

# Press Release:



**TSX SYMBOLS:** PPL.A, PPL.PR.A  
**SUBJECT:** OFR

## **PRIME RATE PLUS CORP. COMPLETES INITIAL PUBLIC OFFERING OF \$280,000,000**

**TORONTO, ONTARIO – July 15, 2005 – 11:30 a.m.**

Prime Rate Plus Corp. ("Prime Split") has completed its initial public offering of 11,200,000 Preferred Shares and 11,200,000 Class A Shares of the Corporation for aggregate gross proceeds of \$280,000,000. The shares have begun trading on the Toronto Stock Exchange under the symbols PPLA (Class A shares) and PPL.PR.A (Preferred shares).

The fund's investment objectives are:

### **Preferred Shares:**

- (i) to provide holders of the Preferred Shares with cumulative preferential floating rate monthly cash dividends at a rate per annum equal to the Prime Rate in Canada plus 0.75% (min 5%, max 7%)
- (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:**

- (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% (min 5%, max 10%)
- (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 net proceeds from the offering will be used by Prime Split to invest in a portfolio of six publicly traded Canadian Banks as follows:

Bank of Montreal	Canadian Imperial Bank of Commerce	National Bank of Canada
Royal Bank of Canada	Bank of Nova Scotia	Toronto-Dominion Bank

*Shares held within the Portfolio will generally represent no less than 5% and no more than 20% of the net asset value.*

To generate additional returns above the dividend income earned on the portfolio, Prime Split will engage in a selective covered call writing program.

CIBC and RBC Capital Markets are co-lead agents for the proposed offering. The other members of the syndicate are TD Securities Inc., National Bank Financial, Desjardins Securities Inc., HSBC Securities (Canada) Inc., Canaccord Capital Corporation, Dundee Securities Corporation, Raymond James Ltd, Bieber Securities Inc., First Associates Investments Inc., Richardson Partners Financial Limited and Wellington West Capital Inc.

Please visit the Prime Rate Plus Corp. website at [www.primerateplus.com](http://www.primerateplus.com).

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