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# PREMIUM INCOME CORPORATION

## PREMIUM INCOME CORPORATION ANNOUNCES SUCCESSFUL OVERNIGHT OFFERING

**Toronto, Ontario, October 26, 2018** – (TSX: PIC.A; PIC.PR.A) – Premium Income Corporation (the “Fund”) is pleased to announce a successful overnight treasury offering of 795,000 Preferred Shares and 795,000 Class A Shares. Gross proceeds of the offering are expected to be approximately \$17.2 million.

The offering is expected to close on or about November 2, 2018 and is subject to certain conditions including approval by the Toronto Stock Exchange (“TSX”). 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%.

Since the inception of the Fund, the aggregate dividends declared on the Preferred Shares has been \$19.19 per shares and the aggregate dividends declared on the Class A Shares have been \$24.60 per share, for a combined total of \$43.79 per unit.

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 includes 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.*