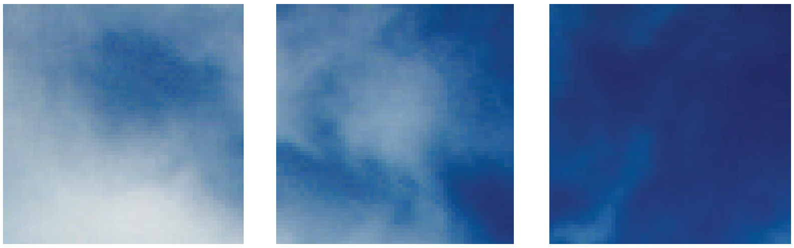


Artemis
Investment Management

ENERGY INCOME FUND

SEMI-ANNUAL REPORT

JUNE 30, 2015

TABLE OF CONTENTS

1 MANAGEMENT REPORT OF FUND PERFORMANCE

8 FINANCIAL STATEMENTS

10 STATEMENTS OF FINANCIAL POSITION

11 STATEMENTS OF COMPREHENSIVE INCOME

12 STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

13 STATEMENTS OF CASH FLOWS

14 SCHEDULE OF INVESTMENTS

15 NOTES TO THE FINANCIAL STATEMENTS

23 CORPORATE INFORMATION

MANAGEMENT REPORT OF FUND PERFORMANCE

This interim management report of fund performance for Energy Income Fund (the "Fund") contains financial highlights but does not contain either the interim financial statements or annual financial statements of the Fund. You may obtain a copy of either the interim or annual financial statements, at no cost, by calling 416-934-7455, or by sending a request to Investor Relations, Artemis Investment Management Limited, 1325 Lawrence Avenue E., Suite 200, Toronto, ON, M3A 1C6, Canada or by visiting our website at www.artemisfunds.ca or SEDAR at www.sedar.com. Holders of units ("Unitholders") may also contact us using one of these methods to request a copy of the Fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

THE FUND

The Fund is a closed-end investment trust. Artemis Investment Management Limited is the investment fund manager of the Fund ("Artemis" or the "Manager"). The Fund has one class of units (each, a "Unit") outstanding. The Units trade on the Toronto Stock Exchange ("TSX") under the symbol ENI.UN. The Fund's portfolio is managed by Vestcap Investment Management Inc. ("Vestcap" or the "Portfolio Advisor").

INVESTMENT OBJECTIVES AND STRATEGY

Energy Income Fund's investment objective is to provide Unitholders with monthly cash distributions and achieve a total return on a portfolio ("Portfolio") of securities (the "Portfolio Securities") that is greater than the total return provided by the benchmark index, as selected by the Manager from time to time. For the year ended December 31, 2011 and subsequent periods, the benchmark index used was the S&P/TSX Capped Energy Index.

The Fund invests its assets in a Portfolio comprised of Portfolio Securities, without reference to any specific issuer or security, among several asset classes including oil and gas securities, energy securities, other resource securities and cash and short term investments.

RISKS

There are a number of risks associated with an investment in Energy Income Fund. The principal risks include, but are not limited to, market and income risk. Market risk is the exposure to market price changes in the securities held within the portfolio which have a direct effect on the Net Asset Value ("NAV") of the Fund. Income risk arises from a number of factors related to the operational performance of the issuers of the securities held in the Fund's portfolio. These risks include the effects of fluctuations in commodity prices, foreign currency conversion rates, interest rates and general business operation risks, any of which may affect the issuers' income and as a result reduce the value of its securities. Diversification and active management by the Fund's Portfolio Advisor of the securities held in the Portfolio may reduce these risks.

There were no changes for the period ended June 30, 2015 that materially affected the risks associated with an investment in Units of the Fund. For a list of risks, see the Fund's annual information form dated March 26, 2015 on the Fund's SEDAR profile at www.sedar.com.

RESULTS OF OPERATIONS

The NAV of the Fund went from $20.17 million to $18.54 million from January 1, 2015 to June 30, 2015. Total revenue per Unit for the period ended June 30, 2015 was $0.087, compared to $0.089 for the same period in 2014. Operations for the period resulted in decrease in NAV per Unit of $0.233 compared to an increase of $0.924 for the same period in 2014. This period's operating loss was primarily the result of an ongoing selloff in global energy markets that began in the third quarter of 2014. This broad selloff continues to cause losses in investments held by the Fund despite the Portfolio Advisor continuing to reduce equity exposure over the period.

Total administrative expenses for the period ended June 30, 2015 were $0.021 per Unit compared to $0.018 for the same period in 2014. Management fees decreased for the period to $0.013 per Unit (2014 – $0.018) due to a decrease in the NAV of the Fund over the period. Investment management fees decreased for the period to $0.008 per Unit (2014 – $0.010). The reduction in the above expenses is primarily due to a decrease in the NAV of the

Fund over the period. Excluding the expenses discussed above, all other expenses of the Fund for the period ended June 30, 2015 were $0.031 per Unit (2014 – $0.028).

The Fund continued to hold an elevated cash balance over the period ended June 30, 2015 with 14.5% of the Fund's NAV being comprised of cash (2014 – 13.2%). Over the period, rallies in the energy sector were used by the Portfolio Advisor to exit lower quality energy securities and purchase higher quality, larger securities. The Portfolio Advisor is opportunistically deploying the cash balance accumulated in the third and fourth quarters of 2014 during this ongoing rout in the global and Canadian energy sectors. The overall asset mix for the period ended June 30, 2015, differs from the comparable period of 2014 due to the selling of all fixed income securities during the third and fourth quarters of 2014. The overall asset mix of the Fund's investments remained relatively the same for the period ended June 30, 2015 compared with the comparable period in 2014.

The NAV per Unit, after distributions to Unitholders, decreased 8.15% for the period ended June 30, 2015. During the period, the Fund paid total cash distributions of $0.06 per Unit.

There were no unusual trends in redemptions for the period ended June 30, 2015, with no redemptions occurring over the period.

TRADING PREMIUM/DISCOUNT

For the period ended June 30, 2015, the Fund traded at an average discount to its net asset value per unit of 23.9%, compared to an average discount of 29.6% for the same period in 2014.

RECENT DEVELOPMENTS

Monthly distribution for 2015

On January 23, 2015, the Fund announced distributions for 2015 of $0.01 per unit per month. Unitholders of record on the last day of each month of 2015 will be paid cash distributions of $0.01 on the 15th day (or first business date thereafter) of the ensuing month.

Redemptions & Retractions

The maximum number of Units redeemable in a year pursuant to the annual redemption privilege is 10% of the public float of the Fund as determined on the last business day of November in the preceding year, less the number of Units repurchased for cancellation or otherwise redeemed by the Fund during the preceding twelve-month period (the "Maximum Redemption Amount"). The public float as determined on November 28, 2014 was 6,216,210 Units and 10% of the public float was 621,621 Units. From January 1, 2015 to June 30, 2015, the Fund did not repurchase any Units for cancellation.

RELATED PARTY TRANSACTIONS

The Manager is entitled to receive a management fee of 0.70% per annum of the average NAV of the Fund plus applicable taxes, calculated and payable monthly. For the period ended June 31, 2015, management fees totaled $74,122 (2014 – $110,166), of which $13,707 was payable as at June 30, 2015 (2014 – $7,068). The Fund is responsible for all expenses incurred on its behalf. Artemis generally has all expenses incurred by the Fund paid directly by the Fund.

The Portfolio Advisor receives a fee of 0.40% per annum of the average NAV of the Fund, plus applicable taxes, calculated and payable monthly, in exchange for providing investment management services. For the period ended June 30, 2015, investment management fees totaled $42,355 (2014 – $62,954), of which $7,832 was payable at June 30, 2015 (2014 – $11,190).

Administrative Expenses for the period ended June 30, 2015 totaled $117,296 (2014 – $114,165). As part of these expenses, the Fund pays a general overhead cost to Artemis. Artemis receives $15,000 per month plus applicable taxes to cover related administrative salaries, employee benefits, general overhead and office supplies.

The Manager is entitled to receive a fee of 5% of the NAV per Unit redeemed or repurchased plus applicable taxes. For the period ended June 30, 2015, redemption fees totaled nil (2014 – nil) of which nil was payable as at June 30, 2015 (2014 – nil).

MANAGEMENT REPORT OF FUND PERFORMANCE

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years.

The Fund's Net Assets per Unit (1)

For the Periods Ended	30-Jun-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Net Assets per Unit, Beginning of Year	**$ 3.60**	$ 4.39	$ 4.98	$ 6.35	$ 6.80
Increase From Operations:					
Total Revenue	**0.09**	0.18	0.20	0.22	0.33
Total Expenses	**(0.07)**	(0.15)	(0.53)	(0.20)	(0.23)
Realized Gains (Losses)	**(0.60)**	0.13	0.13	(0.20)	0.18
Unrealized Gains (Losses)	**0.35**	(0.81)	0.06	(0.45)	(0.19)
Total Increase from Operations (2)	**$ (0.23)**	$ (0.64)	$ (0.15)	$ (0.62)	$ 0.09
Distributions:					
From Net Investment Income	**–**	–	–	–	–
From Dividends	**–**	–	–	–	–
From Capital Gains	**–**	–	–	–	–
Return of Capital	**0.06**	0.12	0.36	0.36	0.36
Total Distributions per Unit (3)	**0.06**	0.12	0.36	0.36	0.36
Net Assets per Unit, End of Period	**$ 3.31**	$ 3.60	$ 4.38	$ 4.98	$ 6.35

(1) For financial years beginning before January 1, 2013, the financial statements of the Fund were prepared in accordance with Canadian GAAP, whereas for financial periods beginning January 1, 2013, the financial statements of the Fund have been prepared in accordance with IFRS. This information is derived from the Fund's audited annual financial statements. The net assets per Unit presented in the financial statements differ from the net asset value per Unit calculated for fund pricing purposes because of the provisions of CPA Handbook Section 3855. An explanation of the differences can be found in the notes to the financial statements.

(2) Net assets and distributions are based on the actual number of Units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of Units outstanding over the financial period.

(3) Distributions were paid in cash.

MANAGEMENT REPORT OF FUND PERFORMANCE

RATIOS AND SUPPLEMENTAL DATA

For the Periods Ended	30-Jun-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Total Net Asset Value ($ 000's) (1)	**$ 18,535**	$ 27,213	$ 27,213	$ 32,102	$ 47,339
Number of Units Outstanding (000's) (1)	**5,598**	6,211	6,211	6,449	7,458
Management Expense Ratio (2)	**3.83%**	3.06%	11.49%	2.68%	3.01%
Trading Expense Ratio (3)	**0.40%**	0.13%	0.43%	0.98%	0.27%
Portfolio Turnover Ratio (4)	**36.34%**	15.22%	70.69%	148.91%	37.68%
Net Asset Value Per Unit	**$ 3.31**	$ 4.49	$ 4.38	$ 4.98	$ 6.35
Closing Market Price	**$ 2.52**	$ 3.28	$ 3.34	$ 4.17	$ 5.07

(1) This information is provided as at the date shown.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

(3) The trading expense ratio represents total commissions expressed as an annualized percentage of daily average net assets during the period.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the chance of an investor receiving taxable capital gains in a year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

MANAGEMENT REPORT OF FUND PERFORMANCE

MANAGEMENT FEES

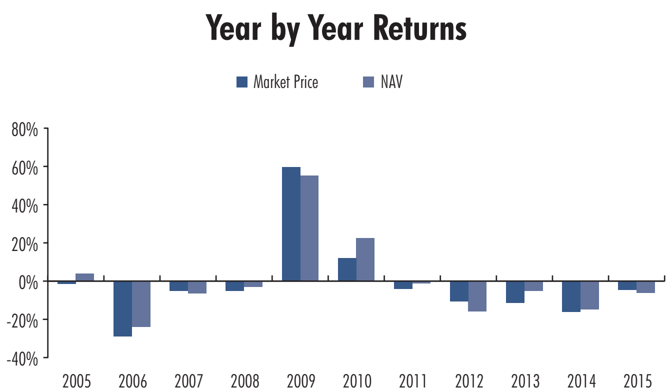
The Manager is entitled to receive a management fee of 0.70% per annum of the average net asset value of the Fund plus applicable taxes, calculated and payable monthly. The Portfolio Advisor receives a fee of 0.40% per annum of the average net asset value of the Fund plus applicable taxes, calculated and payable monthly, in exchange for providing investment management services.

PAST PERFORMANCE

The Fund's performance numbers represent the annual compound total returns over the period from inception in October 2005 to June 30, 2015 (except for returns of less than one year which are compounded total returns). Total returns are based upon both the Fund's change in market price or net assets per unit plus the reinvestment of all distributions in additional Units of the Fund on the reinvestment dates for the year.

Returns do not take into account sales, redemptions or income taxes payable. Past performance of the fund does not necessarily indicate how it will perform in the future.

The total return of the Fund for the period ended June 30, 2015 was negative 6.07% measured in terms of its NAV. The total return of the market price per Unit of the Fund for the period ended June 30, 2014 was negative 4.55%.



The Fund commenced operations as of October 2005. For 2014 and prior years, this represents the annual return, unadjusted for the exercise of warrants, for the twelve-month period ended December 31.

SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2015

Total Net Assets: $18,535,419

The major portfolio categories and top holdings of the Fund at the end of the period are indicated in the following tables. The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates are available at www.artemisfunds.ca.

Portfolio by Sector	**% of Total Net Assets**
Canadian Equities	
Oil & Gas Corporations	73.30%
Materials	4.30%
Total Canadian Equities	77.60%
International Equities (U.S., U.K., Bermuda)	8.80%
Other Assets, Net of Liabilities	13.60%
Total Net Assets	100.00%

TOP 25 HOLDINGS (as a % of Total Net Assets)

As at June 30, 2015

Other assets, net of liabilities	13.60%
Whitecap Resources Inc.	8.90%
Pembina Pipeline Corp.	8.70%
Vermilion Energy Inc.	7.30%
Crescent Point Energy Corp.	6.90%
Baytex Energy Corp.	6.30%
Royal Dutch Shell PLC	5.80%
Cenovus Energy Inc.	4.30%
Suncor Energy Inc.	3.70%
Veresen Inc.	3.60%
Western Energy Services Corp.	3.60%
Canadian Energy Services & Technology Corp.	3.50%
Precision Drilling Corp.	3.40%
Birchcliff Energy Ltd.	3.20%
Gibson Energy Inc.	3.00%
Brookfield Renewable Energy Partners LP	3.00%
Bonterra Energy Corp.	2.60%
Husky Energy Inc.	2.60%
Sherritt International Corp.	2.30%
Teck Resources Ltd.	2.00%
ARC Resources Ltd.	1.70%
% of Total Net Assets	**100.00%**

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent the Manager's or Portfolio Advisor's expectations regarding future events. By their nature, forward-looking statements must be based on assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. Readers of this document are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. Actual results may differ materially from the Manager's or Portfolio Advisor's expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, foreign exchange rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest and the risks detailed from time to time in the Fund's prospectus, Annual Information Form and other investor documentation. The foregoing list of factors is not exhaustive and when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, neither the Fund nor the Manager undertakes, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

Financial Statements of

ENERGY INCOME FUND

For the six month period ended June 30, 2015 (unaudited)

Artemis Investment Management

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

These interim financial statements of Energy Income Fund (the "Fund") have been prepared by Artemis Investment Management Limited ("Artemis"). Artemis is responsible for the information and representations contained in these financial statements and the other sections of the semi-annual report.

Artemis maintains appropriate procedures to ensure that relevant and reliable financial information is produced. The significant accounting policies applicable to the Fund are described in Note 4 to the financial statements.

Artemis, the Manager and Trustee of the Fund, appoints an independent auditor to audit the Fund's annual financial statements.

(signed)

Conor Bill
Chief Executive Officer
Artemis Investment Management Limited

(signed)

Trevor Maunder
Chief Financial Officer
Artemis Investment Management Limited

August 28, 2015

STATEMENTS OF FINANCIAL POSITION

June 30, 2015 and December 31, 2014 (unaudited)

	June 30, 2015	December 31, 2014
Assets		
Financial assets at fair value through profit or loss	$ 16,006,067	$ 17,642,965
Cash	2,683,123	2,662,047
Dividends receivable	70,969	98,352
Other receivables	125,945	110,612
	18,886,104	20,513,976
Liabilities		
Distributions payable	55,985	55,960
Management fees and investment fees payable (note 8)	21,539	23,680
Accounts payable and accrued liabilities (note 8)	273,161	264,103
	350,685	343,743
Net assets attributable to holders of redeemable units	$ 18,535,419	$ 20,170,233
Number of redeemable units outstanding (note 7)	5,598,477	5,595,972
Net assets attributable to holders of redeemable units per unit	$ 3.31	$ 3.60

See accompanying notes to the financial statements.

On behalf of the Board,

(signed)

Conor Bill
Chief Executive Officer

(signed)

Trevor Maunder
Chief Financial Officer

STATEMENTS OF COMPREHENSIVE INCOME

Six-month periods ended June 30 (unaudited)

	2015	2014
Income		
Dividends	$ 455,041	$ 524,432
Interest income for distribution purposes	(439)	44,898
Foreign exchange gain (loss)	31,186	(18,108)
Other changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	(3,331,800)	498,058
Change in unrealized appreciation in value of investments	1,955,735	5,166,332
	(890,277)	6,215,612
Expenses		
Management fees (note 8)	74,122	110,166
Investment management fees (note 8)	42,355	62,954
Administrative (note 8)	117,296	114,165
Legal fees	16,662	18,000
Regulatory and listing	32,399	35,000
Unitholder servicing	28,345	27,000
Custody, valuation and transfer fees	28,124	34,000
Audit and review fees	18,514	20,000
Independent review committee fees	11,800	14,017
Transaction costs (note 9)	39,054	28,880
	408,671	464,182
Operating profit (loss) before tax	(1,298,948)	5,751,430
Withholding taxes	(6,626)	(9,383)
Increase (decrease) in net assets attributable to holders of redeemable units from operations	$ (1,305,574)	$ 5,742,047
Weighted average number of units outstanding	5,597,208	6,212,782
Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit (1)	$ (0.23)	$ 0.92

(1) Based on the weighted average number of units outstanding during the period.

See accompanying notes to the financial statements.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

Six-month periods ended June 30 (unaudited)

	2015	2014
Net assets attributable to holders of redeemable units, beginning of period	$ 20,170,233	$ 27,256,982
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(1,305,574)	5,742,047
Redeemable unit transactions (note 7)		
Reinvested distributions	6,608	11,656
Distributions to holders of redeemable units		
Return to holders of redeemable units	(335,848)	(372,785)
Net increase (decrease) in net assets attributable to holders of redeemable units for the period	(1,634,814)	5,380,918
Net assets attributable to holders of redeemable units, end of period	$ 18,535,419	$ 32,637,900
Distributions per unit	$ 0.06	$ 0.06

See accompanying notes to the financial statements.

STATEMENTS OF CASH FLOWS

Six-month periods ended June 30 (unaudited)

	2015	2014
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations	$ (1,305,574)	$ 5,742,047
Adjustments for:		
Net realized (gain) loss on sale of investments	3,331,800	(498,058)
Transaction costs	39,054	28,880
Foreign exchange (gain) loss on cash	(31,186)	18,108
Change in unrealized (appreciation) depreciation in value of investments	(1,955,735)	(5,166,332)
Purchases of investments	(3,268,460)	(2,239,399)
Proceeds from sale of investments	3,490,239	5,368,588
Decrease (increase) in dividends and interest receivable	27,383	13,514
Decrease (increase) in other receivables and prepaid expenses	(15,333)	(10,772)
Increase (decrease) in management fees payable	(2,141)	(3,299)
Increase (decrease) in accounts payable and accrued liabilities	9,058	8,026
	319,105	3,261,303
Cash flows used in financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(329,215)	(485,307)
Foreign exchange gain (loss) on cash	31,186	(18,108)
Net increase in cash	21,076	2,757,888
Cash, beginning of period	2,662,047	756,381
Cash, end of period	$ 2,683,123	$ 3,514,269
Supplemental information		
Dividends received, net of withholding taxes	$ 475,798	$ 528,563
Interest received, net of withholding taxes	–	44,898

See accompanying notes to the financial statements.

SCHEDULE OF INVESTMENTS

June 30, 2015 (unaudited)

Number of shares / par value	Investments owned	Average cost	Fair value	% of net assets
	CANADIAN EQUITIES			
	Oil and Gas Corporations			
15,000	ARC Resources Ltd.	$ 358,676	$ 321,000	1.7
60,000	Baytex Energy Corp.	1,699,772	1,165,800	6.3
85,000	Birchcliff Energy Ltd.	878,768	592,450	3.2
15,000	Bonterra Energy Corp.	628,392	472,350	2.6
90,000	Canadian Energy Services & Technology Corp.	329,736	648,000	3.5
40,000	Cenovus Energy Inc.	1,065,720	798,800	4.3
50,000	Crescent Point Energy Corp.	1,873,789	1,281,500	6.9
25,000	Gibson Energy Inc.	564,125	563,750	3.0
20,000	Husky Energy Inc.	594,440	477,800	2.6
40,000	Pembina Pipeline Corp.	1,120,199	1,614,800	8.7
75,000	Precision Drilling Corp.	582,960	630,000	3.4
20,000	Suncor Energy Inc.	730,785	688,000	3.7
40,000	Veresen Inc.	742,738	675,600	3.6
25,000	Vermilion Energy Inc.	1,012,696	1,348,750	7.3
115,000	Western Energy Services Corp.	856,130	665,850	3.6
125,000	Whitecap Resources Inc.	1,083,778	1,647,500	8.9
		14,122,704	13,591,950	73.3
	Materials			
200,000	Sherritt International Corp.	547,416	418,000	2.3
30,000	Teck Resources Ltd.	579,722	371,400	2.0
		1,127,138	789,400	4.3
	TOTAL CANADIAN EQUITIES	15,249,842	14,381,350	77.6
	INTERNATIONAL EQUITIES			
15,000	Brookfield Renewable Energy Partners LP	408,635	557,100	3.0
15,000	Royal Dutch Shell PLC	1,111,422	1,067,617	5.8
		1,520,057	1,624,717	8.8
	TOTAL INTERNATIONAL EQUITIES	1,520,057	1,624,717	8.8
	Transaction costs	(44,102)	–	–
	Total investments	$ 16,725,797	16,006,067	86.4
	Other assets, net of liabilities		2,529,352	13.6
	Total net assets attributable to holders of redeemable units		$ 18,535,419	100.0

See accompanying notes to the financial statements.

1. THE FUND

(a) Establishment of the Fund

Energy Income Fund (the "Fund") is the name of the combined fund resulting from the merger on October 4, 2010 of Sustainable Production Energy Trust ("Sustainable"), Energy Plus Income Trust ("Energy Plus") and CGF Resource 2008 Flow Through LP ("CGF LP"). The address of the Fund's registered office is 1325 Lawrence Avenue East, Suite 200, Toronto, ON, M3A 1C6, Canada.

(b) Description of the Fund

The Fund is a closed-end investment trust. Artemis Investment Management Limited is the investment fund manager of the Fund ("Artemis" or the "Manager"). The Fund has one class of units (each, a "Unit") outstanding. The Units trade on the Toronto Stock Exchange ("TSX") under the symbol ENI.UN. The Fund's portfolio is managed by Vestcap Investment Management Inc. (the "Portfolio Advisor").

The financial statements were authorized for issue by Artemis Investment Management Limited on August 28, 2015.

2. INVESTMENT OBJECTIVES OF THE FUND

The Fund's investment objectives are to provide the unitholders with monthly cash distributions and to achieve a total return on the portfolio that is greater than the total return provided by the benchmark index, as selected by the manager from time to time. For the year ended December 31, 2011 and subsequent periods, the benchmark index was changed to the S&P/TSX Capped Energy Index.

3. INCOME TAXES

The Fund is a mutual fund trust within the meaning of the Income Tax Act (Canada) and is subject to applicable federal and provincial taxes on the amount of net income for tax purposes for the year; to the extent such net income for tax purposes has not been paid or made payable to unitholders in the year.

The Fund may be liable to pay income or profits tax on income or gains derived from investments in the U.S. and other foreign countries. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the statements of comprehensive income.

As of December 31, 2014 the Fund had non-capital losses of approximately $1,323,771 (December 31, 2013 – $1,340,396) that expire in 2033, and capital losses of approximately $12,737,265 (December 31, 2013 – $12,737,265). Capital losses can be carried forward indefinitely for offset against capital gains in the future years.

4. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standards 34 Interim Financial Reporting ("IAS 34") as published by the International Accounting Standards Board ("IASB") and as required by Canadian securities legislation and the Canadian Accounting Standards Board.

(a) Cash

Cash include balances with banks at fair value.

(b) Financial instruments

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular purchases and sales of financial assets are recognized at their trade date. The Fund's investments and derivative assets and liabilities are measured at fair value through profit or loss (FVTPL). The Fund's obligation for net assets attributable to holders of redeemable Units is presented at the redemption amount. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, on the accrual basis based on the bond coupon rate. The Fund's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value ("NAV") for transactions with unitholders.

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

(c) Valuation of investments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Fund's policy is to recognize transfers in and out of the fair value hierarchy levels as at the end of the reporting period for transfers between Levels 1 and 2 and as at the date of the transfer for transfers in and out of Level 3. See note 6 for a description of each fair value hierarchy level.

(d) Investment transactions and income recognition

i. Investment transactions are accounted for on the trade date.
ii. Interest income for distribution purposes is recognized on an accrual basis based on the bond coupon rate.
iii. Dividend income is recorded on the ex-dividend date.
iv. Realized gains and losses on investments and unrealized appreciation or depreciation of investments are calculated using the average cost of the related investments.

(e) Foreign currency translation

Both the functional and presentation currency of the Fund are Canadian dollars.

The fair value of investments and other assets and liabilities denominated in foreign currencies is translated into Canadian dollars at the rates prevailing on each valuation date.

Purchases and sales of investments, income and expenses denominated in foreign currencies are converted into Canadian dollars at the rates of exchange prevailing on the respective dates of such transactions. Realized exchange gains (losses) on investments, and unrealized exchange gains (losses) on investments, if any, are included in net realized gain on sale of investments and change in unrealized appreciation (depreciation) on investments in the statements of comprehensive income..

(f) Distributions

Distributions to unitholders are recorded by the Fund when declared.

(g) Securities lending

The Fund may lend portfolio securities in order to earn additional revenue. The minimum allowable collateral is 102% of the current value of the loaned securities as per the requirements of National Instrument 81-102. The market value of the loaned securities is determined on the close of any valuation date, and any additional required collateral is made by the Fund on the next business day. The securities on loan continue to be included on the schedule of investments and are included in the total value on the statements of financial position in financial assets at FVTPL.

As at June 30, 2015 and December 31, 2014, the Fund had no securities on loan.

(h) Increase (decrease) in net assets attributable to holders of redeemable Units per Unit

Increase (decrease) in net assets attributable to holders of redeemable Units per Unit represents the net increase (decrease) in net assets attributable to holders of redeemable Units from operations divided by the average Units outstanding for during the periods.

(i) Future accounting changes

The IASB has issued the following new standard and amendments to existing standards that are not yet effective. The Fund has not yet begun the process of assessing the impact the new and amended standards will have on its financial statements or whether to early adopt any of the new standards.

In November 2009, IFRS 9, Financial Instruments ("IFRS 9"), was issued and subsequently amended October 2010. This is the first phase of the project on classification and measurement of financial assets and liabilities. IFRS 9 will replace International Accounting Standard 39, Financial Instruments – Recognition and Measurement ("IAS 39") and will be completed in three phases, which include limited amendments to classification and measurement of financial assets and liabilities, impairment of financial assets, and general hedge accounting. Accounting for macro hedging was removed from IFRS 9 and is expected to be issued as a separate standard. IFRS 9 is effective for fiscal years beginning on or after January 1, 2018. The standard on general hedge accounting was issued and included as part of IFRS 9 in November 2013. The Manager continues to evaluate the impact of IFRS 9 on its financial statements.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

Fair value measurement of derivatives and securities not quoted in an active market

Fair values of instruments not quoted in active markets are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to note 6 for further information about the fair value measurement of the Fund's financial instruments.

6. FAIR VALUE DISCLOSURES

The Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

- Level 1 inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Manager has the ability to access at the measurement date;

- Level 2 inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active; and

- Level 3 inputs that are unobservable for the financial asset or liability and include situations where there is little, if any, market activity for the financial asset or liability. The inputs into the determination of fair value require significant management judgment or estimation.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2015 and December 31, 2014.

June 30, 2015	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL:				
Equities	$ 16,006,067	$ –	$ –	$ 16,006,067

There were no transfers between categories during the period ended June 30, 2015.

December 31, 2014	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL:				
Equities	$ 17,642,965	$ –	$ –	$ 17,642,965

There were no transfers between categories during the year ended December 31, 2014.

All fair value measurements above are recurring. The carrying values of cash, interest receivable, payable for investments purchased, distributions payable, and accrued liabilities approximates their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

(a) Equities

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain of the Fund's equities do not trade frequently and, therefore, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., intrinsic value, transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

(b) Bonds

Bonds include primarily government and corporate bonds, which are valued at the mean of bid/ask price provided by recognized investment dealers. These prices are generally observable and therefore the Funds' bonds are classified as Level 2.

As of June 30, 2015 and December 31, 2014, the Fund had no securities that were classified as Level 3 financial instruments.

The fair value of each Level 3 investment is generally related to the underlying value and/or creditworthiness of the issuer. Management reviews a number of applicable valuation techniques for each investment depending on a number of factors including: the ability to compare the investment to similar publicly traded investments; the reliability of future cash flow projections; and comparables analysis. In addition to the range of valuation techniques employed, a significant number of the key assumptions used in the valuation of individual investments are company specific. Due to the nature of this detailed, investment by investment approach to fair value determination and the number of different key assumptions, there are no alternative assumptions that are broadly applicable across the investment portfolio of the Fund. Changes in key assumptions may cause material changes in the value of the investments held by the Fund.

The table below shows a reconciliation of the opening and closing balance of financial instruments recorded in Level 3:

	June 30, 2015	December 31, 2014
Total Level 3 fair value – beginning of period	$ –	$ 425,700
Purchased	–	–
Sold	–	(528,982)
Realized gain (loss)	–	(615,843)
Net change in unrealized appreciation (depreciation) in the value of investments	–	719,125
Total Level 3 fair value – end of period	$ –	$ –

7. UNITS ISSUED AND OUTSTANDING

(a) Authorized

The authorized capital of the Fund consists of an unlimited number of trust Units which are transferable redeemable Units of beneficial interest.

The Fund's redeemable securities entitle unitholders the right to redeem their interest in the Fund for cash equal to their proportionate share of the net asset value of the Fund, amongst other contractual rights. These redeemable securities involve multiple contractual obligations on the part of the Fund and therefore meet the criteria for classification as financial liabilities. The Fund's obligation for net assets attributable to unitholders is measured at FVTPL, with fair value being the redemption amount as of the reporting date.

The following Unit transactions took place during the periods ended June 30, 2015 and 2014:

(b) Units issued and outstanding

For the periods ended	June 30, 2015	June 30, 2014
Units, beginning of period	5,595,972	6,210,676
Issued under distribution reinvestment plan ("DRIP")	2,505	3,498
Units, end of period	5,598,477	6,214,174

(c) Redemptions and retractions

The maximum number of Units redeemable in a year pursuant to the annual redemption privilege is 10% of the public float of the Fund as determined on the last business day of November in the preceding year, less the number of Units repurchased for cancellation or otherwise redeemed by the Fund during the preceding twelve-month period (the "Maximum Redemption Amount"). The Fund did not repurchase any Units for cancellation during the periods ended June 30, 2015 and 2014.

Unitholders are entitled to retract their Units outstanding on the last business day of each month at an amount equal to (a) the lesser of: (i) 90% of the weighted average trading price of a Unit on the Toronto Stock Exchange (the 'TSX') during the preceding 15 trading days and (ii) the closing market price on the TSX on that day, less (b) any retraction costs.

Unitholders are also entitled to retract their Units outstanding on the second last business day of each November (the "Annual Redemption Date") at an amount equal to 100% of the NAV per Unit determined as of the Annual Redemption Date less any retraction costs.

8. RELATED PARTY TRANSACTIONS

The Fund is responsible for all expenses incurred on its behalf. Artemis generally has all expenses incurred by the Fund paid directly by the Fund.

The Manager is entitled to receive a management fee of 0.70% per annum of the average NAV of the Fund plus applicable taxes, calculated and payable monthly. For the period ended June 31, 2015, management fees totaled $74,122 (2014 – $110,166), of which $13,707 was payable as at June 30, 2015 (2014 – $7,068).

The Portfolio Advisor receives a fee of 0.40% per annum of the average NAV of the Fund, plus applicable taxes, calculated and payable monthly, in exchange for providing investment management services. For the period ended June 30, 2015, investment management fees totaled $42,355 (2014 – $62,954), of which $7,832 was payable at June 30, 2015 (2014 – $11,190).

Administrative Expenses for the period ended June 30, 2015 totaled $117,296 (2014 – $114,165). As part of these expenses, the Fund pays a general overhead cost to Artemis. Artemis receives $15,000 per month plus applicable taxes to cover related administrative salaries, employee benefits, general overhead, and office supplies.

The Manager is entitled to receive a fee of 5% of the NAV per Unit redeemed or repurchased plus applicable taxes. For the period ended June 30, 2015, redemption fees totaled nil (2014 – nil) of which nil was payable as at June 30, 2015 (2014 – nil).

9. PORTFOLIO TRANSACTION COSTS

For the period ended June 30, 2015, the Fund incurred portfolio transaction costs of $39,054 (2014 – $28,880). These costs are recorded separately in the statements of comprehensive income as an expense for the period. The Fund paid $739 in soft dollar commission for the period ended June 30, 2015 (2014 – $1,103).

10. FINANCIAL RISK MANAGEMENT

The Fund aims to provide unitholders with monthly distributions primarily through investments in energy-related companies. As a result, the Fund is exposed to the risk of being invested, on a concentrated basis, in these asset classes. The Fund's Manager uses a disciplined, fundamental approach in its investment selection and portfolio management approach which consists of an intensive and ongoing research process of investment opportunities. The Manager purchases and holds securities for the Fund for the short to medium term and also determines the timing of when to rotate the Fund's portfolio in order to enhance the Fund's portfolio performance and/or limit risk.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The investments of the Fund are subject to normal market fluctuations and the risks inherent in being invested in financial markets. The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of the financial instruments. The Manager moderates this risk through a careful selection of securities through diversification of the investment portfolio. The Manager monitors the Fund's overall market positions on a weekly basis and positions are maintained within established ranges.

The most significant exposure to market risk is from equity securities. As at June 30, 2015, had the prices on the benchmark index raised (lowered) by 5%, with all other variables held constant, net assets attributable to holders of redeemable Units would have increased (decreased) by approximately $600,055 (approximately 3.2% of NAV) (December 31, 2014 – $778,222, approximately 3.9% of NAV). In practice, the actual results may differ and the difference could be material. The benchmark index is the S&P/TSX Capped Energy Trust Index.

(b) Foreign currency risk

Foreign currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. The schedule of investments identifies all investments denominated in foreign currencies. Equities in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Fund's functional currency in determining fair value.

As at June 30, 2015, the Fund invested approximately 10.3% (December 31, 2014 – 13.1%) of the net assets in U.S. currency. At June 30, 2015, if the Canadian dollar had strengthened (weakened) by 5%, with all other variables held constant, net assets attributable to holders of redeemable Units would have increased (decreased) by approximately $95,687 (approximately 0.5% of NAV) (December 31, 2014 – $132,281, approximately 0.7% of NAV). In practice, the actual results may differ and the difference could be material.

(c) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Fund invests in interest-bearing financial instruments.

As at June 30, 2015, the Fund had approximately 86.4% of the investment portfolio in equity securities (December 31, 2014 – 87.5%). Cash and short-term investments earn minimal interest. As at June 30, 2015 and December 31, 2014, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

(d) Credit risk

Credit risk is the risk that an issuer or a counterparty will be unable or unwilling to meet a commitment that it has entered into with the Fund. All transactions in listed securities are settled (paid for) upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. Credit risk exposure for over-the-counter derivative instruments is based on the Fund's unrealized gain of the contractual obligations with the counterparty as at the reporting date. The credit exposure of other assets is represented by their carrying amount.

The Fund's cash is mainly held with Royal Bank of Canada, which is rated AA (2014: AA) based on DBRS ratings. The Manager monitors the financial position on an on-going basis.

As at June 30, 2015 and December 31, 2014, the Fund had no significant exposure to credit risk.

(e) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial obligations. The Fund is exposed to a monthly redemption of Units at which time the Units of the Fund are redeemed at the current transactional net assets per Unit. Liquidity risk is managed by investing the Fund's assets in investments that can be readily disposed.

The Fund's liquid investments are considered to be in excess of the redemption requirements. Therefore, as at June 30, 2015 and December 31, 2014, the Fund's liquidity risk is considered minimal.

(f) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Fund's concentration risk:

	Percentage of NAV	
Sector	June 30, 2015	December 31, 2014
Canadian Equities		
Oil and gas corporations	73.3	72.0
Materials	4.3	2.4
U.S. equities	–	6.6
International equities	8.8	6.5
Other assets less liabilities	13.6	12.5
Total	100.0	100.0

11. CAPITAL MANAGEMENT

The Fund's capital is its net assets attributable to holders of redeemable Units. The Fund's Manager maintains the Fund's capital in accordance with its investment objectives, strategies and restrictions as detailed in the amended and restated declaration of trust as of March 7, 2014 (the "Declaration of Trust").

12. FINANCIAL INSTRUMENTS BY CATEGORY

The Fund's financial instruments as at June 30, 2015 and December 31, 2014 are designated as FVTPL with the exception of accrued interest, dividends receivable, prepaid expenses, other receivables, distributions payable, management fees payable and accounts payable and accrued liabilities, which are classified as loans and receivables.

For the periods ended June 30, 2015 and 2014 the Fund's net gains (losses) on financial instruments with the exception of derivatives were all on financial instruments designated as FVTPL.

13. RECENT DEVELOPMENTS

Monthly distributions for 2015

On January 23, 2015, the Fund announced distributions for 2015 of $0.01 per Unit per month. Unitholders of record on the last day of each month of 2015 would be paid distributions on the 15th day (or first business day thereafter) of the ensuing month.

A copy of the full news release is available on the Fund's SEDAR profile at www.sedar.com.

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