



CITADEL INCOME FUND

**NOTICE OF SPECIAL MEETING TO BE HELD ON NOVEMBER 7, 2023
AND INFORMATION CIRCULAR**

October 2, 2023

October 2, 2023

Dear Unitholders:

We would like to extend to you, on behalf of the board of directors of Artemis Investment Management Limited (“**Artemis**” or the “**Manager**”), an invitation to attend the special meeting (the “**Meeting**”) of the unitholders (“**Unitholders**”) of Citadel Income Fund (“**Citadel**” or the “**Fund**”) to be held at Brookfield Place, 181 Bay Street, Suite 2500, Ontario Room, Toronto, ON M5J 2T3 at 9:00 a.m. (Toronto time) on November 7, 2023.

Further to the press release dated September 14, 2023, the Fund is offering Unitholders the opportunity to redeem an aggregate of not less than 7,186,900 units of the Fund (the “**Units**”) representing approximately 70% of the issued and outstanding Units as of the date hereof, on the terms described in the management information circular attached (the “**Special Redemption**”).

Notice of Meeting and Circular

The information contained in the accompanying notice of meeting (the “**Notice of Meeting**”) and management information circular (the “**Circular**”) provide a description of the Special Redemption and include certain additional information to assist you in considering how to vote with respect to them. You are urged to read this information carefully and, if you require assistance, to consult your tax, financial, legal or other professional advisors. Except as otherwise stated therein, the information contained in the Notice of Meeting and Circular is given as of October 2, 2023.

Voting Your Units

Your vote is important. We urge you to consider your individual circumstances and vote in the manner most suitable to your situation. The details of the Meeting are described in the accompanying Notice of Meeting and Circular. If you have any questions or need assistance voting, please contact Artemis’ investor relations line at (416) 934-7455, by email at info@artemisfunds.ca or visit our website at www.artemisfunds.ca.

Yours truly,

CITADEL INCOME FUND,
by its manager ARTEMIS INVESTMENT MANAGEMENT LIMITED

“Trevor W. Maunder”

Trevor W. Maunder
Director, CEO, CFO, and Secretary

**CITADEL INCOME FUND
NOTICE OF SPECIAL MEETING OF UNITHOLDERS**

NOTICE IS HEREBY GIVEN OF the special meeting (the “**Meeting**”) of holders (“**Unitholders**”) of units (“**Units**”) of Citadel Income Fund (“**Citadel**” or the “**Fund**”) of which Artemis Investment Management Limited is the manager and trustee (the “**Manager**”).

The Meeting will be held on November 7, 2023 at Brookfield Place, 181 Bay Street, Suite 2500, Ontario Room, Toronto, ON M5J 2T3 at 9:00 a.m. (Toronto time) for the following purposes:

1. To consider and, if thought fit, to pass an extraordinary resolution, the full text of which is included in the accompanying management information circular of the Fund dated October 2, 2023 (the “**Circular**”) at Schedule “A”, authorizing the Fund to redeem an aggregate of not less than 7,186,900 Units with each such Unit being redeemed for a price equal to the net asset value per Unit (the “**NAV**”) less any redemption costs and fees which shall be equal to no greater than 4.5% of the NAV per Unit, plus applicable taxes (the “**Special Redemption**”); and
2. To transact such other related business as may be properly brought before the Meeting or any adjournment or postponement thereof.

In the event the Meeting is postponed or adjourned because a quorum of Unitholders is not in attendance, or for any other reason, such adjourned Meeting will be held not more than 14 days following the Meeting date, for the same purposes set out above at the same place as the original Meeting. The Unitholders present or represented by proxy at such adjourned meeting will form the necessary quorum for transacting the business before such adjourned meeting.

The record date for determining the Unitholders entitled to receive notice of and vote at the Meeting is the close of business on October 2, 2023 (the “**Record Date**”). A registered Unitholder may attend the Meeting in person or may be represented by proxy. Registered Unitholders (as defined in the accompanying Circular) who are unable to attend the Meeting or any adjournment or postponement thereof in person are requested to complete, date and sign the accompanying form of proxy (the “**Proxy**”) and deliver it in accordance with the instructions set out in the Proxy and in the accompanying Circular.

To be effective, the Proxy must be received by Citadel’s transfer agent, TSX Trust Company, not later than 9:00 a.m. (Toronto time) on November 3, 2023 (or no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to any reconvened Meeting in the event of an adjournment of the Meeting) or the completed and executed Proxy must be deposited with the Chair of the Meeting prior to the commencement of the Meeting or any adjournment or postponement thereof. Voting instructions may also be provided by facsimile or the internet by following the instructions on the Proxy.

If you are a non-registered holder of Units and have received these materials through your broker, custodian, nominee or other intermediary, please complete and return the Proxy or voting instruction form (“**VIF**”) provided to you by your broker, custodian, nominee or other intermediary in accordance with the instructions provided therein.

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Manager at nominal cost. All costs of this solicitation of proxies by or on behalf of the Manager and Citadel will be borne, directly or indirectly, by the Fund.

The Proxy confers discretionary authority with respect to: (i) amendments or variations to the matters of business to be considered at the Meeting; and (ii) other matters that may properly come before the Meeting. As of the date hereof, the Manager knows of no amendments, variations or other matters to come before the Meeting other than the matters set forth in this Notice of Meeting. Unitholders who are planning on returning the accompanying Proxy are encouraged to review the accompanying Circular carefully before submitting the Proxy. It is the intention of the persons named in the enclosed Proxy, if not expressly directed to the contrary in such Proxy, to vote in favour of the Special Redemption.

If you have any questions or require any assistance in completing your Proxy or VIF, please contact Artemis' investor relations line at (416) 934-7455, by email at info@artemis.ca, or visit Artemis' website at www.artemisfunds.ca.

Dated at Toronto, Ontario this 2nd day of October, 2023.

**CITADEL INCOME FUND,
by its manager ARTEMIS
INVESTMENT MANAGEMENT
LIMITED**

(Signed) Trevor W. Maunder
Director, CEO, CFO, and Secretary

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Except for the statements of historical fact contained herein, the information presented in this Circular and the information incorporated by reference herein constitutes "forward-looking information" within the meaning of applicable Canadian Securities Laws (together, "**forward-looking information**") concerning the business, operations, plans and financial performance and condition of Citadel. Often, but not always, forward-looking statements can be identified by words such as "*pro forma*", "plans", "expects", "may", "should", "could", "will", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", or variations including negative variations of such words and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved.

Forward-looking information is based on the opinions and estimates of management as of the date such information is provided. All statements, other than statements of historical fact, in this Circular that address the expected benefits of the Special Redemption or any alternative strategic plan, including the expected benefits to Unitholders and other stakeholders, as well as future financial and operating results, the completion of the Special Redemption or any alternative strategic plan, activities, events or developments that Citadel or a third party expect or anticipate will or may occur in the future, including Citadel's future growth, results of operations, performance and business prospects and opportunities and the assumptions underlying any of the foregoing, are forward-looking statements. These forward-looking statements are not historical facts but reflect Citadel's current expectations regarding future results or events and are based on information currently available to Citadel and on assumptions it believes are reasonable. Forward-looking statements are based upon a number of assumptions and are subject to a number of risks and uncertainties, many of which are beyond the control of Citadel, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: the potential risk that the Special Redemption will not receive the required approval of Unitholders; failure to, in a timely manner, or at all, obtain the necessary approvals for the Special Redemption; the effect of the announcement of the Special Redemption on Citadel's relationships, operating results and business generally; significant transaction costs or unknown liabilities; general economic conditions; and those risks set out in the Citadel annual information form for the fiscal year ended December 31, 2022 ("**Annual Information Form**"), which is available on Citadel's System for Electronic Document Analysis and Retrieval ("**SEDAR+**") profile at www.sedarplus.com.

Although Citadel has attempted to identify important factors that could cause plans, actions, events or results to differ materially from those described in forward-looking statements in this Circular, and the documents incorporated by reference herein, there may be other factors that cause plans, actions, events or results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate as actual plans, results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements in this Circular, nor in the documents incorporated by reference herein. All of the forward-looking statements made in this Circular, including all documents incorporated by reference herein, are qualified by these cautionary statements.

NOTE TO UNITHOLDERS IN THE UNITED STATES

The Fund is a closed-end investment fund established as a trust under the laws of the Province of Ontario, Canada. This solicitation of proxies is not subject to the requirements of Section 14(a) of the United States Securities Exchange Act of 1934, as amended (the "**U.S. Act**"). Accordingly, this solicitation of proxies is made in the United States with respect to the securities of Citadel in accordance with Canadian securities laws and this Circular has been prepared in accordance with the disclosure requirements applicable in

Canada. Unitholders in the United States should be aware that these Canadian requirements are different from the requirements applicable to proxy statements under the U.S. Act.

**CITADEL INCOME FUND
MANAGEMENT INFORMATION CIRCULAR**

Solicitation Of Proxies

This Circular is furnished in connection with the solicitation of proxies by or on behalf of the Manager for use at the Meeting to be held at 9:00 a.m. (Toronto time) at Brookfield Place, 181 Bay Street, Suite 2500, Ontario Room, Toronto, ON M5J 2T3 on November 7, 2023, and at any adjournment(s) or postponement(s) thereof for the purposes set forth in the accompanying notice of special meeting of the Unitholders (the “**Notice of Meeting**”).

Information Contained in this Circular

The information contained in this Circular is given as at October 2, 2023, except where otherwise noted and except that information in documents incorporated by reference is given as of the dates noted therein. No person has been authorized to give any information or to make any representation in connection with the Special Redemption described herein other than those contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by Citadel.

This Circular does not constitute the solicitation of an offer to purchase, or the making of an offer to sell, any securities or the solicitation of a Proxy by any person in any jurisdiction in which such solicitation or offer is not authorized or in which the person making such solicitation or offer is not qualified to do so or to any person to whom it is unlawful to make such solicitation or offer.

Information contained in this Circular should not be construed as legal, tax or financial advice. Unitholders are urged to consult with their own professional advisors to obtain legal, tax or financial advice.

Date and Time

The Meeting will be held at Brookfield Place, 181 Bay Street, Suite 2500, Ontario Room, Toronto, ON M5J 2T3 at 9:00 a.m. (Toronto time) on November 7, 2023.

Citadel Unitholders Entitled to Vote

At the Meeting, Unitholders are entitled to vote on the Special Redemption Resolution either in person or represented by proxy. The Record Date for establishing Unitholders entitled to vote at and attend the Meeting is October 2, 2023. Each registered Unitholder is entitled to one vote at the Meeting for each Unit registered in the Unitholder's name as at the close of business on the Record Date. Only Unitholders of record as at the Record Date are entitled to receive notice of and to vote in person or by proxy at the Meeting. As of the Record Date, Citadel had 10,282,597 Units issued and outstanding.

Appointment And Revocation Of Proxies

Registered Unitholders who wish to vote their Units should complete, execute and deliver by regular mail the enclosed Proxy to TSX Trust Company as follows:

By Mail:	TSX Trust Company, Attn: Proxy Department, 301 – 100 Adelaide Street West, Toronto ON, M5H 4H1
By Fax:	416-595-9593
By Internet Voting:	www.voteproxyonline.com

In order to be valid and acted upon at the Meeting, Proxies shall be deposited with Citadel's transfer agent not less than 48 hours (excluding Saturdays, Sundays, or civic or statutory holidays in the city of Toronto, Ontario) before any adjournments. The Chairman of the Meeting may, in his or her sole discretion, waive the requirement that proxies be received at least 48 hours prior to the commencement of the Meeting. In the event that the Chairman waives such requirement, proxies may be deposited with the Chairman of the Meeting on the day of the Meeting prior to the commencement thereof.

The individuals named in the Proxy are officers and directors of the Manager. **You have the right to appoint a person other than the officers and directors named in the accompanying form of proxy to represent you at the Meeting by inserting such person's name in the blank space provided in the Proxy delivered with this Circular and delivering the completed Proxy as set forth above.** A person acting as proxy need not be a Unitholder.

Revocability of Proxies

You may revoke a Proxy given for use at the Meeting at any time prior to its use. In addition to revocation in any other manner permitted by law, you may revoke a Proxy before it is used by depositing an instrument in writing executed by you or your attorney authorized in writing, or, where the Unitholder is a corporation, by a duly authorized officer or attorney of the corporation, with (i) TSX Trust Company at any time up to and including the last business day preceding the day of the Meeting, or any postponement or adjournment thereof, at which the Proxy is to be used, or (ii) the Chairman of the Meeting on the day of the Meeting or any postponement or adjournment thereof, prior to the commencement of the Meeting.

Advice To Beneficial Holders

The information set forth in this section is of significant importance to beneficial holders of Units as the Units are held in the name of CDS & Co. (the nominee of CDS) and not in the name of the beneficial owners of the Units. Because Citadel utilizes the book-entry only system of registration, Unitholders do not hold their securities in their own name and are considered beneficial Unitholders ("**Non-Registered Holders**"). Non-Registered Holders should note that only proxies deposited by Unitholders whose names appear on the records of Citadel as the registered holders of Units can be recognized and acted upon at the Meeting. Units held by brokers or their nominees in the name of CDS & Co. can only be voted upon on the instructions of the Non-Registered Holder. Without specific instructions, CDS & Co. and brokers/nominees are prohibited from voting securities for their client(s). Citadel does not know for whose benefit the Units registered in the name of CDS & Co. are held. Therefore, Non-Registered Holders cannot be recognized at the Meeting for purposes of voting their Units in person or by way of Proxy unless they comply with the procedure designated below.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Non-Registered Holders in advance of Unitholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered Holders in order to ensure that their securities are voted at the Meetings. Often, the Proxy supplied to Non-Registered Holders by their broker is identical to that provided to registered Unitholders. However, its purpose is limited to instructing the registered Unitholders how to vote on behalf of the Non-Registered Holders. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge typically prepares a VIF, which it mails to the Non-Registered Holders and asks Non-Registered Holders to complete and return directly to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Units to be represented at the Meeting. A Non-Registered Holder receiving a VIF cannot use that form to vote Units directly at the Meeting; the VIF must be returned to Broadridge well in advance of the Meetings in order to have the securities voted.

Under applicable securities legislation, a beneficial owner of securities is a “non-objecting beneficial owner” (or “**NOBO**”) if such beneficial owner has, or is deemed to have, provided instructions to the intermediary holding the securities on such beneficial owner’s behalf not objecting to the intermediary disclosing ownership information about the beneficial owner to the Fund in accordance with such legislation. Alternatively, a beneficial owner is an “objecting beneficial owner” (or “**OBO**”) if such beneficial owner has or is deemed to have provided instructions objecting to same.

If you are an OBO, you received these materials from you intermediary or its agent, and your intermediary is required to seek your instructions as to the manner in which to exercise the voting rights attached to your Units. The Fund has agreed to pay for intermediaries to deliver to OBOs the proxy-related materials and the relevant VIF. The VIF that is sent to an OBO by the intermediary or its agent should contain an explanation as to how you can exercise the voting rights attached to your Units, including how to attend and vote directly at the Meeting. Please read such instructions carefully in order to ensure that your Units are voted at the Meeting.

NOBOs and OBOs should ensure that instructions respecting the voting of their Units are communicated to the appropriate party.

Voting in Person

If you are a Non-Registered Holder who receives a VIF and wish to attend and vote at the Meeting in person, you should strike out the names of the persons named as proxy on the VIF and insert your name in the space provided and otherwise follow the instructions on the form.

EXERCISE OF DISCRETION BY PROXY

The Units represented by proxies which are hereby solicited (if properly executed and deposited) will be voted at the Meeting and, where a choice is specified with respect to any matter to be acted upon, such Units will be voted or withheld from voting in accordance with the specification so made. **In the absence of such specification, Units will be voted FOR the Special Redemption Resolution set out herein. The accompanying Proxy also confers discretionary authority upon the persons named in the Proxy with respect to amendments to or variations of the matters set out in the Notice and with respect to other matters that may properly come before the Meeting.** As of the date of this Circular, the Manager does not know of any such amendments, variations or other matters that may properly come before the Meeting. However, if any such amendments, variations or other matters are properly brought before the Meeting, the persons named in the Proxy will vote on such matters in accordance with their best judgment.

Solicitation of Proxies

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone, email, internet, facsimile transmission, or other means of communication by directors, officers and employees of the Manager at nominal cost.

Questions

Unitholders who would like additional copies, without charge, of this Circular or have additional questions about the Special Redemption, including the procedures for voting Units, should contact Artemis’ investor relations line at (416) 934-7455 or email Artemis at info@artemis.ca, or visit Artemis’ website at www.artemisfunds.ca.

QUORUM FOR THE TRANSACTION OF BUSINESS

Pursuant to the amended and restated declaration of trust, (i) amended as of each of June 12, 2006, June 4, 2008, June 6, 2008, September 26, 2008, December 31, 2008, December 2, 2009, and December 2, 2010, (ii) amended and restated as of August 7, 2012, (iii) amended and restated as of October 2, 2012; (iv) amended as of January 16, 2013 when the Manager took over the manager and trustee function for Citadel from Crown Hill Corporation; and (v) amended and restated by the Manager as of March 7, 2014, in order to, among other things, incorporate certain updates relating to the *Income Tax Act* (Canada) (collectively, the “**Declaration of Trust**”) the quorum for any meeting of Unitholders called to consider a matter requiring the approval of Unitholders by way of an extraordinary resolution is one or more Unitholders present in person or represented by proxy holding not less than ten percent (10%) of the Units then outstanding. If a quorum is not present for the Meeting as at the appropriate time on November 7, 2023, the Meeting will be adjourned to a time not more than fourteen (14) days following the date of the Meeting and to be held at the same time and place as the Meeting. The Unitholders present in person or represented by proxy at such adjourned meeting will form the necessary quorum and any Proxy properly submitted prior to the time called for the Meeting will, unless revoked in the manner described above, be effective at the adjourned meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The record date for establishing Unitholders entitled to vote at and attend the Meeting is October 2, 2023 (the “**Record Date**”). Each registered Unitholder is entitled to one vote at the Meeting for each Unit registered in the Unitholder's name as at the close of business on the Record Date. Only Unitholders of record as at the Record Date are entitled to receive notice of and to vote in person or by proxy at the Meeting. As of the Record Date, Citadel had 10,282,597 Units issued and outstanding.

To the knowledge of Citadel and the Manager, no person or company beneficially owns, directly or indirectly, or exercises control or direction over Units carrying more than ten percent (10%) of the voting rights attached to all outstanding Units, except for Saba Capital Management L.P. which, on behalf of its private funds, owns and exercises control over 2,176,014 Units, which is approximately 21.16% of the outstanding Units.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, no individual who is an executive officer, director, employee or former executive officer, director or employee of Artemis or any of its subsidiaries is indebted to the Fund pursuant to the purchase of Units or otherwise.

No individual who is, or at any time during the financial year ended December 31, 2022 was, a director or executive officer of Artemis, a proposed management nominee for election as a director of Artemis, or an associate of any such director, executive officer or proposed nominee, was indebted to the Fund during the financial year ended December 31, 2022 or as at the date of this Circular in connection with Unit purchase programs or other programs.

PARTICULARS OF MATTERS TO BE ACTED UPON

Approval of the Special Redemption

Pursuant to the Declaration of Trust, Unitholders can approve a redemption of Units in an amount that is greater than 20% of the number of Units issued and outstanding by passing an extraordinary resolution, which is a resolution approved at a duly called meeting Unitholders by at least 66^{2/3} of the Units voted at

such meeting (an “**Extraordinary Resolution**”). The sole item of business to be considered at the Meeting, subject to there being no other related business as may be properly brought before the Meeting or any adjournment or postponement thereof, is an Extraordinary Resolution to authorize the redemption of not less than 7,186,900 Units, being approximately 70% of the issued and outstanding Units as of the date hereof (the “**Special Redemption**”). Units will be repurchased from Unitholders by the Fund pursuant to the Special Redemption at a price per Unit equal to the net asset value (the “NAV”) per Unit less redemption costs equal to 4.5% of the NAV per Unit plus applicable taxes.

Special Redemption Date

In the event the resolution authorizing the Special Redemption (the “**Special Redemption Resolution**”) is approved by Unitholders, the Fund will set a redemption date for the Special Redemption that is no later than December 7, 2023. The Special Redemption Resolution, the full text of which is set forth in Schedule “A” attached hereto, authorizes the Manager to select the redemption date for the Special Redemption provided such date is on or before December 7, 2023 (the “**Special Redemption Date**”).

Suspension of Annual Redemption

The Declaration of Trust provides that the Trust will declare a redemption annually on the second last business day of November for a number of Units equal to up to 10% of the Public Float (as such term is defined in the Declaration Trust) (the “**Annual Redemption**”). The Extraordinary Resolution authorizing the Special Redemption includes the approval of a suspension of the Annual Redemption for 2023. The Trustee has determined that the Special Redemption renders the Annual Redemption insignificant in comparison and having two separate redemptions on or around the same time period could be confusing for Unitholders. Therefore, an approval of the Special Redemption herein is also an approval of the suspension of the Annual Redemption.

Participation in the Redemption

Registration of interests in and transfers of the Units is made only through the book-entry only system operated by the Canadian Depository for Securities Limited (“**CDS**”). Units must be purchased and transferred through a registered participant in CDS (a “**CDS Participant**”). All rights of Unitholders must be exercised through, and all payments or other property to which such Unitholders are entitled is made or delivered by, CDS or the CDS Participant through which the Unitholder holds such Units. Upon purchase of any Units, Unitholders receive only a customer confirmation from the registered dealer which is a CDS Participant and from or through which the Units are purchased.

If the Special Redemption Resolution is passed at the Meeting, Unitholders will have a brief period to consider the Special Redemption and must provide instructions to their CDS Participant advising of their participation and the number of Units they would like to tender to the Special Redemption in sufficient time to allow the CDS Participant to notify CDS and for CDS in turn to notify TSX Trust Company (the “**Transfer Agent**”) by no later than 5:00 p.m. (Toronto time) on the date is at least fifteen (15) business days prior to the Special Redemption Date. If a greater number of Units are tendered than are available pursuant to the Special Redemption, such Units will be redeemed in each Unitholder’s *pro-rata* amount.

Valuation of Assets

Following the Special Redemption Date the Manager in cooperation with RBC Investor Services Trust, as valuation agent of the Trust (the “**Valuation Agent**”), will determine the valuation date for the Special Redemption (the “**Special Redemption Valuation Date**”). The NAV will be calculated in accordance with the provisions of the Declaration of Trust and the rules and policies of the Canadian Securities

Administrators. The NAV shall be divided by the number of Units outstanding as of the date of calculation to arrive at the NAV per Unit. For a more detailed description of the Trust's process for determining the NAV and the NAV per Unit please see the Trust's Annual Information Form, which is incorporated herein by reference and available for review under the Trust's profile on SEDAR+ at www.sedarplus.com and will be provided promptly and free of charge to any Unitholder by e-mailing Artemis at info@artemisfunds.ca.

Redemption Fees

The Declaration of Trust authorizes a payment to the Manager equal to five percent (5%) of the NAV per Unit for each Unit redeemed by the Trust. Pursuant to the Special Redemption the Manager shall be paid its redemption costs and fees equal to no greater than 4.5% of the NAV per Unit plus applicable taxes for each Unit redeemed.

Payment of Special Redemption

Pursuant to the provisions of the Declaration of Trust, payments will be made to Unitholders participating in the Special Redemption on or before the fifteenth (15th) business day following the Special Redemption Date. All Special Redemption payments will be distributed to Unitholders through their respective CDS Participant pursuant to the internal procedures of CDS in a manner substantially the same as the manner in which the Fund's Annual Redemptions have been paid in the past.

Reason for the Special Redemption

Further to the Fund's press release dated September 14, 2023, the Fund entered into an agreement (the "**Agreement**") with Saba Investment Management L.P. ("**Saba**") pursuant to which the Fund agreed to put the Special Redemption before a duly called meeting of Unitholders for approval in exchange for, among other things, Saba's withdrawal of its meeting requisitions. Saba has agreed to tender any and all Units beneficially owned or controlled by it (or over which it exercises control or direction, directly or indirectly) to the Special Redemption. The full text of the Agreement can be found on SEDAR+ under the Trust's profile at www.sedarplus.com.

The Conversion

The Agreement contemplates a potential future transaction wherein the Fund will undergo a number of corporate changes to become a non-investment fund reporting issuer that invests in a portfolio of resale residential real estate properties in Canada through co-ownership agreements with homebuyers (the "**Conversion**"). The Conversion is one of several value enhancing transactions that the Fund considered in the past year. If the Conversion proceeds it will be approved by Unitholders at a later meeting and Saba has agreed to vote in favour of such Conversion provided it aligns with the provisions of the Agreement. The Fund has not applied to the Toronto Stock Exchange (the "**TSX**") to approve the Conversion and there is no assurance that the Conversion will be approved by the TSX. There can be no assurance that the Conversion will proceed on the terms contemplated in the Agreement or at all. Unitholders should not consider the potential value of the Conversion or its completion in determining how to vote their Units for the Special Redemption at the Meeting.

The full text of the Agreement can be found on SEDAR+ under the Funds' profile at www.sedarplus.com

Approvals

The Special Redemption Resolution is an extraordinary resolution requiring the approval of 66^{2/3} of the Units voted in person or by Proxy to be effective. The full text of the Special Redemption Resolution is attached hereto as Schedule “A.”

Unless a Proxy specifies that the Units it represents should be voted AGAINST the Special Redemption Resolution, Proxies received in favour of management will be voted FOR the approval of the Special Redemption Resolution.

INTERESTS IN MATTERS TO BE ACTED UPON

As of the date hereof, to the knowledge of Citadel and the Manager, the directors and officers of the Manager, as a group, and each of their associates and affiliates, beneficially own, directly or indirectly, less than 1% of the outstanding Units.

As of the date hereof, the members of the Trust’s Independent Review Committee do not hold any securities of Citadel, the Manager or any service provider of Citadel or the Manager.

The services of the Manager and its officers and directors are not exclusive to Citadel. The Manager or any of its affiliates and associates may, at any time, engage in the promotion, management, or investment management of any other fund or trust which invests primarily in securities in Citadel, and provide similar services to other investment funds and other clients and engage in other activities. Investment decisions for Citadel are made independently of those made for other clients and independently of investments of the Manager. On occasion, however, the Manager, or the investment manager appointed from time to time by the Manager (the “**Investment Manager**”), may make the same investment for Citadel and for one or more of its other clients. If Citadel and one or more of the other clients of the Manager or Investment Manager are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Artemis is the Trustee and the Manager of the Fund. Pursuant to the provisions of the Declaration of Trust, Artemis undertakes to hold as trustee, all assets of the Trust from time to time in trust for the benefit of the Unitholders, their successor, permitted assigns and personal representatives and to invest, dispose of and otherwise deal with the trust property in the manner and subject to the provisions of the Declaration of Trust. Artemis is not entitled to receive fees from the Fund in its capacity as Trustee, but is entitled to be reimbursed for all expenses and liabilities that are reasonably incurred by it in connection with the activities of the Fund. As Manager, Artemis is entitled to a management fee of up to 1.00% per annum (calculated and payable monthly in arrears) of the average NAV of the Fund plus applicable taxes as well as reimbursement of certain expenses. During the financial year ended December 31, 2022 Artemis received management fees of \$481,735.

OTHER BUSINESS

The Manager knows of no other business to be presented at the Meeting. If any additional matters should be properly presented, it is intended that the enclosed Proxy will be voted in accordance with the judgment of the persons named in the Proxy.

EXPENSES OF THE MEETING

Whether or not the Special Redemption Resolution set out herein is approved, all costs associated with the Meeting will be borne by the Fund.

AUDITOR

The current auditor of Citadel is KPMG LLP (“KPMG”) located at Bay Adelaide Centre, 333 Bay Street, Suite 4600, Toronto, Ontario, M5H 2S5. KPMG was originally appointed on November 22, 2013.

REGISTRAR AND TRANSFER AGENT

TSX Trust Company, at its principal offices located at 100 Adelaide Street West, Suite 301, Toronto, Ontario, is the registrar and transfer agent for the Units.

ADDITIONAL INFORMATION

Additional information about Citadel is available on Citadel’s SEDAR+ profile at www.sedarplus.com, and in Citadel’s management reports of fund performance, financial statements, annual information form and quarterly portfolio disclosure. Financial information is provided in Citadel’s comparative annual financial statements for the Fund’s most recently completed financial year. Copies of these documents may be obtained at no cost: by calling Artemis’ investor relations line at: (416) 934-7455; directly from your dealer; or by e-mailing Artemis at info@artemisfunds.ca.

Copies of these documents and other information about Citadel, such as information circulars and material contracts, are also available on the Manager’s website at www.artemisfunds.ca or on Citadel’s SEDAR+ profile at www.sedarplus.com.

APPROVAL

The contents of this Circular and its sending to Unitholders have been approved by the directors of the Manager.

DATED at Toronto, Ontario this 2nd day of October, 2023.

**CITADEL INCOME FUND,
by its manager ARTEMIS
INVESTMENT MANAGEMENT
LIMITED**

(Signed) Trevor W. Maunder
Director, CEO, CFO, and Secretary

SCHEDULE A

SPECIAL REDEMPTION RESOLUTION

BE IT RESOLVED AS AN EXTRAORDINARY RESOLUTION THAT:

1. Citadel Income Fund (the “**Fund**”) is hereby authorized and directed to redeem 7,186,900 issued and outstanding units of the Fund (the “**Units**”) with each such Unit having a redemption price equal to the Net Asset Value of the Fund, as determined pursuant to the provisions of the Fund’s amended and restated declaration of trust dated March 7, 2014 (the “**Declaration of Trust**”), and divided by the total number of Units issued and outstanding (the “**NAV per Unit**”);
2. The Fund is hereby authorized and directed to set a date for the Special Redemption which shall be on or before December 7, 2023 (the “**Redemption Date**”);
3. The Special Redemption shall be completed substantially in compliance with the provisions of the Declaration of Trust, save for the payment of redemption costs and fees to Artemis Investment Management Limited, as the manager of the Fund (the “**Manager**”), which redemption costs and fees shall not be greater than 4.5% of the NAV per Unit plus applicable taxes for each Unit redeemed;
4. The Annual Redemption, as defined in the Declaration of Trust, is hereby suspended for the calendar year 2023;
5. Any director or officer of the Manager, for and on behalf of the Fund, is authorized and directed to do all such acts and things and to take such steps and execute and deliver for and on behalf of the Fund, whether under corporate seal or otherwise, such additional documents, instruments, agreements and certificates as may be necessary or desirable to give effect to the transactions contemplated by this resolution and to determine the applicable dates and deadlines for the Special Redemption and to communicate with the Fund’s transfer agent and financial intermediaries with respect to same;
6. The Manager is hereby authorized to take such actions with respect to the Special Redemption as it determines to be in the best interests of the Unitholders including the revocation of the resolution authorizing the Special Redemption prior to its implementation.