

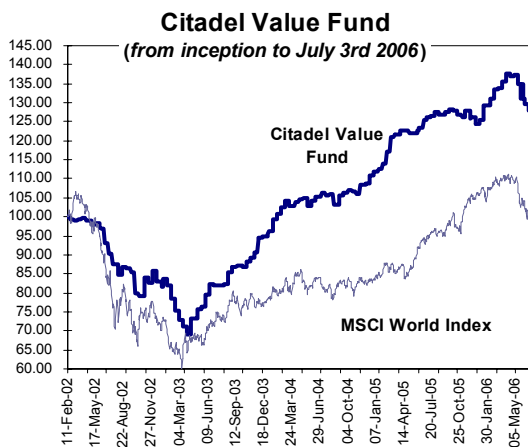


July 2006 Update

NAV/share (03/07/06): EUR 128.09

ISIN code: LU0141953439

website: www.citadelfund.com



Citadel Value Fund Performance
(as of July 3rd, 2006)

| | Since inception (11/02/02) | 3 year | 1 year | 2006* YTD |
|---------------------------|----------------------------|--------|--------|-----------|
| Citadel Value Fund | 28.1% | 56.6% | 2.2% | 2.3% |
| MSCI World Index | 4.3% | 44.0% | 10.6% | -1.4% |

note: MSCI World Index based on total returns (gross dividends) in Euro's
* annual returns are based on estimated NAV as of Dec. 31, 2002/03/04 & 05
source: European Fund Administration, MSCI

Top 10 holdings

| | |
|---------------------------|------|
| Telegraaf Media Groep NV | 7.0% |
| Heineken Holding NV | 5.6% |
| Bristol-Myers Squibb Co. | 4.5% |
| Village Super Market Inc. | 4.2% |
| Nedschroef Holding NV | 4.2% |
| Batenburg Beheer NV | 4.0% |
| Lambert Howarth PLC | 3.9% |
| Wegener NV | 3.8% |
| Grupo Continental SA | 3.7% |
| Wolters Kluwer NV | 3.4% |

COMMENTARY

The past month saw markets see-saw with sizeable moves downwards in the first couple of weeks, and a jump upwards towards month-end. Citadel ended the period with the performance since inception at +28.1%. By way of comparison, since the Fund's inception the MSCI World Index is up marginally (+4.1%).

The saga round the take-over bid for **Ultraframe** continued. While the 30p offer is extremely meagre, astonishingly an overwhelming majority of shareholders have accepted it. Barring unforeseen surprises therefore the transaction looks like it will be consummated. Immediately after the NAV date the Florida Supreme Court turned aside one of the last remaining large suits against **Altria**. The stock jumped sharply as the litigation outlook continues to clear. The long-awaited break-up of the company is closer than ever - which we think is apt to bring about a further re-rating in the shares. **Bristol-Myers** is showing further signs of a turn-around as its R&D pipeline reaches maturity. The FDA reacted positively to two new important medicines, and they will likely be on the market shortly.

During the month, the Fund added to its position in **Grupo Continental**, a leading Coca-Cola bottler in Mexico. Contal, as it is known, is a superb business with extraordinary returns, and an abundant cash flow. The stock had stood still for the past couple of years (partly due to an extraordinarily high dividend payout) as sales growth stabilised after years of strong growth. We think the firm's outlook is better than ever, and consequently jumped at the opportunity to boost the Fund's holding during the recent correction.

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.