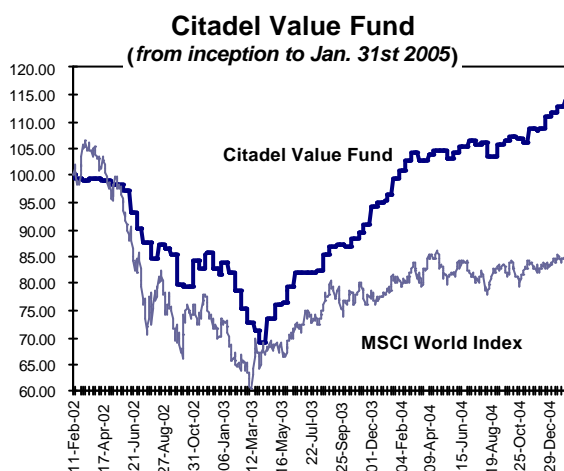


February 2005 Update

NAV/share (31/01/05): EUR 114.13

ISIN code: LU0141953439

website: www.citadelfund.com



Citadel Value Fund Performance
(as of January 31st, 2004)

	Since inception (11/02/02)	1 year	2004*	2005* YTD
Citadel Value Fund	14.1%	13.3%	17.2%	2.1%
MSCI World Index	-14.3%	6.2%	6.9%	2.7%

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 & 2004
source: European Fund Administration, Datastream

Top 10 holdings

Wegener NV	8.5%
Bristol-Myers Squibb Co.	6.3%
Nedschroef Holding NV	6.1%
Tamedia AG	5.3%
Havas SA	4.4%
Heineken Holding NV	4.1%
Sasa Industrie SA	4.0%
Merck KGaA	3.9%
Molins PLC	3.9%
Batenburg Beheer NV	3.5%

COMMENTARY

2005 started well for the Fund and the NAV rose by 2.1%. In the past we remarked that several Fund holdings, having risen substantially, are approaching our estimate of their intrinsic value. This was the case for **Brunel** which the Fund disposed of generating an excellent return (+160%). The stake in duty-free operator **Aldeasa** which is the object of bidding war was also sold for a total return including dividends of +70%.

January was an active month for the companies in the portfolio with many releasing initial 2004 results, and these were generally good. While it seemed that things could hardly go worse for **Merck & Co.**, they did. A surprise US court decision stripped off patent protection on one of its largest products beginning in 2008, and the shares plummeted 10%. While this was not good news, our own estimates of Merck's value had not assumed patent protection beyond 2008. Hence the share fall struck us as a massive overreaction given that the shares already appeared extremely undervalued. The Fund added to its position, and the shares have recovered somewhat. The other noteworthy event in the past month was the announcement of a takeover offer (the 5th in the Fund's portfolio in 3 years time) for the shares of Dutch wholesaler **Reesink**. It is unclear whether the bid will be successful, and our guess would be that it will not. However this is not necessarily negative as the rumoured price is far below our estimate of its value. Significantly, the bidder is a real estate group with no obvious links to Reesink's operations, although they are clearly well positioned to value the company's surplus real estate. This could be worth as much as the operating business or more – a fact that few have hitherto considered.

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.