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Investor Relations

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HI PAYS Declares Regular Monthly Distributions to Preferred Shareholders

Toronto, July 3, 2008: The Board of Directors of High Income Principal And Yield Securities Corporation (“HI PAYS”) today announced its regular monthly distributions to holders of HI PAYS Preferred Shares (TSX: PAY.PR.A). Distributions are payable July 31, 2008 to shareholders of record on July 15, 2008.

HI PAYS is due to terminate on July 31, 2008 (the “Termination Date”). In accordance with the terms of the Articles, HI PAYS will redeem all of the outstanding preferred shares, equity shares, and subordinate shares of the Fund on the Termination Date. Shareholders are not required to take any action to cause their shares to be redeemed. Redemption proceeds calculated in accordance with the Articles (less any tax required by law to be deducted or withheld therefrom), together with the amount, if any, of declared but unpaid dividends on such shares, will be paid to shareholders on or before August 8, 2008 to shareholders’ accounts at the investment firm where their shares are held at the time of the termination.

HI PAYS invests in a diversified portfolio consisting principally of common shares issued by corporations whose shares are included in the S&P 500 Index and the S&P/TSX Composite Index, income funds and debt securities. Lawrence Asset Management Inc. is both Manager and Investment Manager of HI PAYS.

Distribution Details

Distribution per Preferred Share (TSX: PAY.PR.A):	\$0.1146
Ex-Dividend Date:	July 11, 2008
Record Date:	July 15, 2008
Payment Date:	July 31, 2008