



July 2004 Update

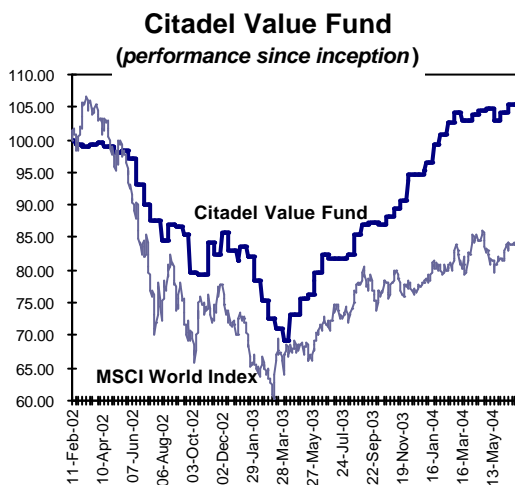
NAV/share (05/07/04): EUR 106.48

ISIN code: LU0141953439

website: www.citadelfund.com

COMMENTARY

In a global market which edged ahead by 0.6% in the past month the Fund rose by 2.2% increasing its relative outperformance.



Citadel Value Fund Performance
(as of July 5th, 2004)

	Since inception (11/02/02)	1 year	2003*	2004* YTD
Citadel Value Fund	6.5%	30.2%	17.0%	11.6%
MSCI World Index	-17.6%	13.8%	11.3%	5.6%

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

Best/worst Performers in June

Carclo PLC	+25.3%
Canadian Natural Resources	+17.8%
Syms Corp.	+16.8%
Colruyt NV	+14.0%
Metall Zug AG	+13.6%
Bristol-Myers Squibb Co.	-4.4%
Southern Energy Homes	-4.0%
Aventis SA	-3.9%
Havas SA	-3.5%
Tamedia AG	-2.8%

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.

There was not a great deal of news from the Fund's holdings in June with the exception of Belgian food retailer **Colruyt**. Colruyt's stock performance since the Fund first invested has been excellent (+122% incl. dividends). And this performance was not unwarranted. The company's results have shown a stunning progression. In its June FY2003 figures after-tax profit soared by 39% and cash flow by 24%. It was particularly impressive that the firm could show a 7% growth in same-store sales in a very difficult retail environment. The company has consistently grown its sales and cash flows at a far faster rate than our own (admittedly conservative) estimates. Consequently, while Citadel invested at a huge discount to Colruyt's estimated intrinsic value, that estimate has proven wildly insufficient. The 'double-whammy' of a shrinking discount, as the scepticism of analysts and investors turns to enthusiasm, and a growing business value is a dream investment. Unsurprisingly, such opportunities are scarce though we remain focused on seeking them out.

Overall valuation levels remain stiff – especially in North America and amongst larger companies. What is true of most stocks, is not true of all, and we have found several new ideas in the past couple of months. The Fund has also continued to add to several existing positions (**Wegener, Havas, Bristol-Myers Squibb, Carclo**) where the potential (i.e. discount to estimated intrinsic value) is very attractive.