

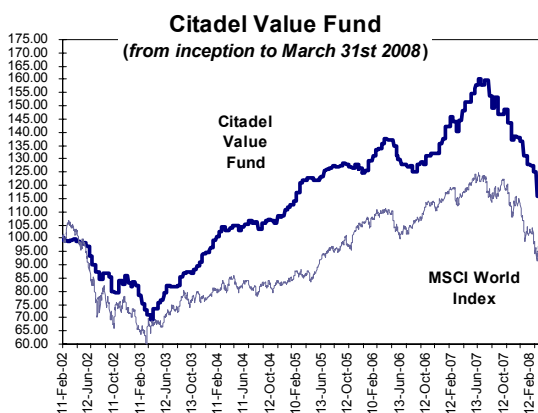


## April 2008 Update

**NAV/share (31/03/08): EUR 118.78**

**ISIN code: LU0141953439**

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



**Citadel Value Fund Performance**  
(as of March 31st, 2008)

	Since inception (11/02/02)	2008 YTD	2007	2006	2005	2004	2003	2002
<b>Citadel Value Fund</b>	18.8%	-13.1%	-0.5%	9.7%	12.0%	17.2%	17.0%	-18.4%
<b>MSCI World Index</b>	-5.2%	-16.0%	-1.2%	7.9%	26.8%	6.9%	11.3%	-29.9%

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.	5.2%
Cia Paranaese de Energia, ADR	4.8%
Batenburg Beheer NV	4.5%
SK Telecom, ADR	4.5%
Signaux Girod SA	4.1%
Daekyo Co. Ltd, preferred	4.1%
Zwack Unicum	4.0%
Grupo Continental SA	3.9%
Ozeki Corp. Ltd.	3.9%
Clinton Cards PLC	3.8%

### COMMENTARY

In March markets eroded further and the Fund's NAV fell by 5.2% capping off a lousy first quarter. YTD the Fund is down by 13.1% while the MSCI World Index fell by 16%. The share performance of the portfolio holdings is better than the YTD figure suggests with the difference being currencies. To give an idea of the impact we estimate that currencies shaved off roughly 6.5% of the NAV since January. Hopefully there will come a moment when this impact reverses or at least abates. Since inception Citadel's performance stands at +18.8% vs. -5.2% for the Index.

Most companies in the portfolio have now reported 2007 results but this has not helped their stock prices which seem increasingly decoupled from company fundamentals. Periodic declines of 20% or more are not unusual for markets, the last was only 6 years ago. Yet markets recover and later move on to reach new highs. Often the inflexion points are at times when gloom is pervasive. Exactly 5 years ago on March 31<sup>st</sup> 2003 Citadel hit its all-time low of EUR 69.15. Even after a sharp fall from its peak the Fund is up by more than 70% since. We think that at today's valuations the odds of a good performance in the coming years are excellent. For example, two of the 32 holdings are valued at less than their cash and investments! On a 'see-through' basis the portfolio is trading at 5.5X current operating profits and the dividend yield is 3.5%. Today Citadel's portfolio is, if anything, a lot more undervalued than it was in March 2003. Cheap stocks are currently easy to find but this will not last indefinitely. Eventually investors will step up to snatch the bargains around them. Unfortunately the Fund's buying power is virtually exhausted although one new position was added (details to follow).

**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.**