

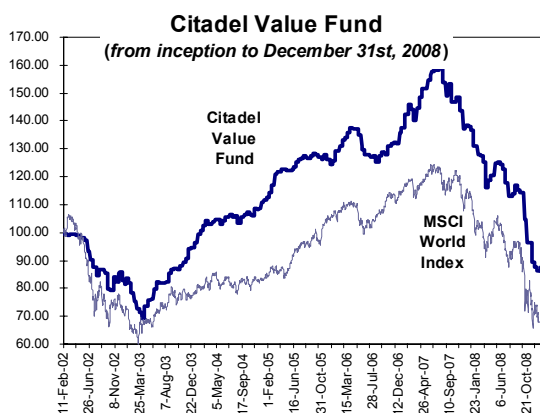


## January 2009 Update

**NAV/share (31/12/08): EUR 87.76 est.**

**ISIN code: LU0141953439**

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



**Citadel Value Fund Performance**  
(as of December 31st, 2008)

	Since inception (11/02/02)	2008	2007	2006	2005	2004	2003	2002
<b>Citadel Value Fund</b>	-12.2%	-35.8%	-0.5%	9.7%	12.0%	17.2%	17.0%	-18.4%
<b>MSCI World Index</b>	-29.2%	-37.2%	-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 Supermarket Inc, A	7.5%
Ozeki Corp. Ltd.	6.5%
SK Telecom, ADR	6.1%
Bristol-Myers Squibb Co.	5.0%
Nongshim Co. Ltd.	4.6%
Grupo Continental SA	4.4%
Batenburg Beheer NV	4.2%
Zwack Unicum	4.2%
Cia Paranaense de Energia, ADR	4.0%
Belgacom NV	4.0%

### COMMENTARY

Citadel ended 2008 down by 35.8% in what was by far the Fund's worst year. Global markets in EUR, as represented by the MSCI World index fell by slightly more (-37.2%). And even this understates the lashing that stocks underwent in 2008; almost all national indices tumbled by 40% with some down by much more, and few sectors or individual stocks escaped the downdraft. In this environment Citadel's portfolio actually did reasonably well – certainly better than the reported return. Currencies, however, didn't cooperate and account for approximately a third of the drop in the NAV. The British pound, the Hungarian forint, the Mexican peso and the South Korean won were the primary culprits whilst the USD and the Japanese yen both rose. In fact, the strength of both these latter currencies, and particularly the USD which is heavily weighted in the index, explains why the MSCI World (EUR) outperformed most individual stock markets. Since inception the Fund's NAV is -12.2% vs. -29.2% for the MSCI World Index.

The beginning of the year has brought new cheer to markets which rallied. Stocks do look cheap as we wrote about in the recent letter to shareholders. Furthermore declines of 40% or more have historically presaged periods of good returns. Whether this will now prove to be the beginning of a durable recovery is the question of the day. Economic tidings and those for individual companies will certainly worsen for months to come which suggests that the recent rise, while warranted in the long-run, may be premature. We continue to rummage through the rubble for quality companies at throw-away prices. We are also actively looking for companies in the portfolio which, while undervalued, could be sold to free up funds for situations which are even more compelling.

**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.**