



July 2009 Update

NAV/share (06/07/09): EUR 101.12

ISIN code: LU0141953439

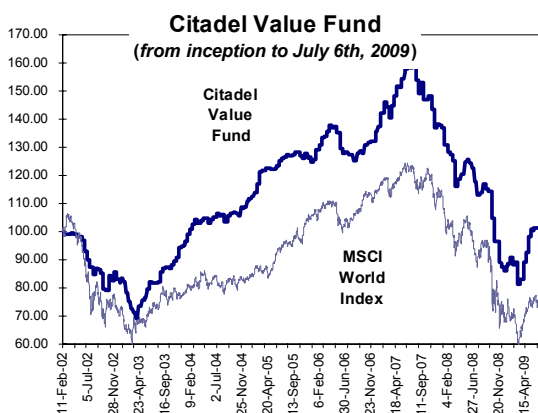
website: www.citadelfund.com

COMMENTARY

June was relatively uneventful and the Fund's NAV ended the period more or less where it began although markets slipped slightly. Year-to-Date Citadel is up by 15.2% and the MSCI World Index by 4.1%. Since inception the Fund's performance is +1.1% while that of the index is -26.3%.

It was a quiet period for most of the companies in the portfolio with few results or noteworthy news. We wrote in an earlier letter about **Clinton Cards** placing its *Birthday's* chain into administration and suggested the company would seek to buy back the better performing stores. It did in fact do just that and picked up 196 profitable stores (out of 332) for a cash cost of only £0.25m. As these stores have an EBIT of £2.7m this has an immediate and positive impact on the company's earnings and cash flow. Ultimately the entire exercise allowed Clinton to restructure its poor performers at virtually no cost while carrying on business with both the Birthday's brand and the remaining healthy stores. The only other news of any significance was the announcement by **Village Super Market** that it would again raise its quarterly dividend (after numerous increases in past years).

Most companies will shortly begin announcing first half results and these are unlikely to be pretty. This is also also true for several of the firms in Citadel's portfolio although, as we touched on in the recent annual letter to shareholders, the majority of the Fund's companies are actually doing quite well. The valuation of the portfolio remains extremely attractive at 4.3X EBIT.



Citadel Value Fund Performance
(as of July 6th, 2009)

	Since inception (11/02/02)	2009 YTD	2008	2007	2006	2005	2004	2003	2002
Citadel Value Fund	1.1%	15.2%	-35.6%	-0.5%	9.7%	12.0%	17.2%	17.0%	-18.4%
MSCI World Index	-26.3%	4.1%	-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

Ozeki Corp. Ltd.	6.1%
Cia Paranaense de Energia, ADR	4.8%
SK Telecom, ADR	4.8%
Zwack Unicum	4.6%
Grupo Continental SA	4.5%
GS Home Shopping	4.4%
Village Super Market Inc, A	4.2%
Bristol-Myers Squibb Co.	3.9%
Nongshim Co.	3.9%
Signaux Girod SA	3.5%

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.