

Premium Income Fund

NSX Release: 11 June 2013



Federal Court Proceedings NSD 1004/2013 – ASIC v Wellington Capital & Ors

The Australian Securities and Investments Commission (ASIC) has commenced proceedings against Wellington Capital Limited in its capacity as responsible entity of the Premium Income Fund.

On Friday afternoon, ASIC advised Wellington Capital Limited that an Originating Application had been filed in the Federal Court in Sydney, returnable by Wednesday 12 June 2013, seeking certain orders.

The ASIC application seeks interlocutory orders that Wellington Capital Limited as responsible entity of the Premium Income Fund be restrained from:

- putting to any meeting of Unitholders, the resolutions set out in the Notice of Meeting and Explanatory Memorandum dated 6 May 2013; and
- circulating any alternative resolution dealing with the sale of the main undertaking of the Fund based on the Notice of Meeting and Explanatory Memorandum dated 6 May 2013; and
- taking any steps to implement the Security Sale Agreement; and
- taking any steps to implement a compulsory buy back of units in the Fund in exchange of shares in Asset Resolution Limited.

ASIC's originating application seeks final relief in the form of a declaration that through the issue of the Notice of Meeting and Explanatory Memorandum dated 6 May 2013, Wellington Capital sought to attempt to wind up the Fund and/or attempted to effect a retirement or partial retirement as responsible entity of the Fund.

It is also seeking a declaration the Notice of Meeting of 6 May 2013, the Supplementary Explanatory Memorandum and recent NSX releases released by Wellington Capital relating to the decision of the Full Court of the Federal Court, contain statements that are misleading or deceptive.

The Board of Wellington Capital as responsible entity of the Premium Income Fund have considered the issues raised by ASIC and without any admission have determined it not to be in the interest of Unitholders to contest the Federal Court Proceedings. ASIC has been advised accordingly. Wellington Capital as responsible entity of the Premium Income Fund has resolved to cancel the meeting of 6 June 2013 which was adjourned to 14 June 2013.

As a result of the cancellation of the meeting:

- The sale of assets to Asset Resolution Limited will not proceed and the contract to sell those assets to Asset Resolution Limited is now at an end and there will not be a buy back of units;
- The Premium Income Fund will continue to be listed on the National Stock Exchange of Australia;
- Wellington Capital Limited in its capacity as Responsible Entity of the Fund, will continue to manage the Fund in the best interests of Unitholders;
- The Proceeds Payment Deed will not be implemented, and will be at an end.

Unitholders do not need to do anything as a result of this cancellation. Unitholders do not now need to return any proxy forms or attend the venue on 14 June 2013.

For further information please contact:

Jenny Hutson
Managing Director
Wellington Capital Limited
as responsible entity of the Premium Income Fund
ACN 114 248 458 AFSL 291 562

Phone: 1300 854 885

Email: investorrelations@newpif.com.au

