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# PREMIUM INCOME CORPORATION

## PREMIUM INCOME CORPORATION ANNOUNCES SUCCESSFUL OVERNIGHT OFFERING

**Toronto, Ontario, November 2, 2018** – (TSX: PIC.A; PIC.PR.A) – Premium Income Corporation (the “Fund”) is pleased to announce that it has completed the previously announced treasury offering of 795,000 Preferred Shares and 795,000 Class A Shares for gross proceeds of approximately \$17.2 million. The Preferred and Class A shares will continue to trade on the Toronto Stock Exchange under the existing symbols PIC.PR.A (Preferred Shares) and PIC.A (Class A Shares)

The Preferred Shares were offered at a price of \$15.00 per Preferred Share to yield 5.75% and the Class A Shares were offered at a price of \$6.60 per Class A Share to yield 12.3%. The Preferred share and Class A share offering prices were determined so as to be non-dilutive to the net asset value per unit of the Fund as of October 25, 2018, as adjusted for dividends and certain expenses accrued prior to the closing of the offering.

The Fund invests in a portfolio consisting principally of common shares of Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada and The Toronto-Dominion Bank (the “Banks”). To generate additional returns above the dividend income earned on the Fund’s portfolio, the Fund will selectively write covered call options in respect of some or all of the common shares in the Fund’s portfolio. The manager and investment manager of the Fund is Strathbridge Asset Management Inc.

The Preferred Shares pay fixed cumulative preferential quarterly cash distributions in the amount of \$0.215625 (\$0.8625 per annum) per preferred share representing a yield of 5.75% on the original issue price of \$15.00. The Class A Shares currently pay quarterly distributions in the amount \$0.20319 (\$0.81276 per annum) per Class A Share.

The syndicate of agents for the offering was co-led by RBC Capital Markets, CIBC Capital Markets, National Bank Financial Inc. and Scotiabank, and also included BMO Capital Markets, TD Securities Inc., Raymond James Ltd., Canaccord Genuity Corp., Desjardins Securities Inc., Echelon Wealth Partners Inc., GMP Securities L.P. and Industrial Alliance Securities Inc.

For further information, please contact Investor Relations at 416.681.3966, toll free at 1.800.725.7172, email at [info@strathbridge.com](mailto:info@strathbridge.com) or visit [www.strathbridge.com](http://www.strathbridge.com)

John Germain, Senior VP & CFO

*Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.*

*The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or any applicable exemption from the registration requirements. This news release does not constitute an offer to sell or the solicitation of an offer to buy securities nor will there be any sale of such securities in any state in which such offer, solicitation or sale would be unlawful.*