

Premium Income Fund

NSX Release: 18 April 2013



Conditional sale of assets to Asset Resolution Limited

Wellington Capital Limited as responsible entity of the Premium Income Fund is pleased to announce that Asset Resolution Limited has entered into a conditional agreement to acquire all of the remaining assets of the Premium Income Fund not otherwise subject to contract, except for legal action NSD 557/2013 which recently commenced in the Federal court against KPMG and the former auditor of the Fund's compliance plan.

Asset Resolution Limited is a well-credentialed special purpose company whose board has both significant experience and connections in the optimal realisation of mortgage loans and other securities.

Transaction Highlights

The sale will involve the transfer of:

- ✿ two mortgage loans by assignment. These loans will be assigned to Asset Resolution Limited together with the first ranking mortgages securing them and all other incidental securities;
- ✿ all of the units held in the B&B DIF Senior Debt Trust;
- ✿ all of the units in the Aspen Diversified Property Fund;
- ✿ the loan to Harbour Street Development Pty Ltd which was announced on 28 February 2013 as a component of the realisation of the Fund's units in the Harbour Street Development Trust and all other incidental securities; and
- ✿ the debt due to the Fund by the guarantors to the Forest Resort loans being \$29,428,757 which was the subject of Orders in the Supreme Court of Victoria on 1 March 2013.

Conditions

The sale of assets is conditional upon Unitholders in the Premium Income Fund in general meeting:

- ✿ approving the sale of assets to Asset Resolution Limited;
- ✿ resolving to voluntarily withdraw the Fund's listing on the National Stock Exchange; and
- ✿ approving the Payment Proceeds Deed.

Consideration

In consideration for the above assignments and transfers Perpetual Nominees Limited as custodian will be issued 188,712,389 fully paid shares in Asset Resolution Limited. The total number of ordinary shares on issue in Asset Resolution Limited following this issue will be 1,069,260,556.

Proceeds Payment Deed

Wellington Capital Limited as responsible entity of the Premium Income Fund is pleased to announce that it has entered into a conditional Proceeds Payment Deed with Asset Resolution Limited. Under the terms of this Deed the proceeds of any claims, including NSD 557/2013 announced on 9 April 2013, are to be assigned to Asset Resolution Limited. Under the term of the Proceeds Payment Deed Asset Resolution Limited must pay any proceeds arising from the claims to Unitholders of the Premium Income Fund as at 15 October 2008 promptly upon receipt. The Proceeds Payment Deed is conditional upon:

- ✿ the passing of a resolution by the Unitholders of the Premium Income Fund approving the sale of assets to Asset Resolution Limited;
- ✿ the passing of two resolutions approving the Proceeds Payment Deed by two separate classes of Unitholders in the Premium Income Fund. These classes being:
 - those Unitholders who were Unitholders on 15 October 2008 and remain Unitholders and are entitled to vote at the Unitholders meeting; and
 - separately by Unitholders who are Unitholders in the Premium Income Fund and entitled to vote at the Unitholders meeting but were not Unitholders as at 15 October 2008; and
- ✿ completion of the sale of assets to Asset Resolution Limited.

For further information please contact:

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