

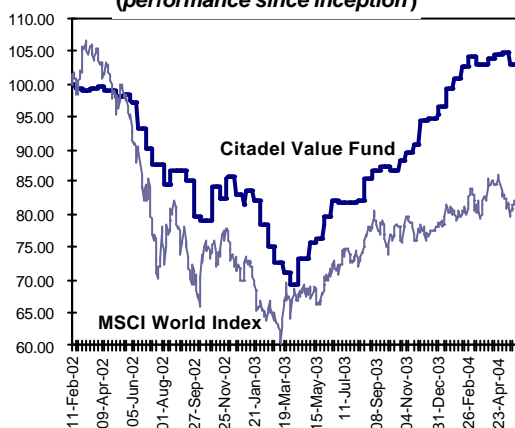
June 2004 Update

NAV/share (31/05/04): EUR 104.14

ISIN code: LU0141953439

website: www.citadelfund.com

Citadel Value Fund
(performance since inception)



Citadel Value Fund Performance
(as of May 31st, 2004)

	Since inception (11/02/02)	1 year	2003*	2004* YTD
Citadel Value Fund	4.1%	32.4%	17.0%	9.1%
MSCI World Index	-18.1%	19.6%	11.3%	5.0%

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

Top/bottom Performers in May

API Group PLC	+11.3%
Nedschroef Holding NV	+5.6%
Syms Corp.	+5.6%
Merck KgaA	+4.7%
Grosch NV	+4.1%
Altria Group Inc.	-14.9%
Brunel Intl. NV	-11.1%
Grupo Continental	-10.4%
Canadian Natural Resources	-8.2%
Havas SA	-7.7%

COMMENTARY

The Fund ended its financial year on May 31st, and was up by 32.4% after all fees and expenses vs. a year ago. This compares to +19.6% for the MSCI World Index.

The best and worst performers over the last month can be seen in the accompanying table. We hasten to add that this has little analytical value as one month's gainers are often another month's losers. A month is a much too short period anyhow to gauge performance. All the same, one company is worthy of mention. **Altria** (2.2% of assets) was once again in the headlines which resulted in a sharp price fall. First, the Florida supreme court decided to accept the appeal of the Engle case which was dismissed last year. On the face of it this was not good news. However, most experts suggest that the court is more interested in reviewing a technical point than the judgement as such. Another court dismissed the industry's motion to set aside a huge claim prior to trial in the US federal government suit. While disappointing, this decision in no way undermines the chances of victory in that trial. Despite these setbacks we are convinced that the litigation environment in the US has improved dramatically. This auger's well for Altria in the coming years, and therefore for Citadel.

Despite generally high valuations, we see some opportunities to add to long-standing and recent holdings. Boosting deeply undervalued positions obviously increases the discount to estimated intrinsic value for the whole portfolio. This is very welcome as many existing stakes have seen their undervaluation diminish with rising prices.

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.