

Fund Highlights

- ✓ Strong track record over 21 years
 - Class A shares 12.2% annual return
 - Preferred shares 6% annual return
 - Combined unit 8.1% annual return
- ✓ Combined Yield 7.4%
 - 10.5% Class A share Yield
 - 5.8% Preferred share Yield

Fund Objectives

- Exposure to Canadian Banks
- Track record of performance
- Enhanced yield
- Lower volatility

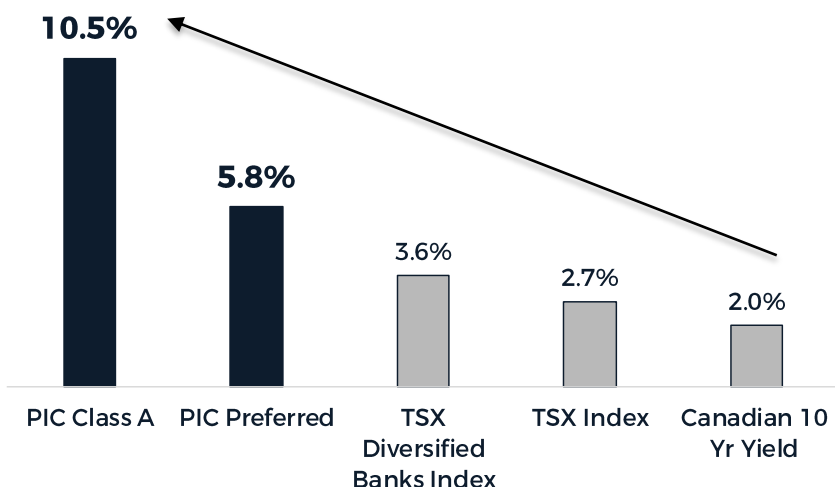
Performance – Over 21 Year track record

	----- (Annualized Total Return) -----						Since Inception *
	1 Month	YTD	1 Year	3 Year	5 Year	10 year	
Class A Shares (PIC.A)	13.8	22.7	52.1	11.9	22.6	7.6	12.2
Preferred Shares (PIC.PR.A)	1.4	5.9	5.9	5.9	5.9	5.9	6.0
PIC Unit	5.5	11.3	18.9	7.5	10.7	5.7	8.1

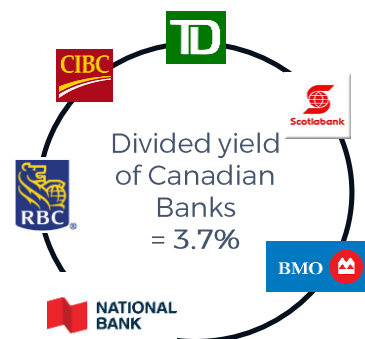
Inception on 10/31/1996
Based on NAV

- ✓ 12.2% annual total return since inception on Class A shares
- ✓ 6.0% annual total return since inception on Preferred shares

Enhanced Yield – 2x the Yield of Canadian Banks



PIC.A	10.5%
PIC.PR.A	5.8%
PIC Unit Yield	7.4%



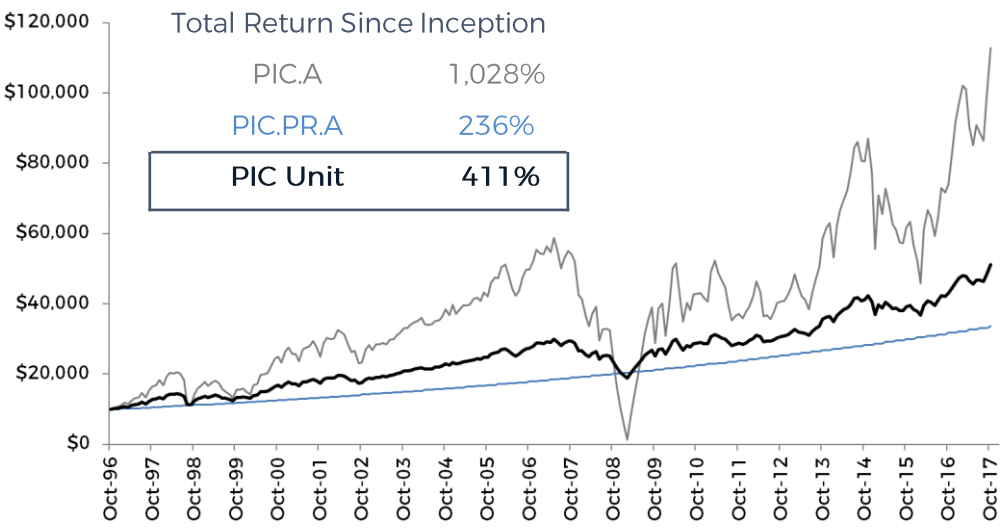
Distributions Since Inception

	Distributions*	NAV	NAV + Distributions
Class A Shares	\$23.79	\$8.18	\$31.97
Preferred Shares	\$18.32	\$15.00	\$33.32
PIC Unit	\$42.11	\$23.18	\$64.07

\$25.00 investment at inception would have paid \$42.11 in distributions with a current NAV of \$23.18

* not adjusted for class A share consolidation effective Nov 1, 2010

Growth of \$10,000 (PIC Unit Since Inception)

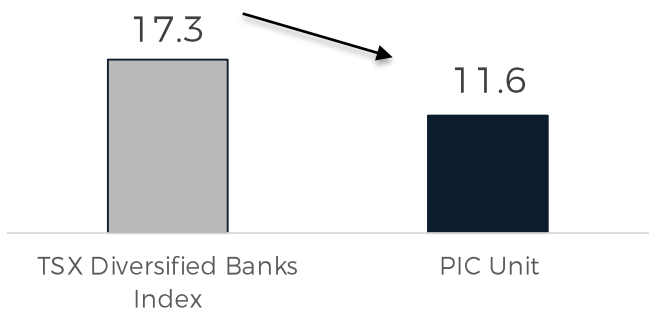


\$10,000 investment in Premium Income Corporation (PIC Unit) at inception would have grown to over \$51,000 today

Inception on 10/31/1996
Based on NAV

Lower Volatility (PIC Unit)

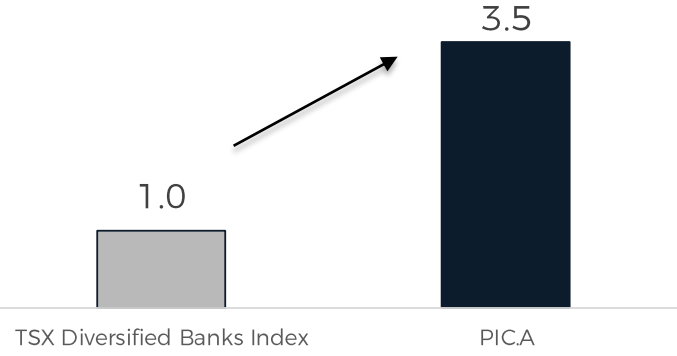
Standard Deviation (Since Inception)



Lower volatility vs TSX Diversified Bank Index

Class A Share (PIC.A) Leverage

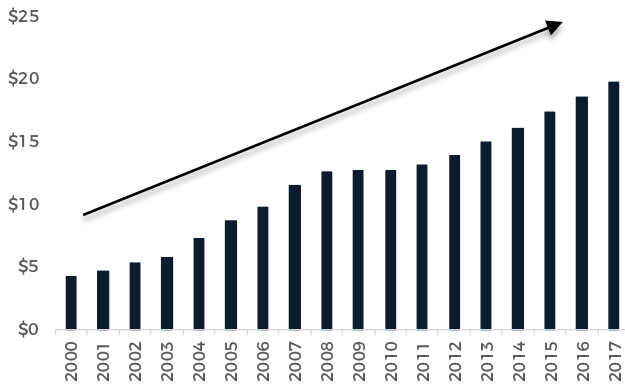
Beta to Diversified Banks Index



Over the last 10 Years , the NAV of the Class A shares have had a beta of 3.5 to the Bank index

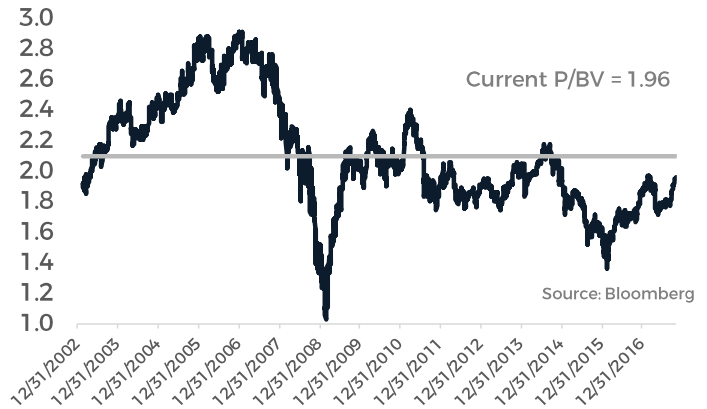
Attractive Canadian Bank Fundamentals

Dividends Per Share
Sum of (RY, TD, BNS, BMO, CM, NA)



10% CAGR in Bank Dividends over past 17 years

Price / Book Value
TSX Diversified Banks Index



Canadian Banks currently undervalued trading at a 7% discount to historical P/BV

Split Share Structure

Class A Shares

- ✓ Leverage to Canadian Bank Performance
- ✓ **10.5% current yield**

Preferred Shares

- ✓ Attractive 5.8% annual distribution
- ✓ Tax-efficient distributions

- ✓ High distribution rate: 10.5% (Class A), 5.8% (Preferred)
- ✓ PIC Unit yield of 7.4% is 2x the yield of TSX Diversified Banks Index
- ✓ Leverage exposure to Canadian Banks through Class A Units (PIC.A)
- ✓ Yield Enhanced through active option overlay strategy
- ✓ Lower Volatility vs Canadian banks

1 (416) 681-3966

www.strathbridge.com

info@strathbridge.com

PREMIUM INCOME
CORPORATION

About Manager

- ✓ Strathbridge Asset Management Inc., experienced issuer with 10 investment funds
- ✓ One of Canada's most experienced option strategy managers, with over 20 years of investment management experience
- ✓ Proprietary selective call writing strategy utilized to enhance income generated from the portfolio and reduce volatility

Disclaimer

This document may contain certain forward-looking statements. These statements may relate to future events or future performance and reflect management's current expectations. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. Although the forward-looking statements are based upon what management believes to be reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Neither the Funds nor their respective managers assume any obligation to update or revise any forward-looking statement to reflect new events or circumstances. Actual results may differ materially from any forward-looking statement. Historical results and trends should not be taken as indicative of future operations. The Fund is not guaranteed, its value changes frequently and past performance may not be repeated. Unless otherwise indicated and except for returns for period less than one year, the indicated rates of return are the historical annual compounded total returns including changes in security value. All performance data take into account distributions or dividends paid to unitholders but do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns.