

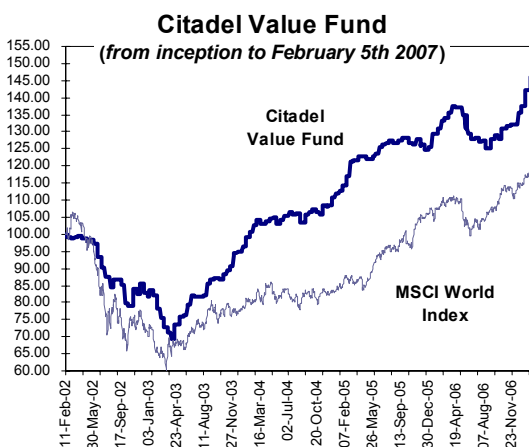


February 2007 Update

NAV/share (05/02/07): EUR 145.98

ISIN code: LU0141953439

website: www.citadelfund.com



Citadel Value Fund Performance
(as of February 5th, 2007)

	Since inception (11/02/02)	3 year	1 year	2007 YTD
Citadel Value Fund	46.0%	45.0%	11.4%	6.2%
MSCI World Index	18.9%	49.9%	10.5%	4.1%

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

Top 10 holdings

Telegraaf Media Groep NV	5.9%
Heineken Holding NV	5.6%
Wegener NV	5.2%
Nedschroef Holding NV	5.0%
Village Super Market Inc.	4.9%
Carclo PLC	4.5%
Bristol-Myers Squibb Co.	4.4%
Grupo Continental SA	4.2%
Signaux Girod SA	3.8%
Natuzzi SpA	3.8%

COMMENTARY

It was a very good begin to the year as many holdings performed well, and two were the subject of take-over interest. The Fund's NAV rose by 6.2% to February 5th. On a since inception basis Citadel is up by 46% which continues to compare favourably to the MSCI World Index (EUR) incl. dividends which rose by 18.9% during the same period.

The big news in January came from **Sasa Industrie** and **Nedschroef** which were both the subject of take-over interest. In the case of Sasa a management/private equity group offered a premium of c.25% although this represents a discount to our intrinsic value estimate. In addition, however, the company is performing better than we first expected, and is therefore worth more. Nor are we alone in thinking this a lean offer. Another Fund has built a 5%+ stake paying up to and more than the offer price. We will keep you informed. Private equity was also involved in Nedschroef. It gave an indicative offer some 25% higher than the pre-bid market price. If this goes through it would be an acceptable but by no means generous price. Whatever the outcomes both companies have already performed well and Citadel is pretty much guaranteed an excellent return on its investments. Finally, **Bristol-Myers Squibb** also shot up in the past month, as strong rumours surfaced that **Sanofi-Aventis** was preparing an offer. Certainly this would make sense given that both companies cooperate on the drug *Plavix*, and synergies would be possible. Bid or no bid, we are quite optimistic about Bristol due to the fact that the impact of generic competition is easing and the odds of a win in the important *Plavix* patent case look good. Furthermore, it is now seeing key new product launches as its impressive pipeline approaches market.

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.