

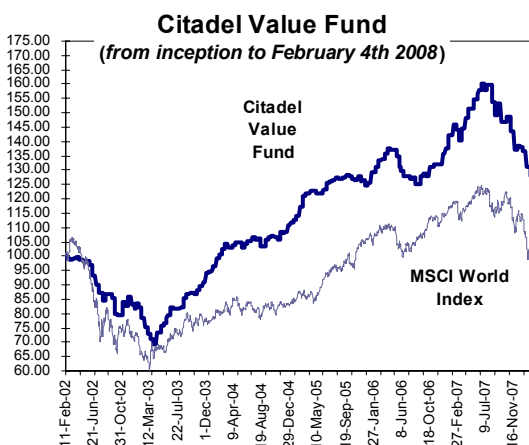


## February 2008 Update

**NAV/share (04/02/08): EUR 128.07**

**ISIN code: LU0141953439**

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



**Citadel Value Fund Performance**  
(as of February 4th, 2008)

	Since inception (11/02/02)	2008 YTD	2007	2006	2005	2004	2003	2002
<b>Citadel Value Fund</b>	28.1%	-6.4%	-0.5%	9.7%	12.0%	17.2%	17.0%	-18.4%
<b>MSCI World Index</b>	4.1%	-7.7%	-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.	5.0%
Daekyo Co. Ltd, preferred	4.5%
Cia Paranaese de Energia, ADR	4.4%
Hanil Cement Co. Ltd.	4.0%
Ozeki Corp. Ltd.	3.9%
SK Telecom, ADR	3.9%
Zwack Unicum	3.7%
Grupo Continental SA	3.7%
GS Home Shopping Inc.	3.7%
Batenburg Beheer NV	3.6%

### COMMENTARY

It was not an easy start to the year as global stock markets plunged. The Fund held up reasonably well under the circumstances versus both the World Index and other global equity funds. Still the NAV was down by 6.4% YTD as of February 4<sup>th</sup>. Since inception the NAV is up by 28.1% vs +4.1% for the Index.

Global stock markets are back at the level of November 2005, erasing more than two years of gains. Going back even further the MSCI World hit this level in January 2002. Periodic but sharp declines are unfortunately par for the course when investing in stocks. The Fund itself has already experienced two such times. In the first period, which extended from Citadel's inception in February 2002 to March 2003 some markets even fell by more than 50%. Then as now worries seemingly overwhelmed investors. All but the very young will not have lived through multiple recessions, periods of high inflation and interest rates, numerous wars, crises and other disasters. Yet stocks have increased in value multi-fold over the decades. Baron Rothschild famously remarked that the time to buy was "when there is blood in the streets". While it may be an exaggeration to say that the blood was running in January, it was not far off. Certainly from our bottom-up perspective the prospect of good returns in stocks has multiplied. In the past six years we have analysed and valued several hundred individual companies (culled for their potential 'value' from the thousands listed). Few on this list appeared to be any more than modestly undervalued even a year ago. At today's prices the number of very undervalued stocks has soared, and we are finding new ones daily. The Fund's cash position is now modest, but we hope to add some further bargains to an already 'deep-value' portfolio.

**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.