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FRONT STREET LONG/SHORT INCOME FUND COMPLETES MERGER WITH FRONT STREET LONG/SHORT INCOME FUND II

(Toronto, ON, June 1, 2006) (FLS.UN; FLH.UN) – Front Street Capital 2004, the manager of Front Street Long/Short Income Fund (“FSLs I”) and Front Street Long/Short Income Fund II (“FSLs II”), has announced that it has completed its merger of FSLs I and FSLs II (the “Funds”). Each unitholder of FSLs II will receive 0.959157 units of FSLs I for each unit of FSLs II held immediately prior to the completion of the merger. This exchange ratio was calculated based on the net asset values per unit of the two Funds as at the close of business on May 31, 2006. FSLs I had a net asset value per unit of \$10.4120 at the close of business on May 31, 2006, and FSLs II had a net asset value per unit of \$9.9868 at the close of business on May 31, 2006.

In connection with the merger, a special distribution of \$0.12691 per unit will be payable on or about June 15, 2006 to unitholders of record of FSLs I on May 31, 2006. Such distribution is in addition to the previously announced regular monthly distribution of \$0.05 per unit payable on or about June 15, 2006 to unitholders of FSLs I of record on May 31, 2006.

As a result of the merger, FSLs II will be de-listed from the TSX on or about June 2, 2006.

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