

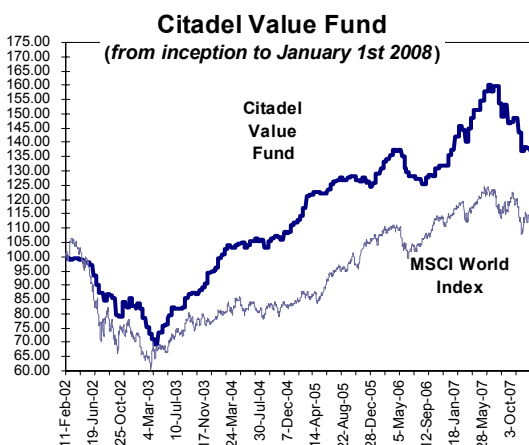


2007 Annual Review

NAV/share (01/01/08): EUR 136.76

ISIN code: LU0141953439

website: www.citadelfund.com



Citadel Value Fund Performance
(as of January 1st, 2008)

	Since inception (11/02/02)	2007	2006	2005	2004	2003
Citadel Value Fund	36.8%	-0.5%	9.7%	12.0%	17.2%	17.0%
MSCI World Index	12.8%	-1.2%	7.9%	26.8%	6.9%	11.3%

note: MSCI World Index based on total returns (gross dividends) in Euro's
* annual returns are based on Citadel's estimated NAV as of Dec. 31st
source: European Fund Administration, MSCI

Top 10 holdings

Village Super Market Inc.	4.7%
Telegraaf Media Groep NV	4.6%
SK Telecom, ADR	4.5%
Daekyo Co. Ltd, preferred	4.3%
Cia Paranaese de Energia, ADR	4.1%
Hanil Cement Co. Ltd.	4.1%
Zwack Unicum	3.8%
Batenburg Beheer NV	3.6%
Grupo Continental SA	3.5%
Wolters Kluwer NV	3.4%

COMMENTARY

Citadel ended the year with an NAV per share of EUR 136.76 down 0.5% after slipping into the red in the last days of 2007. This was modestly better than the MSCI World Index (EUR, incl. untaxed dividends) which dipped by 1.2%. Since inception the Fund's performance is +36.8% vs +12.8% for the Index.

In late December a joint management/private equity group made a bid of EUR 54/share for **Sasa Industrie**. Some may recall that a February '07 offer of EUR 41.50 was spurned by a sizeable minority of share-holders, including Citadel. Fortunately the current bid represents a fair price for the shares and our patience (some might say stubbornness!) has been rewarded. We should note that this offer is not reflected in the year-end NAV as Sasa's shares were suspended at EUR 40.19, and traded again only on January 2nd. Had this been included the NAV would have been up marginally in 2007.

As we remarked upon in the recent semi-annual letter to shareholders, 2007 was a wild year with a good first half followed by a poor second half. Whilst the NAV ended the year little changed this belies a number of important changes. For the most part these changes consisted of trading in stakes which had performed well and where the potential had shrunk, with new undervalued stakes where the potential is far greater. As a result the portfolio is more undervalued than it has been for some time (please refer to the recent letter for more details on this). In December we continued adding to one of the smaller positions in the portfolio. The cash position has shrunk to 7% and the proceeds from Sasa (sometime in Q1 hopefully) will be very welcome as we have at least 3 new ideas which we are considering investing in.

IMPORTANT: An investment in the Fund carries with it a degree of risk. The value of your investment may go down as well as up, and you could lose money on your investment. Past performance provides no guarantee for the future. Investors should read the Fund's prospectus before deciding whether to invest. The opinions and commentary expressed herein should in no way be construed as personal investment advice, they are intended solely to illustrate the Fund's investment strategy and performance.