

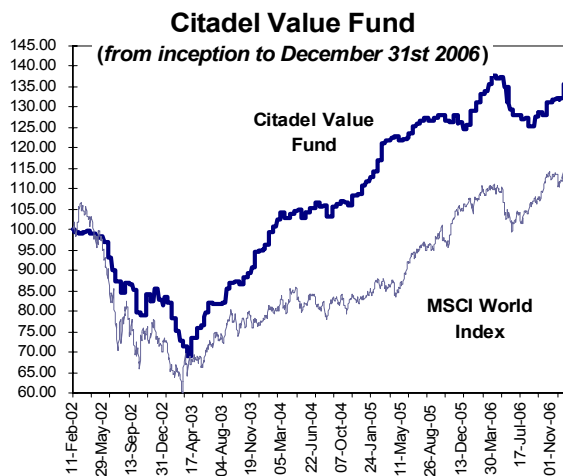


## 2006 Annual Review

**NAV/share (31/12/06): EUR 137.40**

**ISIN code: LU0141953439**

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



**Citadel Value Fund Performance**  
(as of December 31st, 2006)

	Since inception (11/02/02)	3 year	1 year	2006* YTD
<b>Citadel Value Fund</b>	37.4%	44.0%	9.7%	9.7%
<b>MSCI World Index</b>	14.2%	46.3%	7.9%	7.9%

note: MSCI World Index based on total returns (gross dividends) in Euro's  
\* annual returns are based on estimated NAVs at Dec. 31st, 2006 is an official NAV  
source: European Fund Administration, MSCI

### Top 10 holdings

Telegraaf Media Groep NV	6.2%
Heineken Holding NV	5.6%
Village Super Market Inc.	5.3%
Carclo PLC	4.5%
Nedschroef Holding NV	4.4%
Wegener NV	4.4%
Bristol-Myers Squibb Co.	4.3%
Grupo Continental SA	4.2%
Wolters Kluwer NV	3.8%
Batenburg Beheer NV	3.7%

### COMMENTARY

As of the end of December, The Fund's NAV was EUR 137.40 (EUR 125.20 31-Dec-05) representing a gain for 2006 of 9.7%. Global equities, as represented by the MSCI World Index (EUR), rose by 7.9% during the year. Since inception the Fund is ahead by 37.4% while the world index is up by 14.2% in the same period.

As was the case in 2005, the performance in 2006 was concentrated in certain periods. The first quarter was very rewarding with a strong gain as many stocks in the portfolio shot up. The second quarter started well until markets began a sizeable correction in May. Most holdings did reasonably well during the correction and the Fund's performance in this period would have been quite decent were it not for a handful of stocks that dragged it down. As an example, **Wegener** which had seen a c.50% run-up in Q1 on take-over speculation saw this and more disappear in Q2/Q3 as those rumours ebbed. This left the valuation at extremely low levels and we added to the position. The summer and fall were fairly uneventful although we sold several long-standing holdings after their share prices rose. We redeployed the funds into a number of new ideas and boosted the positions in certain existing holdings. In all cases the potential was a lot more than in the companies they replaced. The fourth quarter was strong with a positive December (+4.2%) on the back of a flurry of good company news. As we describe in the recent semi-annual letter to shareholders the portfolio is solid. A number of stakes which were a drag on performance are now seeing positive news and share performance. The Fund ended the year in fine shape and we are optimistic about Citadel's portfolio companies in 2007.

**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.