



June 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 (\$10) 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 (\$15) of those shares.

The current Prime Rate in Canada is **4.75%**.

Distributions (by record date)

	PPL	PPL.PR.A	Total
Total to Date	\$3.3375	\$1.8845	\$5.2220
2008 YTD	\$0.5469	\$0.3021	\$0.8490
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 continue to be adversely impacted by the confluence of record high commodity prices and the continuing credit related problems originating from the US sub prime lending market. These conditions have caused economic growth to slow considerably in both Canada and the United States while at the same time high commodity prices are beginning to lead to a marked increase in inflationary pressures. In particular, the dramatic increase in oil prices has become a large obstacle for economic recovery. Although it is difficult to know when these conditions will ease, the financial markets tend to act as a leading indicator and have in the past anticipated economic recoveries, sometimes 6 to 12 months in advance of the actual pick up in economic activity. Based on market recoveries over the past 25 years, the financial services sector has quite often been among the strongest leading sectors.

The Prime Rate Plus portfolio has a current dividend yield of approx. 4.7%.

Details

Gross Proceeds:	\$288,125,000
Units Issued:	11,525,000
Inception Date:	July 15, 2005
Termination Date:	Dec 1, 2012
Net Asset Value:	\$19.89 (Jun 30/08)
Cash Weighting:	0%
Canadian Equity Weighting:	100%
PPL.PR.A Trading Price:	\$10.32 (Jun 30/08)
Current Yield:	5.3% annually
Asset Coverage:	199%
Market Capitalization:	\$111,725,868
PPL Trading Price:	\$10.25 (Jun 30/08)
Current Yield:	9.9% annually
Market Capitalization:	\$110,968,038

Top Holdings (sorted by weight)

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

Weightings subject to change at any time.