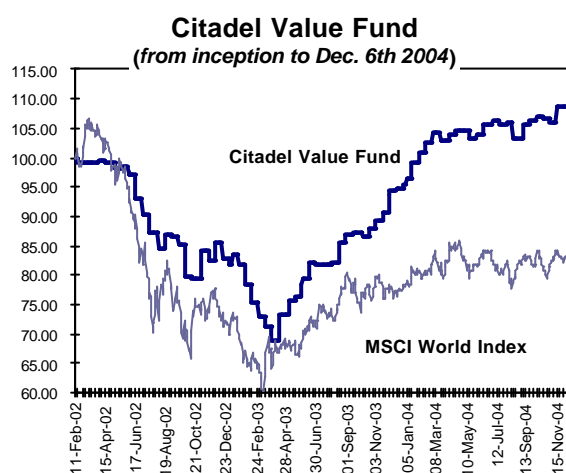


December 2004 Update

NAV/share (06/12/04): EUR 108.65

ISIN code: LU0141953439

website: www.citadelfund.com



Citadel Value Fund Performance
(as of December 6th, 2004)

	Since inception (11/02/02)	1 year	2003*	2004* YTD
Citadel Value Fund	8.7%	15.1%	17.0%	13.9%
MSCI World Index	-17.5%	6.8%	11.3%	5.7%

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
source: European Fund Administration, Datastream

Top 10 holdings

Wegener NV	9.5%
Bristol Myers-Squibb Co.	6.7%
Tamedia AG	5.7%
Nedschroef Holding	4.8%
Havas SA	4.6%
Heineken Holding NV	4.1%
Merck KGaA	3.7%
VLT AB	3.7%
Springer (Axel) Verlag	3.5%
Sasa Industrie SA	3.4%

COMMENTARY

Since the last update at the beginning of November, the Fund's NAV rose (+2.7% vs. +1.1% MSCI World) and is now up by 13.9% year-to-date. The falling US\$, however, continues to hurt returns. This was painfully evident when **Syms**, after it had reached our estimate of intrinsic value, was sold (only the 2nd stake sold since inception). After a holding period of 2½ years, Syms generated an excellent return of 117% in US\$, but a distinctly more modest 41% in Euros. It would not surprise us if the dollar depreciates further in the short-term, even though the growing consensus that the dollar will weaken suggests that a turn in this trend is not unlikely. Either way, the investment focus remains fixed on companies, not currencies.

The Fund added to its position in **Merck & Co.**. As described in recent updates we are convinced that the company is absurdly under-valued even if, (and this is still uncertain), massive legal claims are ultimately paid. Also, a new position in **Batenburg Beheer** was established. This firm operates various technical installation companies in the Netherlands. It generates impressive returns and cash flows, has a healthy balance sheet, a 5.6% dividend yield, and is an excellent example of the sort of 'deep-value' companies which the Fund looks to invest in.

While new value picks are increasingly difficult to find, the portfolio is still packed with bargains. For example, although the Fund's performance has been decent in 2004, a number of the larger holdings have contributed little to this performance. Many still trade at massive discounts to our estimate of their value. This leaves us optimistic about the potential for the Fund in the months and years ahead.

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.