

Citadel Income Fund Announces Further Revision of Distribution Policy

TORONTO, February 3, 2014 – **Citadel Income Fund (TSX – CTF.UN)** (the “**Fund**”) is pleased to announce that the Fund’s distribution policy is being revised and a cash distribution is being reinstated for the remainder of the year. In addition, the Fund is pleased to announce an improvement to its Distribution Reinvestment Plan (“DRIP”).

The distributions for the remainder of 2014 will be \$0.01 per unit per month in cash. The decision to reinstate a cash distribution follows responses from many unitholders expressing a desire for a cash distribution. The Manager of the Fund believes this latest change responds to the concerns being expressed by unitholders while also balancing the long term sustainability of the Fund’s operation. The amount of the reinstated cash distribution has been set based on the Fund’s outlook for 2014 and is intended to be a sustainable payout to unitholders over the long term. Conor Bill, President of the Manager of the Fund, commented “We have listened to and are grateful for the feedback we received from unitholders about the recent distribution changes. We believe the changes we are announcing today address the concerns that were expressed to us while still placing the Fund on a more solid, sustainable footing for the future. In addition to providing distributions to unitholders we have a duty to try and preserve the net asset value of the Fund. We believe this new policy strikes a fair balance between these objectives.”

As previously announced, unitholders of record on the last day of January 2014 will be paid a \$0.03 distribution, paid in units of the Fund, on the 18th of February 2014. For the remainder of the year, unitholders of record on the last day of each month will be paid cash distributions of \$0.01 on the 15th day (or first business day thereafter) of the ensuing month.

The Fund also instituted a change to its existing DRIP plan. Going forward, units issued under the program will be issued at a 5% discount to the applicable 5-day volume-weighted average trading price of the units. As a result, unitholders participating in the plan will be acquiring units at a discount to the market price of the Fund’s units.

For further information please contact your financial advisor, call Artemis Investment Management’s investor relations line at (647) 477-4885 or visit our website at www.artemisfunds.ca.