



Carfinco Announces Completion of Strategic Alternatives Process

Wednesday, May 25, 2011

Carfinco Income Fund

TSX: CFN.UN

EDMONTON, May 25, 2011 /CNW/ - Carfinco Income Fund ("Carfinco" or the "Fund"), Canada's leading automotive specialty finance income fund, today announced the completion of its previously announced exploration of possible strategic alternatives for the Fund. The review process involved, among other things, a consideration of the possible sale of the Fund. With the assistance of an independent financial advisor, FBR Capital Markets & Co., a broad spectrum of domestic and international industry participants and private equity sources was solicited. The Fund received several indications of interest related to the sale of the Fund, however, after a deliberate and careful process, the Board has determined that none of the proposals received to date benefited the Fund and its Unitholders sufficiently to warrant further consideration.

Although the Fund has completed its review of strategic alternatives, any future substantive proposals submitted to the Fund will be reviewed by the Board of Trustees to determine the possible benefits for the Fund and its Unitholders.

Throughout the process the Fund continued to successfully execute its planned business objectives and will continue to identify and review new business opportunities.

About Carfinco Income Fund:

Carfinco focuses on providing consumer vehicle loans to borrowers unable to obtain financing through traditional lending sources. A network of select independent and franchise dealerships offer Carfinco's payment plan to their customers who must, along with the vehicle, meet Carfinco's underwriting guidelines. The units of the Fund trade on The Toronto Stock Exchange under the symbol "CFN.UN".

Caution Regarding Forward-Looking Statements - This news release contains certain forward-looking statements, including statements regarding the business and anticipated financial performance of the Fund. These statements are subject to a number of risks and uncertainties. Actual results may differ materially from results contemplated by the forward-looking statements. When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and should not place undue reliance on such forward-looking statements.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

For further information contact:

Carfinco Income Fund

Tracy Graf, CEO & Trustee

Carfinco Income Fund

Toll Free: 1-888-486-4356

tgraf@carfinco.com

www.carfinco.com

The Howard Group Inc.

Jeff Walker

The Howard Group Inc.

Toll Free: 1-888-221-0915

Phone:(403) 221-0915

Fax: (403) 237-8387

Info@howardgroupinc.com

www.howardgroupinc.com