

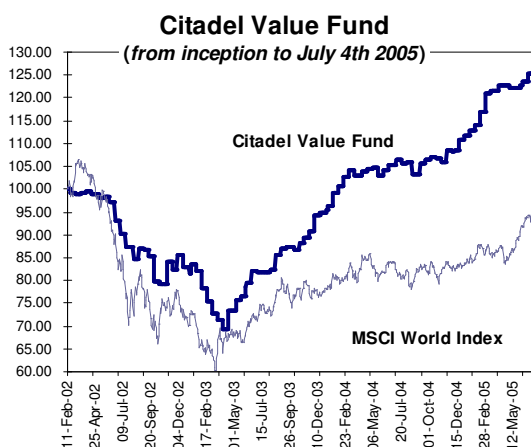


July 2005 Update

NAV/share (04/07/05): EUR 126.15

ISIN code: LU0141953439

website: www.citadelfund.com



Citadel Value Fund Performance
(as of July 4th, 2005)

	Since inception (11.02.02)	3 year	1 year	2005* YTD
Citadel Value Fund	26.2%	39.9%	19.7%	12.9%
MSCI World Index	-5.2%	15.6%	15.0%	13.6%

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 & 2004
source: European Fund Administration, MSCI

Top 10 holdings

Bristol-Myers Squibb Co.	7.1%
Heineken Holding NV	6.7%
Wegener NV	4.8%
Merck & Co.	4.3%
Ultraframe PLC	4.3%
Telegraaf (Holding. NV)	4.3%
Wolters Kluwer NV	4.3%
Carclo PLC	4.3%
Zwack Unicum Rt	4.2%
Molins PLC	3.9%

COMMENTARY

Equity markets rose again in the past month, as did the Fund which was up by just more than 2%. The U\$ continued its resurgence against the Euro which helped propel the global index. This also benefited the Fund although its dollar holdings are smaller than those of the index. On a rolling three year basis, Citadel's performance is approaching +40%, and it is up by 26.2% since inception.

The Fund added a new position in June in Hungarian liquor producer **Zwack Unicum**. Zwack possesses a number of Hungary's strongest local brands, has a pristine balance sheet, and generates exceptional returns on capital. Additionally, the Fund disposed of two other holdings, **OCA** and **Canadian Natural Resources**. Citadel's investment in OCA was thoroughly unsatisfactory. The holding had earlier been scaled back to 0.5% of assets. Recent news from the company of accounting irregularities magnified our concerns about its accounting. In such circumstances it is impossible to make a reasoned judgement about the value of a company, or the risks, and we consequently sold the remaining shares. The investment in Canadian Natural was a happier one, generating a return of +200% on a much larger initial investment. The company has an excellent and growing reserves position, low exploration and production costs, and it is not without regrets that the stake was sold. Canadian Natural could well be worth more than our estimate of intrinsic value. However, that would depend on oil prices remaining high. We are unwilling to speculate on that, and instead aim to put the proceeds to work in another 'deep-value' investment.

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.