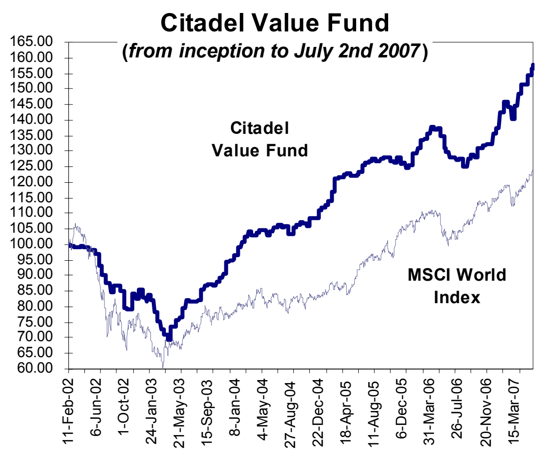
July 2007 Update

NAV/share (02/07/07): EUR 158.06
ISIN code: LU0141953439
website: www.citadelfund.com



Citadel Value Fund Performance
(as of July 2nd, 2007)

	Since inception (11/02/02)	5 year	3 year	1 year	2007 YTD
Citadel Value Fund	58.1%	75.2%	49.9%	23.5%	15.0%
MSCI World Index	22.1%	48.9%	48.0%	17.6%	6.9%

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

Heineken Holding NV	5.0%
Cia Paranaese de Energia ADR	4.5%
Village Super Market Inc.	4.1%
Telegraaf Media Groep NV	4.1%
Carclo PLC	3.9%
SK Telecom ADR	3.8%
Zwack Unicum	3.8%
Bristol-Myers Squibb Co.	3.6%
Nongshim Co. Ltd.	3.6%
Molins PLC	3.3%

COMMENTARY

Citadel's NAV per share was virtually unchanged since the NAV on the 4th of June. The year-to-date performance is +15.0%. Since inception Citadel is up by 58.1% while the MSCI World Index is up by 22.1%.

There were a couple of items of interest in the past month. The first was the announced acquisition of SBS Broadcasting by German broadcaster ProSieben to create a huge European television group. This was relevant to two newspaper companies in the portfolio; **Axel Springer** and **Telegraaf**. Telegraaf has agreed to tender its 20% stake in SBS realising a huge profit on its investment. The proceeds are equivalent to roughly a third of the company's market value, and highlight the undervaluation of its core activities. It also received an option to purchase a 6% stake (12% voting) in ProSieben in one year's time for just more than it is now receiving. For Axel Springer, as owner of 12% of ProSieben, the transaction looks like a decent one. This 12% stake (at the Telegraaf's option price) is worth some 20% of its stock price. Backing that out, the company seems to be modestly valued although a series of sizeable acquisitions at stiff prices is making us cautious. **Bristol-Myers Squibb** saw some very good news as it won the long-running patent case on *Plavix*. Barring an upset during an appeal this means that the company's most important product will be free from generic competition until 2011. As a result investors are now finally focusing on the company's impressive new product pipeline. Additionally speculation is heating up about a bid from its *Plavix* partner, Sanofi-Aventis, or another pharma firm. After years of stagnation the stock is performing well and the discount to (our estimate of) intrinsic value is narrowing.