



February 2008

Monthly Update

Prime Rate Plus Corp is an Investment Corporation designed to pay monthly cash dividends. The Corporation invests in a diversified, high quality portfolio consisting of six Canadian Banks. Two types of shares are available, a Class A and a Preferred.

Objectives

Preferred Shares (TSX: PPL.PR.A):

(i) to provide holders of the Preferred Shares with cumulative preferential monthly cash dividends at a rate per annum equal to the Prime Rate in Canada plus 0.75% (minimum 5%, maximum 7%) based on original issue price of \$10.00 per share (ii) on or about December 1, 2012 (termination date), to pay the holders of the Preferred Shares the original issue price of those shares.

Class A Shares (TSX: PPL):

(i) to provide holders of the Class A Shares with regular floating rate monthly cash distributions targeted to be at a rate per annum equal to the Prime Rate in Canada plus 2.0% (minimum 5%, maximum 10%) based on original issue price of \$15.00 per share (ii) on or about December 1, 2012 (termination date), to pay the holders of Class A Shares at least the original issue price of those shares.

The current Prime Rate in Canada is **5.75%**.

Distributions (by record date)

	PPL	PPL.PR.A	Total
Total to Date	\$2.9875	\$1.6928	\$4.6803
2008 YTD	\$0.1969	\$0.1104	\$0.3073
2007	\$1.2156	\$0.6854	\$1.9010
2006	\$1.1625	\$0.6500	\$1.8125
2005	\$0.4125	\$0.2470*	\$0.6595

*Initial distribution for the period July 15/05 to Dec 29/05.

Commentary

Overall financial markets during the last two quarters were adversely impacted by deteriorating credit conditions originating from the US sub-prime lending market. At February 29, 2008, the Company's portfolio remained primarily invested in the 6 core Canadian Bank stocks. The dividend income in the portfolio continues to be supplemented by a limited covered call writing program which provides some additional income to the portfolio.

TD Bank (TSX: TD) increased its quarterly dividend to \$0.59 per share, a 3.5% increase from last quarter (Feb 08).

The Prime Rate Plus portfolio has a current dividend yield of approx. 4.4%.

Details

Gross Proceeds:	\$288,125,000
Units Issued:	11,525,000
Inception Date:	July 15, 2005
Termination Date:	Dec 1, 2012
Net Asset Value:	\$21.50 (Feb 29/08)

Cash Weighting:	0%
Canadian Equity Weighting:	100%

PPL.PR.A Issue Price	\$10.00
Trading Price:	\$10.53 (Feb 29/08)
Current Yield:	6.2% annually
Asset Coverage:	215%
Market Capitalization:	\$114,066,225

PPL Issue Price:	\$15.00
Trading Price:	\$11.65 (Feb 29/08)
Current Yield:	10.0% annually
Market Capitalization:	\$126,198,625

Top Holdings (sorted by weight)

Toronto-Dominion Bank	TD
Bank of Nova Scotia	BNS
Canadian Imperial Bank of Commerce	CM
Royal Bank of Canada	RY
Bank of Montreal	BMO
National Bank of Canada	NA

Weightings subject to change at any time.