

Press Release:



TSX SYMBOLS: PPL, PPL.PR.A
SUBJECT: DIV

PRIME RATE PLUS CORP. Dividends Set to Increase

TORONTO, ONTARIO – September 7, 2005 – CCN Matthews As a result of today's Bank of Canada's decision to increase the bank rate in Canada by 0.25%, the Prime Rate has also increased by 0.25% to 4.50%. As a result, the September dividends payable to both Preferred Shares and Class A shares of Prime Rate Plus are each set to increase by 0.25% (assuming the rate remains at 4.5% on September 15). This would result in the September Preferred share dividend being paid at an annualized rate of 5.25% (Prime Rate plus 0.75%) and the Class A share dividend being paid at an annualized rate of 6.5% (Prime Rate plus 2.0%).

Prime Plus invests 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 are expected to range between 5-20% in weight but may vary at any time. To generate additional returns above the dividend income earned on the portfolio, Prime Plus will engage in a selective covered call writing program.

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% (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:

- (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.

For further information, please contact:

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