

Monthly Update

Prime Dividend Corp is an Investment Corporation designed to pay monthly cash dividends. The Corporation invests in a diversified portfolio consisting of high quality dividend yielding Canadian companies. Two types of shares are available, a Class A and a Preferred.

Objectives

Preferred Shares (TSX: PDV.PR.A):

(i) to provide holders of the Preferred Shares with cumulative preferential 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 (\$10) of those shares.

Class A Shares (TSX: PDV):

(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 (\$15) of those shares.

The current Prime Rate in Canada is **4.75%**.

Distributions (by record date)

	PDV	PDV.PR.A	Total
Total to Date	\$2.8438	\$1.6183	\$4.4621
2008 YTD	\$0.3781	\$0.2104	\$0.5885
2007	\$1.2156	\$0.6854	\$1.9010
2006	\$1.1625	\$0.6500	\$1.8125
2005	\$0.0875	\$0.07247	\$0.15997

*Initial distribution for the period Nov 16/05 to Dec 31/05.

Commentary

Dramatic action was taken by the central banks around the world including the Bank of Canada which lowered the overnight lending rate another ½ percentage point. Lowering interest rates and providing liquidity to the market appears to have stabilized the credit crisis situation and allowed the market a confidence that has not been seen this year.

All major North American stock indices were up for the month of April by at least 4%. The TSX is positive year-to-date with a return of 0.7%

Great-West Lifeco (TSX: GWO) increased its quarterly dividend to \$0.2925 per share, a 6.4% increase from last quarter for a total increase of 14% over the past year (Feb 08). TD Bank (TSX: TD) increased its quarterly dividend to \$0.59 per share, a 3.5% increase from last quarter (Feb 08). AGF Management (TSX: AGF) declared its quarterly dividend to \$0.25 a share, a 25% increase (Mar 08). TSX Group Inc. (TSX: X) and Montreal Exchange Inc. (TSX: MX) announced the completion of their business combination to create TMX Group Inc. (May 08).

GWO, TD, AGF and X are holdings of Prime Dividend.

The Prime Dividend portfolio has a current dividend yield of approx. 4.0%.

Details

Gross Proceeds:	\$60,000,000
Units Issued:	2,400,000
Inception Date:	Nov 16, 2005
Termination Date:	Dec 1, 2012
Net Asset Value:	\$22.28 (Apr 30/08)
Cash Weighting:	1%
Canadian Equity Weighting:	99%
PDV.PR.A Trading Price:	\$10.22 (Apr 30/08)
Current Yield:	5.9% annually
Asset Coverage:	223%
Market Capitalization:	\$23,729,818
PDV Trading Price:	\$10.32 (Apr 30/08)
Current Yield:	10.5% annually
Market Capitalization:	\$23,962,008

Top Holdings (sorted by weight)

TransAlta Corporation	TA
Canadian Imperial Bank of Commerce	CM
TSX Group Inc.	X
AGF Management	AGF
Bell Canada Inc.	BCE
TransCanada Corporation	TRP
Toronto-Dominion Bank	TD
Manulife Financial	MLF
IGM Financial	IGM
Power Financial	PWF
National Bank of Canada	NA
Bank of Montreal	BMO
Royal Bank of Canada	RY
CI Financial Income Fund	CIX
Sun Life Financial	SLF
Great-West Lifeco	GWL
Bank of Nova Scotia	BNS

Weightings subject to change at any time.