



## **Citadel Income Fund Announces Resolution with Saba Capital and Update to the Special Redemption and Fund**

TORONTO, September 14, 2023 – Citadel Income Fund (TSX – CTF.UN) (the “**Fund**”) today announces that it, along with the trustee and manager of the Fund, Artemis Investment Management Limited (“**Artemis**”), after lengthy discussions and negotiations, has entered into a resolution agreement (the “**Resolution Agreement**”) with Saba Capital Management, L.P. (“**Saba**”) pursuant to which Saba has agreed to withdraw its previously announced requisition for a special meeting of Unitholders to, among other things, replace Artemis as the Fund’s manager and liquidate the Fund.

Pursuant to the Resolution Agreement, the Fund has agreed to offer Unitholders the opportunity to redeem not less than 7,186,900 units of the Fund (the “**Units**”), representing 70% of the outstanding Units (the “**Redemption Offer**”) and Saba has agreed to support and vote for Citadel’s proposal to reposition the Fund to invest exclusively in a selective portfolio of resale residential real estate properties in Canada through co-ownership agreements with retail homebuyers (the “**Fund Conversion**”).

### *Special Redemption Offer*

The Redemption Offer is subject to the approval of Unitholders at a duly called special meeting of Unitholders, which the Fund will hold no later than November 7, 2023 (the “**Special Meeting**”), and applicable regulatory approvals and consents that may be required to complete the Redemption Offer.

Under the Redemption Offer, Units will be redeemed for an amount equal to the net asset value per Unit less redemption costs equal to 4.5% of net asset value per Unit redeemed. If requests for redemptions exceed 7,186,900 Units, then the Units will be redeemed on a *pro rata* basis. Subject to obtaining the requisite Unitholder approval, the Fund plans to schedule the redemption date for the Redemption Offer by no later than December 7, 2023.

### *Fund Conversion Transaction*

The Fund Conversion will be subject to the approval of Unitholders at a duly called special meeting of Unitholders as well as applicable regulatory approvals and consents. The Fund Conversion will not be considered at the Special Meeting but is expected to be the subject of a Unitholder meeting in 2024.

As part of the previously announced strategic review process undertaken by Artemis to identify value-enhancing strategic alternatives for the Fund, the proposed Fund Conversion transaction was identified as an opportunity to provide Unitholders with the ability to participate in historic rates of appreciation of residential real estate. In connection with the Fund Conversion, Unitholders will be asked to approve certain amendments to the Fund’s declaration of trust, including amending the Fund’s investment strategy, objectives, and restrictions for the limited purpose of permitting



the Fund to, and only to the extent required to permit the Fund to, exclusively invest in a portfolio of resale residential real estate properties in Canada through co-ownership agreements with homebuyers and reducing the management expense ratio (which includes the management fee) to a cap of 2.5% and to remove the annual and monthly redemption rights of Unitholders. After giving effect to the Fund Conversion, the Fund will no longer be an investment fund, and will operate as a non-investment fund reporting issuer.

Notice of the Redemption Offer and the timing of the Special Meeting will be provided to Unitholders next week in accordance with the Fund's declaration of trust.

For further information, please contact your financial advisor or Kingsdale Advisors at 1-800-395-7251 (toll-free in North America) or 416-623-2513 (collect outside North America) or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com), or Artemis Investment Management's investor relations line at (416) 934-7455 or visit our website at [www.artemisfunds.ca](http://www.artemisfunds.ca).

### **Forward-Looking Statements**

Certain statements in this press release are "forward-looking" within the meaning of applicable Canadian securities laws, including but not limited to statements about the redemption offer and matters relating thereto. Forward-looking statements are generally, but not always, identified by the words "expects", "plans", "anticipates", "in the event", "if", "believes", "asserts", "position", "intends", "envisages", "assumes", "recommends", "estimates", "approximate", "projects", "potential", "indicate" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. In this news release, forward-looking statements relate to, among other things, statements regarding: the timing for the Special Meeting, shareholder and regulatory approvals with respect to the Redemption Offer, the ability of the Fund to complete the Fund Conversion and the timing of any required approvals and consents with respect thereto. Forward-looking statements are necessarily based upon the current belief, opinions and expectations of the Fund that, while considered reasonable by the Fund, are inherently subject to significant risks and uncertainties that could cause the outcome to differ materially from current expectations. Such risks and uncertainties include, among others, litigation, regulatory, business, economic, competitive, political and social uncertainties and other contingencies. Many factors could cause the Fund's actual results to differ materially from those expressed or implied in the forward-looking statements. These factors include, among others, uncertainties related to the Redemption Offer, the Special Meeting, and the Fund Conversion, as well as other risk factors set out under the heading "Risk" in the Fund's Annual Report for the year ended December 31, 2022, which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. Except as required by law, the Fund assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change.