

19 June 2009

Note to Shareholders

Following a number of requests from shareholders, we are pleased to provide further information on the underlying performance of the Premium Investors.

Of importance, shareholders should be aware, that the prudent fund management expertise of Treasury Group, has led to significant outperformance against the Australian and International equity benchmarks.

While we are disappointed that returns for the 1 year period to May 2009 were negative, our managers have significantly outperformed both the Australian and International benchmarks. At a time of unprecedented volatility in equity returns, we believe that Premium Investors, utilising the expert boutiques of Treasury Group, have been able to shield our shareholders by minimizing the loss of value in their investment.

During the 12 months to May 2009, the NTA of Premium outperformed the Australian Shares index (ASX300) by 13% and the World Index (MSCI – in Australian dollars) by 16.2%.

Over the 3 years to May 2009, the NTA of Premium had a positive return of +1.5% per annum, again outperforming the Australian Shares Index (ASX 300) by 4% per annum and International Index (MSCI) by +10.3% p.a.

For your information, we have also provided the returns of the underlying managers who invest the assets of your fund under the allocation by Treasury Group. **It should be noted that all managers have outperformed the Australian and International benchmarks on both 1 and 3 year basis.**

It is the firm belief of the board, that Premium's recent share price discount to the NTA has been driven by the outperformance of the underlying assets, not being reflected in the Premium share price. The board has taken a range of steps (as outlined in our correspondence to you) to close that discount.

We look forward to further correspondence with you and would be pleased to respond to any questions you may have.

Sincerely



Tom Collins
Chairman



Challenges in a volatile market

	12 mths to 31 May 2009	PRV Out performance
Premium portfolio performance*	-16.2%	
Australian equities** S&P/ASX300	-29.2%	+13.0%
World markets** (MSCI A\$)	-32.4%	+16.2%

**After fees and taxes*

*** Pre fees and taxes*

Portfolio returns to 31 May 2009

	1 Year*	3 Years pa **
<i>Premium Investors portfolio</i>	-16.18%	1.48%
<i>Treasury Asia Asset Management</i>	-11.71%	1.34%
<i>RARE Infrastructure</i>	-20.88%	na
<i>GVI</i>	-23.35%	-1.71%
<i>Orion</i>	-14.15%	1.27%
<i>IML</i>	-6.15%	3.16%
<i>Cannae Capital Partners</i>	-21.38%	na
<i>S&P/ASX 300 Accum Index</i> ¹	-29.17%	-4.46%
<i>MSCI World Accum Index (A\$) Net of Divs (reinvested)</i> ¹	-32.35%	-8.75%

* Portfolio figure and individual manager performance figures for 1 year ending 31 May 2009 are all after fees and taxes

** Please note that Pre-tax returns were used before 1/07/2007. Pre-tax returns use a time weighted methodology, that chain links daily money weighted returns, where cash flows are assumed to have occurred mid-day. For after-tax returns, from 1/07/2007, a modified Dietz calculation has been used, where cash flows are weighted by the number of days they have been in the fund.

1: Pre fees and taxes