

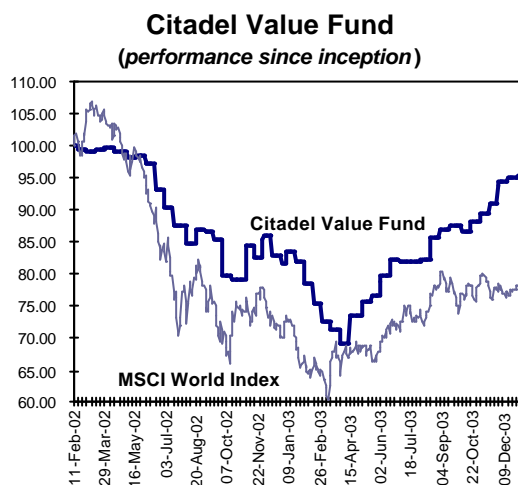


## January 2004 Update

**NAV/share (05/01/04): EUR 96.37**

**ISIN code: LU0141953439**

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



Citadel Value Fund Performance  
(as of January 5, 2004)

	Since inception (11/02/02)	1 year	2002* from 11/02	2003*
<b>Citadel Value Fund</b>	-3.6%	15.2%	-18.4%	17.0%
<b>MSCI World Index</b>	-21.2%	7.3%	-29.9%	11.3%

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

Weetabix Ltd.	9.8%
Springer (Axel) Verlag AG	8.0%
Merck KgaA	7.7%
Tamedia AG	7.1%
Bristol-Myers Squibb	6.5%
Wolters Kluwer NV	4.4%
Wegener NV	4.2%
Aventis SA	4.0%
Colruyt NV	3.8%
Aldeasa SA	3.5%

### COMMENTARY

The Fund had a decent end to the year, rising by 2.1% in the period from Dec. 1<sup>st</sup> to the most recent official NAV on Jan. 5<sup>th</sup> 2004. Most holdings performed well in December and more than compensated for a plunging US\$. In particular, the shares of the Fund's newspaper companies were up as investors appear to be betting on an impending recovery in advertising spending. As of Dec. 31, 2003, the estimated NAV per share was EUR 95.41. During 2003 the Fund was ahead by 17% versus +11.3% for the MSCI World index in the same period.

December was a quiet month for news. One exception to this were several of the Fund's pharma companies which squeezed in regulatory filings for important new product approvals before year-end. **Merck KGaA** saw its *Erbix* cancer treatment – a potential blockbuster product - approved in Switzerland. After much delay and controversy **Bristol-Myers Squibb**, which holds the US rights to the same product, finally filed for approval in the key US market. Remarkably, while criticised not long ago for its anemic product pipeline, many observers are now growing increasingly enthusiastic about Bristol's pipeline. The shares have risen accordingly but still remain well below our estimate of their intrinsic value. Finally, **Aventis** also filed for approval of two new products in the US.

As the new year progresses we will continue to report back to you on a regular basis about developments at the Fund. Best wishes for a happy and prosperous 2004!!

**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.**