION 5

5.1 Resolution 5: Approval of Proceeds Payment Deed – Unitholders at date of Meeting

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

‘That subject to and conditional on resolutions 1, 2, 3 and 4 being approved, that the terms of the Proceeds Payment Deed be approved by ordinary resolution by Unitholders who are Unitholders as at the voting entitlement date for this meeting and who were not Unitholders in the Fund as at 15 October 2008.’

Resolution 5 is interdependent on Resolutions 1, 2, 3 and 4. This means that Resolutions 1, 2, 3 and 4 must be passed for Resolution 5 to have effect.

5.2 Summary

Subject to Resolutions 1, 2, 3 and 4 being approved by Unitholders, the Proceeds Payment Deed will become unconditional.

The Proceeds Payment Deed sets out the protocol for distributing the proceeds from legal proceedings referred to as the PIF Claims.

Wellington Capital announced on 9 April 2013 that it had filed an Originating Process and a Statement of Claim in the New South Wales District Registry of the Federal Court of Australia, against KPMG the former auditor of the Fund’s compliance plan. The Statement of Claim in the new proceedings NSW 557/2013 closely mirrors the claim made in the Fund Class Action which was commenced in 2009 by representatives of Unitholders in the Fund which seeks damages for losses incurred by the Fund in the period between January 2006 and March 2009.

Wellington Capital as responsible entity of the Fund is represented by Johnson Winter & Slattery in the new proceedings. Johnson Winter & Slattery are also the lawyers representing the Class Action members.

The new proceedings are based on the same factual circumstances as the Fund Class Action and it is proposed that the two cases be heard together.

Wellington Capital as responsible entity of the Fund is funded by IMF (Australia) Limited (ASX:IMF) in relation to the proceedings. IMF is also funding the Class Action members in the Fund Class Action. There will be no litigation expense to the Fund in relation to these newly commenced proceedings which seeks damages for losses incurred by the Fund in the period between January 2006 and March 2009.

It is the view of Wellington Capital that it is appropriate that those persons and entities who were Unitholders in the Fund as at 15 October 2008 are the appropriate parties to receive all proceeds from the PIF Claims. These Unitholders are the Unitholders who suffered the loss the subject of the legal proceedings referred to as the PIF Claims.

This view of Wellington Capital has been made available to the public via the NSX since 2 June 2011 and has been restated in the financial statements of the Premium Income Fund for each reporting period.



5.3 What is the effect of the Deed?

The effect of the Proceeds Payment Deed is that Asset Resolution Limited undertakes and agrees in favour of Wellington Capital and Perpetual to pay all proceeds from the PIF Claims, promptly on receipt, to the Unitholders of the Fund as at 15 October 2008 and to report to Wellington Capital upon having done so.

The term 'proceeds' is defined to mean sums payable to Wellington Capital or Perpetual following a determination of the PIF Claims by a Court. It includes any amount received by Wellington or Perpetual as a result of settlement of the PIF Claims. It excludes the amount of any legal costs or any monies due under any litigation funding agreement entered into by Perpetual or Wellington Capital if it is required by the litigation funding agreement to deduct or pay any such costs from the proceeds.

The Proceeds Payment Deed does not transfer the legal proceedings to Asset Resolution Limited.

5.4 Not all Unitholders will benefit from the Deed

At law, the proceeds of any litigation commenced on behalf of the Fund will, unless a court orders otherwise, be assets of the Fund. This means that the Unitholders who are Unitholders at the time the asset comes into the Fund are entitled to it.

The Proceeds Payment Deed seeks to change this so that all proceeds received by the Fund from the PIF Claims are paid, but only to those parties who were Unitholders as at 15 October 2008, being those Unitholders who together held the 755,195,542 Units on issue at that time.

Unitholders who became Unitholders in the Fund after 15 October 2008 will have no right to the proceeds of the PIF Claims and will not receive any benefit.

5.5 The view of Wellington Capital

It has been, and remains, the view of Wellington Capital that those who should benefit from the PIF Claims are those Unitholders who were Unitholders in the Premium Income Fund as at 15 October 2008.

Unitholders who have purchased Units since 15 October 2008 have not suffered the losses which are the subject of the PIF Claims.

Wellington Capital believes that it is equitable and just, given the history of the Fund, that the Proceeds Payment Deed be approved so that the proceeds of the PIF Claims are paid to those parties who were holders of the 755,195,542 Units in the Premium Income Fund as at 15 October 2008.

5.6 Voting eligibility for Resolution 5

Unitholders who became Unitholders in the fund after 15 October 2008 who remain Unitholders at the voting entitlement date for this Meeting are eligible to vote on this resolution and not vote on Resolution 4.

Wellington Capital as responsible entity of the Premium Income Fund recommends that Unitholders VOTE IN FAVOUR of this Resolution.



6. INFORMATION

6.1 Premium Income Fund – Issued Securities

The total number of Units in the Premium Income Fund as at the date of this Notice of Meeting is 830,532,768.

6.2 Asset Resolution Limited – Issued Securities

The total number of Shares on issue in Asset Resolution Limited as at the date of this Notice of Meeting is 980,558,167 Shares.

6.3 Interest in Asset Resolution Limited Shares

Perpetual Nominees Limited as Custodian of the Premium Income Fund holds 150,025,399 Shares in Asset Resolution Limited as at the date of this Notice of Meeting. It is proposed to transfer these Shares together with the 188,721,784 additional Shares to be issued to it in the event that all Resolutions are approved by the requisite majorities to Unitholders in the Premium Income Fund in exchange for cancellation of their Units in the Fund on the basis of 2 Asset Resolution Limited Shares for each 5 Units held in the Fund.

6.4 Latest financial results and change of financial position

The Fund's last published financial statements are for the half year ended 31 December 2012 as lodged with NSX and ASIC on 1 March 2013. Except as set out in this Notice of Meeting and any announcements made by the Fund since 31 December 2012, Wellington Capital is not aware of any material change to the Fund's financial position as disclosed in the Fund's financial statements for the half year ended 31 December 2012 as lodged with NSX on 1 March 2013.

6.5 NSX disclosures by the Fund since 31 December 2012

Since 31 December 2012, the Fund has made a number of announcements to NSX that may be relevant to its financial position. These announcements are listed in section 1.7 of this notice. A copy of each of these announcements may be obtained from the NSX website www.nsx.com.au.

6.6 Transaction costs

The estimated transaction costs associated with the proposed transfer of assets to Asset Resolution Limited including document preparation, legal advice, stamp duty, printing and dispatch of meeting material is \$134,000 plus GST.

6.7 No benefits to Wellington Capital or its officers

No benefit has been paid or will be paid to any director, secretary, executive officer of Wellington Capital or their associates in connection with the proposals as set out in this Notice of Meeting

As set out in Section 1.6, the Fund will have no assets nor liabilities following implementation of the proposal. Consequentially no fee will be payable to Wellington Capital after 28 June 2013 if the Resolutions set out in this Notice of Meeting are implemented. Wellington Capital agreed to be paid management fees for a maximum period of two years, which commenced in December 2011. In the event that the Resolutions are approved it will have received fees equivalent to 0.7% of the funds under management for a period of 19 months as compared with the maximum period of 24 months.



6.8 No Conditional Agreements

No agreement has been made between any of Wellington Capital, its directors and officers or associates nor any other person in connection with or conditional upon the outcome of the Meeting or the Resolutions other than as set out in this Notice of Meeting.

6.9 Interests in contracts with purchasing counterparties

None of Wellington Capital, its directors, secretary, executive officers or associates has any interest in any contract entered into by Wellington Capital for the sale of assets including the proposed transfer of assets to Asset Resolution Limited.



CORPORATE DIRECTORY

Investor enquiries

TELEPHONE (within Australia)	TELEPHONE (overseas)	EMAIL
1300 854 885	+ 61 7 3231 0000	investorrelations@newpif.com.au

Unit Registry

For general queries regarding Unit balances, address changes, recording of TFNs and ABNs, transfers of Units, etc., please contact:

Armstrong Registry Services Pty Ltd

ADDRESS	TELEPHONE	EMAIL
		pif@armstrongregistries.com.au
GPO Box 897 Brisbane Qld 4001	+61 7 3231 0050	
		FAX +61 7 3231 0099

Proxy Information

Please send your Proxy form to the Registry as follows:

ADDRESS	TELEPHONE	EMAIL
		pif@armstrongregistries.com.au
GPO Box 897 Brisbane Qld 4001	+61 7 3231 0050	
		FAX +61 7 3231 0099

Responsible Entity

Wellington Capital Limited as responsible entity of the Premium Income Fund

ADDRESS	TELEPHONE	EMAIL
	1300 368 848	investorrelations@newpif.com.au
Level 22, 307 Queen Street Brisbane QLD 4000	+61 7 3009 9800	
		WEB www.wellcap.com.au



Wellington

PREMIUM INCOME FUND

