

## **Update on Crown Hill Capital's Application for OSC Review of Staff Decision**

TORONTO, ON. – July 8, 2011 Crown Hill Capital Corporation (the “Company”) the Manager and Trustee of Investment Grade Trust and Bond Trust (the “IGT Funds”), the Administrative Agent of Citadel SMaRT Fund and Financial Preferred Securities Corporation (the “SMaRT FP Funds”) and the Manager and Trustee of Citadel Income Fund and Energy Income Fund (the “Funds”), announced today that Staff of the Ontario Securities Commission (“Staff”) have filed a motion to stay the application commenced by the Company and the Funds for a hearing and review of the decision of the acting Director of Investment Funds before the Ontario Securities Commission (the “Commission”).

The application, scheduled to commence on July 12, 2011, seeks to overturn the decision of the acting Director not to issue a receipt for a preliminary prospectus filed on March 4, 2011 for an offering of warrants by the Funds (the “Warrant Offering”).

The Director accepted the recommendation of Staff against the receipting of the prospectus based on Staff's comments regarding the widely publicized acquisition by Crown Hill Fund of the administration contracts of the Citadel Group of Funds in June 2009 (the “Acquisition”) and the subsequent merger of some of those funds with Crown Hill Fund, forming the Citadel Income Fund. At the time, Staff expressed their concerns with the Acquisition and the disclosure made in the June 3, 2009 information circular. After the Company made changes to the proposed reorganization to address Staff's concerns, a new information circular was issued, was approved by unitholders and the reorganization was partially completed to create Citadel Income Fund.

Despite the Company's response, Staff continue to raise the same concerns with the Acquisition nearly two years later, and are using those arguments to deny the receipting of the prospectus for the Warrant Offering.

On April 14, 2011 the Company and the Funds availed themselves of the Opportunity to be Heard (the “OTBH”) before the Director of Investment Funds. The OTBH meeting was adjourned and reconvened on May 11, 2011 with another acting Director. In the meantime, on May 6, 2011, Staff served the Company and its president with an enforcement notice, relating to the Acquisition. The second acting Director then notified the Company and the Funds that she upheld Staff's recommendation.

The Company's position is that the Director's decision is incorrect and is based on faulty Staff analysis that overlooked the Company's due diligence process as well as the benefits of the reorganization to unitholders of the Crown Hill Fund. The Company believes it is regrettable that Staff have chosen to interfere with the management of the Funds, including their right to raise capital for the benefit of unitholders.

The Company is disappointed that Staff are seeking to prevent the application of the Company and the Funds from proceeding. The Company looks forward to addressing this matter before the Commission and continuing to oversee the positive performance enjoyed by unitholders.

On July 7, 2009, the same day Staff brought their motion, they issued a Notice of Hearing and filed a statement of allegations against the Company and its President regarding the Acquisition. In addition, the statement of allegations includes changes made to the declaration of trust of MACCs Sustainable Yield Trust (the predecessor to Crown Hill Fund) in 2008, the merger of MACCs Sustainable Yield Trust with

Crown Hill Dividend Fund in December 2008, and the merger of Crown Hill Fund with Fairway Diversified Income and Growth Trust in January 2009.

The Company and its President welcome the opportunity to finally address the allegations and questionable actions of Staff at the hearing.

For further information please contact the Investor Relations department at 416.361.9673 or toll-free at 1.877.261.9674.

*Certain statements contained in this news release constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking information may relate to matters disclosed in this press release and to other matters identified in public filings relating to the Fund, to the future outlook of the Fund and anticipated events or results and may include statements regarding the future financial performance of the Fund. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. Actual results may vary from such forward-looking information.*