



June 2005 Update

NAV/share (06/06/05): EUR 123.50

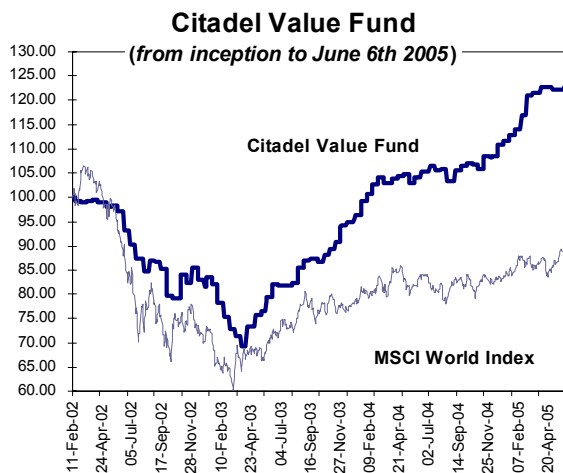
ISIN code: LU0141953439

website: www.citadelfund.com

COMMENTARY

The Fund's NAV rose modestly in the past month as stock markets moved upwards. The weak US dollar, which has consistently hurt the Fund's performance since inception, strengthened markedly. Whether this is anything more than a temporary uplift remains to be seen. The Fund has a fairly modest dollar exposure (c. 19%), but many of the European companies held in the portfolio derive a large portion of their income in dollars. A stronger dollar is therefore positive for the Fund. However, regardless of currency movements, the Fund will stick to the value-driven stock picking which has, since inception, served it well. Citadel's performance, on a 3 year basis, is now +27.2%, and it is ahead by 23.5% since inception.

The Fund was quite active in May, adding to positions in several portfolio holdings including **Ultraframe**, **Telegraaf** and **Carclo**. As a result the composition of the top holdings changed somewhat. Smaller, but cheaply valued, stakes were added to and grew in importance relative to other stakes whose potential was less and which didn't merit further purchases. The operating performance of Ultraframe continues to be weak and we expect little improvement in the short-term. Longer-term, we are rather more optimistic. We therefore consider it to be very good news that Citadel was able to add to its stake at what we think were 'bargain basement' levels. The most significant company news came from **Altria** which successfully rounded off its \$5.2bn acquisition in Indonesia. Together with fresh comments that management will consider a breakup, and positive developments in one of three key cases in the US, the company's short-term outlook is rosier than it has been for years.



Citadel Value Fund Performance
(as of June 6th, 2005)

	Since inception (11/02/02)	3 year	1 year	2005* YTD
Citadel Value Fund	23.5%	27.2%	18.6%	10.5%
MSCI World Index	-8.3%	-0.7%	12.1%	10.0%

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 & 2004

source: European Fund Administration, MSCI

Top 10 holdings

Bristol-Myers Squibb Co.	7.3%
Heineken Holding NV	7.0%
Wegener NV	5.2%
Merck & Co.	4.5%
Ultraframe PLC	4.4%
Telegraaf (Holding. NV)	4.3%
Molins PLC	4.1%
Wolters Kluwer NV	4.0%
Nedschroef Holding NV	3.8%
Batenburg Beheer NV	3.6%

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.