

**Palos Management Inc. announces the resignation notice of BNY Trust Company of Canada, commencement of search for replacement trustee for the Palos Equity Income Fund**

MONTREAL, May 30, 2011 – Palos Management Inc. (“Palos”) announces that the BNY Trust Company of Canada (“BNY”) has provided notice to Palos of its intent to cease to act as trustee of the Palos Equity Income Fund (the “Fund”) in 60 days. BNY’s notice comes as a result of a business decision to cease to provide trustee services to publicly traded mutual funds in Canada.

“BNY has informed Palos that it is getting out of this particular line of business and that within the next few months it will stop acting as a trustee for all public mutual funds in Canada. BNY has informed Palos that its decision is not the result of any actions or inactions taken by Palos,” said Charles Marleau, president of Palos.

Palos has begun searching for a new trustee for the Fund and has already commenced discussions with several replacement trustees.

Palos has also filed an amended prospectus reflecting the resignation notice of BNY.

**About Palos Management Inc.**

Founded in 2001, Palos Management is a boutique financial management firm that includes Palos Investment Funds, Holdun Family Office, and Palos Merchant Bank. Our mission is to constantly earn our clients’ trust by growing and sustaining their wealth through our creative and intelligent approach to financial management. Headquartered in Montreal, Canada, Palos Management has an international reach through offices in New York and the Bahamas.

**For further information**

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