

## April 2005 Update

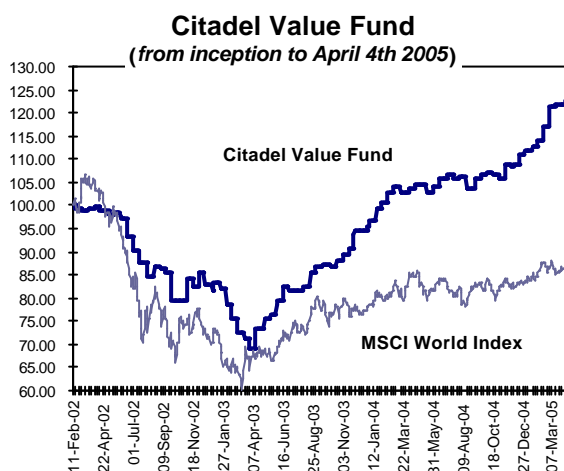
**NAV/share (04/04/05): EUR 122.64**

**ISIN code: LU0141953439**

**website: [www.citadelfund.com](http://www.citadelfund.com)**

### COMMENTARY

World markets rose modestly in the past month as did the Fund which was up by 1.3%. Since the beginning of the year Citadel rose by 9.7% and by 22.6% since inception.



**Citadel Value Fund Performance**  
(as of April 4th, 2005)

	Since inception (11/02/02)	3 year	1 year	2005* YTD
<b>Citadel Value Fund</b>	22.6%	23.2%	19.1%	9.7%
<b>MSCI World Index</b>	-13.1%	-16.3%	3.1%	4.1%

note: MSCI World Index is based on total returns in Euro's

\* annual returns are based on estimated NAV as of Dec. 31, 2002, 2003 & 2004

source: European Fund Administration, MSCI

### Top 10 holdings

Bristol-Myers Squibb Co.	7.6%
Heineken Holding NV	6.1%
Wegener NV	9.3%
Merck & Co.	4.7%
Nedischroef Holding NV	4.2%
Batenburg Beheer NV	3.8%
Tamedia AG	3.5%
Ultraframe PLC	3.4%
Molins PLC	2.8%
Sasa Industrie SA	2.7%

Many of the portfolio companies released 2004 results. **Tamedia**, the Swiss newspaper & magazine group, saw its results improve dramatically. New management has succeeded in slashing the cost base to cope with lower advertising volumes. While an advertising recovery has yet to take hold, cost savings, enhancements to its key papers, and the closure of several marginal magazines have greatly improved its profitability. Thus when ad volumes recover, as they inevitably will, Tamedia's returns will soar. **Nedischroef**, the Dutch producer of fasteners, reported that operational earnings jumped by a spectacular 39%, and sales by 16%. Swiss household appliances & infection control maker **Metall Zug** continues to build on its impressive track record, and sales rose by 6% and operating income by 18% in 2004. The take-over battle for **Reesink** also waged on in the past month. In the wake of a turbulent shareholder's meeting the chances of this bid succeeding are slim. Management assesses the value of the firm at a minimum of EUR 100 per share (vs. the EUR 70 offer) and is putting up a staunch resistance. We welcome this as our valuation also indicates a value in excess of EUR 100. It is pleasing that management has finally given a view on what it believes Reesink is worth. The 'hidden value' in the company is now obvious for all to see. In the absence of a takeover, shareholders will likely see the proceeds from its excess real estate paid back to them. However, it would not surprise us if one or more other bidders were to emerge – at hopefully a more adequate price.

**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.