

Dear Sir/Madam

We have \$55,000 invested in what was the MFS Premium Income Fund, and now is called the Wellington Premium Income Fund.

We invested in this Fund because we believed we were investing in assets that had an LVR “not exceeding 66.67%” (pg.6, PDS 1st May, 2006).

We invested in this Fund because of the Fund Objective

“to provide you with regular income returns, through the active management of a portfolio of INCOME PRODUCING INVESTMENTS. (emphasis is mine)

Our initial investments in the Fund was in 2003, and in subsequent years we rolled over and added to our investment. Such was the situation in October, 2007, when we re-invested a substantial portion of this investment based on the MFS Premium Income Fund Annual Report dated 14<sup>th</sup> September, 2007. There was no mention of debt in the Fund....there was mention of “consistently steady growth”, profit of \$66.9million (an increase of 24% from previous year) and “expects further positive performance from the fund through 2007 and beyond. There was no mention of there being any debt in the fund in the December, 2007 Statement. Surely in December 2007 a responsible “hands on” RE...“using a strict regime of fundamental investment management principles and controls” (MFSPIF PDS, 1<sup>st</sup> May, 2006) should have been aware of Leisure and Livings ability to repay their \$67million debt (8% of the Fund) to the MFS PIF? If not, why not?

Did the \$60million invested into the MFSPIF by MFS IM in 2007 and disclosed in the last pages of the Financial Report (pg.54, AFR June, 2007) pay redemption requests in the MFS PIF that had been increasing since February, 2007, when MFS decided to cut the rates of commissions to financial planners? How would the general picture of the Fund have looked otherwise? Would the fund have “frozen” earlier, and thus avoided the disastrous swap of \$147million of mortgages that are worthless? Why was the fund still accepting new investors in January, 2008 when they had reached a standstill agreement with the Royal Bank of Scotland ? ASX rules of continuous disclosure in Chapter 6CA Section 674(2)..” and if such action contravenes the provisions of the Corporations Act namely if the information was generally available it would have a material effect on the price or value of the entity...” Where was ASIC?

We were only aware of the debt in the Fund on the 19<sup>th</sup> March, 2008.

We were never aware that Michael King is an ex-bankrupt. Why was his history with ASIC not disclosed to us?