

22 September 2010

Australian Stock Exchange
Continuous Disclosure Area

Via: E Lodgement

Share Purchase Plan

Pursuant to Listing Rule 3.17, please find attached copies of the following documents that will be posted to shareholders today relating to the Share Purchase Plan:

1. Chairman's Letter
2. Letter of Offer
3. Application form
4. Terms and Conditions of the Share Purchase Plan

Yours faithfully



Reema Ramswarup
Company Secretary





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MR JOHN SAMPLE
FLAT 123
SAMPLE STREET
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SAMPLE STREET
SAMPLETOWN VIC 3030

22 September 2010

Dear Shareholder

It gives me pleasure to enclose your invitation to participate in Premium's Share Purchase Plan (SPP). Premium is in excellent shape, with a lot to offer individual investors and self managed super funds. This SPP is a cost effective way to increase your shareholding in the Company.

You should also by now be receiving your statement for the final dividend paid for the year ended 30 June 2010. The final dividend of 3.5 cents per share fully franked took the total dividends paid for the 2010 financial year to 8.5 cents, fully franked. This equates to a competitive yield of close to 12%¹. This latest dividend takes dividends paid since inception to a total of 41 cents per share, fully franked and an average of 6 cents per share, per annum.

Your directors are committed to paying regular and sustainable dividends. The 2010 dividend of 8.5 cents per share was above the Company's historic average dividend, as it included a partial "catch up" component to recognise the 2009 financial year when dividends could not be paid due to conditions created by the Global Financial Crisis, Australian accounting standards and the Corporations Act. During the year the Corporations Act was changed to remove the regulatory impediments that prevented listed investment companies from paying dividends in extreme market conditions, and as such your Directors now believe that under normal market conditions, Premium should be expected to pay franked dividends in the range of 5 to 7.5 cents per share.

Your directors, with the assistance of companies from the Treasury Group stable, are working hard to build Premium's profile and ensure the Company's full potential is reflected in the share price. In a few days time you will receive the notice for Premium's Annual General Meeting along with the relevant components of our Annual Report Suite, as well as a Strategy Paper addressing the most pertinent issues for shareholders of Premium. This year the Annual Report is in two parts - a 2010 Annual Review and 2010 Annual Financial Statements. All shareholders will receive the six page Annual Review and Strategy Paper, as they provide important information about the initiatives being undertaken to ensure that shareholders reap optimum benefit from the investment gains achieved on their portfolio. They also explain how the Board is aiming to achieve recognition of Premium's full potential, in the Company's share price.

If you are yet to decide if you will increase your investment in Premium through the SPP, I encourage you to consider this information. You will also find detailed, up to date information on our web site at www.premiuminvestors.com.au

Yours sincerely



Tom Collins
Chairman

¹ Based on Premium's closing share price at 30 June 2010, of 70.5 cents



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 SAMPLETOWN VIC 3030

17 September 2010

Dear Shareholder

On 17 September 2010 Premium Investors Ltd (Premium) announced that it would undertake a Share Purchase Plan (SPP) for the issue of fully paid ordinary shares (Shares). The SPP is being offered to holders of Shares on the register of Premium, as at Close of Business on Thursday 16 September 2010 with a registered address in Australia, New Zealand or the United Kingdom of Great Britain (Eligible Shareholders). The SPP offer will not be underwritten.

SPP Key Dates*

Date	Event	
7.00pm (AEST) Thursday 16 September 2010	Record Date	The date on which Premium determines Eligible Shareholders
9.00am (AEST) Friday 17 September 2010	Opening Date	Share Purchase Plan opens
5.00pm (AEST) Friday 8 October 2010	Closing Date	Share Purchase Plan closes Applications must be received by 5.00pm (AEST)
Friday 15 October 2010	Allotment Date	Shares allotted.
Friday 22 October 2010	Despatch Date	Transaction confirmation despatched to shareholders. Trading is expected to commence on the next Trading Day.

* Premium has the discretion to alter these dates.

Under the SPP, Eligible Shareholders are being invited to subscribe for up to \$7,500 worth of Shares at the price that is equal to a discount of 5% to the weighted average sale price of Shares over the 5 trading days before (but not including) Friday 8 October 2010 (being the closing date of the SPP offer).

Full details of the SPP offer are set out in the attached Terms and Conditions. The Directors urge you to read the Terms and Conditions carefully.

Shares purchased under the Plan will not attract brokerage, stamp duty or any other transaction cost.

Participation in the SPP is entirely at your discretion. By accepting the offer to purchase Shares under the SPP, you agree to be bound by the attached Terms and Conditions and Premium's constitution.

If you wish to participate in the SPP, please return your Application Form together with your cheque to Computershare, or pay by BPAY®, by the closing date of Friday 8 October 2010 as specified in the Application Form.

If you have any questions in relation to the Plan, please contact Premium on 1300 704 847 (within Australia) and +61 3 9415 4686 (outside Australia).

The Board hopes you take this opportunity to acquire additional shares in Premium.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Collins', written in a cursive style.

Tom Collins
Chairman

Premium Investors Limited

ABN 47 106 259 885

Level 5, 50 Margaret Street Sydney NSW 2000

Telephone: 1300 704 847 Facsimile: 61 2 8243 0410

Web page: www.premiuminvestors.com.au

Email: info@premiuminvestors.com.au

Please return completed form to:
Computershare Investor Services Pty Limited
GPO Box 505 Melbourne
Victoria 3001 Australia
Enquiries (within Australia) 1300 704 847
(outside Australia) 61 3 9415 4686
www.computershare.com

Securityholder Reference Number (SRN)



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Entitlement Number:
Record Date: 16 September 2010
Offer Closes: 5.00pm (AEST)
Friday 8 October 2010

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SAMPLETOWN VIC 3030

SHARE PURCHASE PLAN APPLICATION FORM

IMPORTANT:

This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this form please consult a professional adviser. Pursuant to the terms and conditions of the Premium Investors Limited ("Premium") Share Purchase Plan (SPP) contained in the letter to Premium shareholders dated 17 September 2010, Premium is offering eligible shareholders the opportunity to purchase Shares up to a maximum value of A\$7,500.00 per eligible shareholder, subject to a minimum application of A\$500.00.

If you do not wish to purchase additional shares under this offer there is no need to take action.

By making your payment, you agree to be bound by the Constitution of Premium and agree that the submission of this payment constitutes an irrevocable offer to you by Premium to subscribe for Premium Shares on the terms of the SPP. In addition, by submitting this Application Slip you certify that the aggregate of the application price paid by you for:

- the Shares the subject of this Application Slip; and
any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of this Application Slip, does not exceed \$15,000.00.

METHOD OF ACCEPTANCE

You can apply for shares and make your payment utilising one of the payment options detailed overleaf.

Premium may make determinations in any manner it thinks fit, in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant or application. Any determinations by Premium will be conclusive and binding on all eligible shareholders and other persons to whom the determination relates. Premium reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all eligible securityholders even where Premium does not notify you of that event.

Custodian's should contact Premium's Share Registry and request a Custodian Certificate and Schedule when making applications on behalf of beneficiaries.

This offer is Non-Renounceable - no Signature is required
Applications can only be accepted in the name printed on this form

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Please see overleaf for Payment Options



Billor Code:
Ref No:

I/We wish to purchase:

Form with checkboxes for purchase amounts: \$500, \$1,000, \$2,500, \$5,000, \$7,500 worth of Shares.

* These share amounts may be subject to scale-back in accordance with the terms of the SPP.

Payment Details

Form for payment details: Drawer, Cheque number, BSB number, Account number, Cheque amount.

Make your cheque or bank draft payable to "Premium Investors Limited - SPP"

Contact Details

Please provide your contact details in case we need to speak to you about this slip

Name of contact person

Name of contact person input field

Contact person's daytime telephone number

Contact person's daytime telephone number input field

How to accept the Share Purchase Plan

Payment Details

You can apply for shares by utilising the payment options detailed below. There is no requirement to return this slip if you are paying by electronic means.

By making your payment using either BPAY[®] or by cheque, bank draft or money order, you confirm that you agree to all of the terms and conditions of the SPP as enclosed with this form.

If paying by cheque, bank draft or money order

Your cheque, bank draft or money order your payment should be made payable to Premium Investors Limited SPP in Australian currency and crossed Not Negotiable. Your cheque or bank draft must be drawn on an Australian branch of a financial institution. Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected. Complete cheque details in the boxes provided. **Please return the Application Slip and cheque, bank draft or money order in the envelope provided.**

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the SPP Application Slip where indicated. Cash will not be accepted. A receipt for payment will not be forwarded.

If paying by BPAY

Pay by BPAY making sure you use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Application Form.

If you have more than one shareholding of Premium Shares and consequently receive more than one Application Form, when taking up your entitlement in respect of one of those shareholdings only use the CRN specific to that shareholding as set out in the applicable Application Form. Do not use the same CRN for more than one of your shareholdings. This can result in your application monies being applied to your application in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by 5.00 p.m. (AEST) on Friday 8 October 2010.

If you are paying by BPAY, you do not need to complete or return your personalised Application Form.

Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.

Lodgement of Application

Your payment and Application Slip must be received by Computershare Investor Services Pty Limited (CIS) Melbourne by no later than 5.00pm (AEST) Friday 8 October 2010. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for securityholders in Australia. New Zealand and UK holders will need to affix the appropriate postage. Return your Application Slip with cheque, bank draft or money order attached.

Neither CIS nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of shareholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or E-mail privacy@computershare.com.au

If you have any enquiries concerning this form or your entitlement, please contact CIS on 1300 704 847 (within Australia) or +61 3 9415 4686 (outside Australia).

This form may not be used to notify your change of address. For information, please contact CIS on 1300 850 505 or visit www.computershare.com (Issuer sponsored holders only).

CHES holders must contact their Controlling Participant to notify a change of address

© Registered to BPAY PTY LTD ABN 69 079 137 518

Payment Options:



Biller Code: _____

Ref No: _____

Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au



By Mail
Premium Investors Limited
Computershare Investor
Services Pty Limited
GPO Box 505
Melbourne, Victoria 3001
AUSTRALIA



Entitlement Number: <xxxxxxxxxx>

SAMPLE CUSTOMER
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN TAS 7000

PREMIUM INVESTORS LTD SHARE PURCHASE PLAN

Pursuant to the Premium Investors Ltd Share Purchase Plan ("SPP"), Premium Investors Ltd ("Premium") ABN 47 106 259 885 offers eligible Shareholders the ability to acquire up to \$7,500 worth of fully paid ordinary shares in Premium ("Shares") at a price that is equal to a discount of 5% to the weighted average sale price of Shares over the 5 trading days before (but not including) Friday 8 October 2010 ("Offer").

Please carefully read the full Terms and Conditions relating to the Offer as you will be bound by them.

TERMS AND CONDITIONS

1. Opening and closing date of the Offer

The Offer opens at 9am on Friday 17 September 2010. The offer closes at 5.00pm (AEST) on Friday 8 October 2010.

2. Eligibility

You are eligible to participate in the SPP only if you were a holder of Shares as at 7.00pm (AEST) on Thursday, 16 September 2010 (**Record Date**) with a registered address in either Australia, New Zealand or the United Kingdom of Great Britain. The Premium Board has determined that it is not practical for holders of Shares resident, or with registered addresses, in other jurisdictions to participate in the SPP. Each offer to eligible shareholders is made on the same terms and conditions. The offer is non-renounceable (ie you may not transfer your right to apply for SPP Shares to anyone else).

3. Issue Price

The purchase price for each SPP Share offered for issue under the SPP is the price that is equal to a discount of 5% to the weighted average sale price of Shares over the 5 trading days before (but not including) Friday 8 October 2010 (**SPP Price**).

You should note that the market price of Shares may rise or fall between the date of this offer and the date when the SPP Shares are issued to you. Any such change in the share price may affect the SPP Price. This means that the SPP Price may be either higher or lower than the price of Shares at the time the SPP Shares are issued to you. Accordingly, you should seek your own financial advice in relation to this offer.

4. No Transaction Costs

No brokerage, commissions or other transaction costs are payable by shareholders in respect of the acquisition of SPP Shares.

5. Anticipated Issue and Quotation Dates

The SPP Shares are expected to be issued and quoted on the ASX on or around Friday 22 October 2010. As soon as practicable after that date, you will receive a transaction confirmation advice confirming the number of Shares that have been issued to you.

6. Rights Attaching to Shares

All SPP Shares will be issued on the same terms as the other ordinary shares in Premium quoted on the Australian Securities Exchange (**ASX**) and, once issued, will rank equally with existing Shares.

Premium will apply for the SPP Shares to be quoted on ASX.

7. Number of SPP Shares Offered

If you are eligible to apply for shares under the SPP, you may select one of the following offers for Shares:

- \$500 worth of Shares
- \$1,000 worth of Shares
- \$2,500 worth of Shares
- \$5,000 worth of Shares
- \$7,500 worth of Shares

The number of Shares you receive for each of the above amounts will vary depending on the SPP Price.

If the number of Shares you are entitled to receive under the SPP Offer is a fractional amount, the number of Shares you will receive will be rounded up to the next whole number, subject to a maximum of \$7,500 worth of Shares.

8. Maximum Applications

The offer under the SPP needs to comply with the requirements of ASIC Class Order 09/425. Under those requirements, the maximum number of SPP Shares which may be applied for in any consecutive 12 month period (namely, Shares to the value of \$15,000) applies irrespective of how many Shares you hold on the Record Date.

However, Premium has chosen to limit all applications to \$7,500 for the purpose of this offer. If you receive more than one offer from Premium (for example, if you are both a sole and joint eligible shareholder, or if you are a shareholder with more than one holding under a separate account, you can only apply for SPP Shares to the aggregate value of \$7,500).

Premium reserves the right to reject any application for SPP Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

9. Custodian Applications

If you are a "Custodian" as defined in ASIC Class Order 09/425 you:

- hold an Australian financial services licence that:
 - covers the provision of a "custodial or depository service" (as defined in section 766E of the Corporations Act); or
 - includes a condition requiring the holder to comply with ASIC Class Order 02/294; or
- are exempt under:
 - paragraph 7.6.01(1)(k) of the Corporations Regulations 2001; or
 - under ASIC Class Order 05/1270 to the extent that it relates to ASIC Class Order 03/184, from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service

Then you may apply for a maximum amount of \$7,500 worth of Shares for each participating beneficiary, provided that you complete the Application Form, a Custodian Certificate and Schedule and submit them together with the Application Payment to the Share Registry before the Closing Date.

Domicile restrictions will be applied at the beneficial holder level.

Under the requirements of Class Order 09/425, the Custodian must certify that there are no beneficiaries in respect of whom the total application price for Shares applied for in this SPP and for any other Premium Shares applied for by the Custodian on behalf of that beneficiary exceeds \$15,000 in the 12 months prior to the date of this Application.

Please contact the Share Registry to obtain the form of the Custodian Certificate and Schedule which you are required to submit.

All other custodians and nominees

If you hold Shares as a trustee or nominee for another person, but are not a "Custodian" as defined in ASIC Class Order 09/425, you cannot participate for beneficiaries in the manner described above.

10. Participation Optional

Participation in the SPP is entirely at your option. If you are in any doubt as to whether you should participate in the SPP or how such participation will affect you (including taxation implications), you should contact a professional adviser. We make no recommendations as to the desirability or otherwise of your participation in the SPP.

11. Change of Offer

Premium may change, suspend, withdraw or terminate the SPP or these Terms and Conditions at any time whether because of a change of law, a change in ASIC requirements or policy, an adverse movement in the price of Shares or any other circumstance relevant to the SPP or Premium. If Premium does this, it will post a notice on Premium's website. Failure to notify shareholders of changes to, suspension, withdrawal or termination of the SPP or these Terms and Conditions will not invalidate the change, suspension, withdrawal or termination.

Premium reserves the right to issue no SPP Shares or fewer SPP Shares than an eligible shareholder applies for under the SPP if Premium believes the issue of those SPP Shares would contravene ASIC requirements or policy, any law or any ASX Listing Rule. No interest will be paid on any money refunded. Premium's rights to change, suspend, withdraw or terminate the SPP may be exercised by the Board or any delegate of the Board.

12. Dispute Resolution

Premium may settle any dispute in relation to the SPP or the terms and conditions of the SPP in any manner it thinks fit, whether generally or in relation to any shareholder, application or Shares. Premium's decision will be conclusive and binding.

13. How to Apply for SPP Shares

If you would like to apply for SPP Shares, you must either:

- complete and return the enclosed Application Form together with a cheque, bank draft or money order for the appropriate amount in the enclosed reply paid envelope in Australian dollars, payable to **Premium Investors Limited - SPP**.

Do not forward cash. Receipts for payment will not be issued. Cheques will only be accepted if they are drawn in Australian currency on an Australian financial institution.

Applications must be received by 5:00pm (AEST) on Friday 8 October 2010. While Premium has the discretion to accept Applications received after that time, Premium reserves the right to reject late Applications.

By completing an Application Form or by paying electronically using BPAY to purchase SPP Shares, you agree to be bound by these Terms and Conditions and Premium's constitution. Applications and payments may not be withdrawn once Premium has received them. Application money will not bear interest as against Premium under any circumstances.

14. Enquiries

If you have any questions in respect of the SPP, please contact the Share Registry, Computershare Investors Services Pty Limited by phone on 1300 704 847 (within Australia) or +61 3 9415 4686 (outside Australia).