

**Citadel Income Fund, Energy Income Fund and European Strategic Balanced Fund
(collectively the “Funds”)
Report from the Independent Review Committee to Unitholders
For the period from January 1, 2016 to December 31, 2016**

The following report describes the independent review committee (“**IRC**”) of the Funds and its related activities for the fiscal period from January 1, 2016 to December 31, 2016 (the “**period**”).

The IRC consists of the following three members initially appointed by Artemis Investment Management Limited (the “**Manager**”):

<u>Member</u>	<u>Length of Service</u>	<u>Other IRC Memberships</u>
Peter F. Chodos	Since inception (February 19, 2013)	None
John F. Mills	Since inception (February 19, 2013)	None
Michael Newman	Since inception (February 19, 2013)	None

There have been no changes to the composition of the IRC during the period.

Independence

The members of the IRC have concluded that they have no material relationship with the Manager, the Funds or an investment advisor to the Funds that could reasonably be perceived to interfere with any member’s judgment regarding a conflict of interest matter.

Holdings of Securities

(a) Funds

With respect to each Fund, as at December 31, 2016, the percentage of units of the Fund beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 1%.

(b) Manager

As at December 31, 2016, the members of the IRC, in aggregate, beneficially owned, directly or indirectly, no securities of any class or series of voting share or equity securities of the Manager.

(c) Service providers

As at December 31, 2016, the members of the IRC, in aggregate, beneficially owned, directly or indirectly, less than 1% of securities of any class of voting or equity securities of a person or company providing services to the Funds or the Manager relating to the Fund business.

Compensation

During the period, the compensation of each member of the IRC was \$30,000 per annum plus reimbursement of expenses associated with attendance at IRC meetings. For the period, the total compensation paid to the members was \$90,000. No amounts were paid to the IRC members by the Funds under indemnities in their favour during the period.

In concluding that this compensation was appropriate, the IRC considered: the nature and complexity of the Funds’ operations; the time commitment required; and the level of information provided to the IRC members. The IRC considered and accepted the Manager’s recommendations in respect of the

compensation levels noted above.

In March 2017, the IRC considered and accepted the Manager's recommendation to reduce the compensation to each member, effective January 1, 2017, to \$20,000 per annum plus reimbursement of expenses associated with attendance at IRC meetings, having regard to the reduction in the number of Funds and the assets under management compared to the prior year.

Activities

During the period, the IRC's activities included reviewing its mandate, the independence of its members, the effectiveness of the IRC as a whole and its members, and insurance premium allocations made by the Manager to the Funds.

The Manager determined, after reasonable inquiry by the IRC, that there were no referable matters to the IRC in 2016.

There were no recommendations or approvals requested by the Manager and not approved by the IRC during the period.

This report is respectfully submitted to you on behalf of the Independent Review Committee of the Funds.

Toronto, Canada
March 10, 2017


Peter F. Chodos
Chair of the Independent Review Committee