



CITADEL GROUP OF FUNDS ANNOUNCES MEETING DATES AND NEW TRUSTEE

TORONTO, August 27, 2009 /CNW/ - The Citadel Group of Funds ("Citadel") announced today the date for the previously called and postponed meetings of unitholders. The special meetings of unitholders to consider the Reorganization Proposal will be held on September 30, 2009.

These special meetings are for the following Citadel funds: Citadel Premium Income Fund, Citadel S-1 Income Trust Fund, Citadel Stable S-1 Income Fund, Citadel Diversified Investment Trust, Series S-1 Income Fund, Equal Weight Plus Fund, Citadel SMaRT Fund and Citadel HYTES Fund. At these meetings, unitholders will be asked to consider and approve the previously announced Reorganization Proposal that includes the merger of these eight funds with the Crown Hill Fund.

Highlights of the Reorganization Proposal include:

- **A new investment manager, Jarislowsky, Fraser Limited.** Jarislowsky, Fraser is one of Canada's pre-eminent money managers. In addition to being Canada's largest independent money manager, with over \$40 billion in assets under management, it is also considered to be one of Canada's leading authorities on matters of shareholder rights and corporate governance. Its reputation is unparalleled and it has the breadth and depth of qualifications necessary to manage a broadly diversified, conservative, income oriented portfolio.
- **A broader investment mandate.** The new investment strategy will include a broad range of income producing securities and reduce reliance on the shrinking universe of income trust investments.
- **Continued High Level of Distributions.** The continuing fund intends to pay a high level of monthly distributions. The annual distribution is currently set at approximately 8.5% of NAV per year and this is not expected to change for the remainder of 2009.
- **Lower Expenses.** The new, larger fund resulting from the Reorganization Proposal will have reduced total operating costs. Savings will be achieved by rationalizing, reducing

or eliminating some expenses currently being paid by the funds. All of these savings will be passed on to Unitholders.

- **Greater Liquidity.** Following the merger, the continuing fund is expected to have a significantly larger market capitalization. This should result in improved trading and liquidity for the units of the continuing fund, which will continue to be listed on the Toronto Stock Exchange.
- **Redemptions.** A number of the Citadel funds do not currently permit unitholders to redeem their units. Nonetheless, if the Reorganization Proposal is approved at the meetings, Unitholders who do not wish to hold units in the continuing fund will be able to redeem their units following the meeting. In addition, unitholders would have a redemption right in 2010 and a limited annual redemption right in subsequent years.

Unitholders of the funds are encouraged to visit the corporate website, www.citadelfunds.com, for more information leading up to the special meetings. A dedicated “Special Meeting Info” page has been set up to provide timely information and will be updated as new developments warrant. Further detailed information on the Reorganization Proposal and its merits will be contained in the management information circular that will be mailed to unitholders.

New Trustee for Selected Funds

Citadel also announced today a change in the trustee for eight of its funds. Effective immediately, the trustee for Citadel Premium Income Fund, Citadel S-1 Income Trust Fund, Citadel Stable S-1 Income Fund, Citadel Diversified Investment Trust, Series S-1 Income Fund, Equal Weight Plus Fund, Energy Plus Income Trust and Sustainable Production Energy Trust will be Valiant Trust Company, a wholly-owned subsidiary of Canadian Western Bank.

Computershare Trust Company of Canada remains the trustee for the Citadel HYTES Fund and the Citadel SMaRT Fund.

Requisitioned Meetings

Citadel previously announced that the trustee had received requisitions with respect to the proposal by Bloom Investment Counsel, Inc. and Blue Ribbon Fund Management Ltd. (the “Hostile Proposal”).

The trustee informed Citadel Fund Administrator that the requisitions appeared to be valid. While Citadel Fund Administrator continues to believe that the meetings of Citadel Premium Income Fund, Citadel S-1 Income Trust Fund, Citadel Diversified Investment Trust, Series S-1 Income Fund and Citadel HYTES Fund may have been improperly requisitioned, it is of the

view at this time that in light of the trustee's position it is in the best interest of the funds to proceed to promptly deal with the Hostile Proposal.

As a result, Citadel announced today that the Hostile Proposal will be considered by unitholders at the special meetings set for September 30, 2009. This will permit the Hostile Proposals to be considered by unitholders on a timely basis and in a manner that allows unitholders to make an informed choice among the options presented.

Citadel will include the requisition materials related to the Hostile Proposal in the circular being mailed to Citadel unitholders and will also include the Hostile Proposal on the proxies being mailed to unitholders of the affected funds.

Again, Unitholders of the funds are encouraged to visit the corporate website, www.citadelfunds.com, for more information leading up to the special meetings. A dedicated "Special Meeting Info" page has been set up to provide timely information and will be updated as new developments warrant. Further detailed information on the Reorganization Proposal and its merits will be contained in the management information circular that will be mailed to unitholders.

This release contains forward-looking statements. These statements are based on certain factors and assumptions including, results of operations, performance and effective income tax rates. While the Funds and Citadel Fund Administrator consider these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect. Several factors could cause actual results to differ materially from those in the forward-looking statements, including, but not limited to: the timing of and the ability to carry out the Reorganization, including the mergers and fluctuations in the net asset value. Forward-looking statements are given only as at the date of this release and the Funds and Citadel Fund Administrator disclaims any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

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