



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 6.25%.

Distributions (by record date)

	PPL	PPL.PR.A	Total
Total to Date	\$2.4844	\$1.4095	\$3.8939
2007 YTD	\$0.9094	\$0.5125	\$1.4219
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

Toronto-Dominion Bank (TSX: TD) increased its quarterly common share dividend to \$0.57 a share, an 8% increase (Aug 07).

Royal Bank of Canada (TSX: RY) increased its quarterly common share dividend to \$0.50 a share, a 9% increase (Aug 07).

Bank of Montreal (TSX: BMO) increased its quarterly common share dividend to \$0.70 a share, a 2.9% increase (Aug 07).

Canadian Imperial Bank of Commerce (TSX: CM) increased its quarterly common share dividend to \$0.87 a share, a 12% increase (Aug 07).

TD, RY, BMO and CM are holdings of Prime Rate Plus.

The Prime Rate Plus portfolio has a current dividend yield of approx. 3.6%.

Details

Gross Proceeds:	\$288,125,000
Units Issued:	11,525,000
Inception Date:	July 15, 2005
Termination Date:	Dec 1, 2012
Net Asset Value:	\$26.49 (Sep 28/07)

Cash Weighting:	3%
Canadian Equity Weighting:	97%

PPL.PR.A Issue Price	\$10.00
Trading Price:	\$10.71 (Sep 28/07)
Current Yield:	6.5% annually

PPL Issue Price:	\$15.00
Trading Price:	\$13.98 (Sep 28/07)
Current Yield:	8.9% annually

Top Holdings Sorted By Weight Symbol

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

Weightings subject to change at any time.