



June 2007 Update

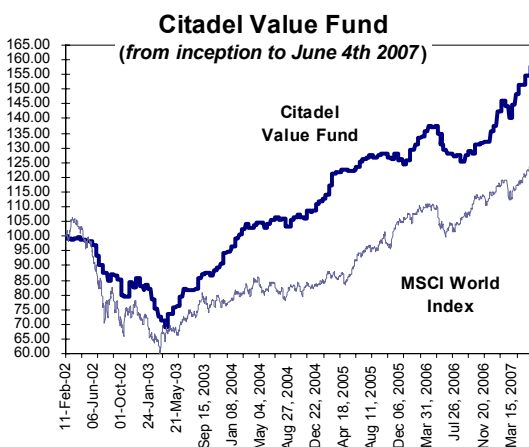
NAV/share (04/06/07): EUR 157.94

ISIN code: LU0141953439

website: www.citadelfund.com

COMMENTARY

May was a good month and Citadel's NAV per share rose by 4.3% bringing the year-to-date performance to +14.9%. Since inception the Fund's performance is +57.9% while the MSCI World Index is up by 24.2%.



Citadel Value Fund Performance
(as of June 4th, 2007)

| | Since inception (11/02/02) | 5 year | 3 year | 1 year | 2007 YTD |
|---------------------------|----------------------------|--------|--------|--------|----------|
| Citadel Value Fund | 57.9% | 62.7% | 51.7% | 20.6% | 14.9% |
| MSCI World Index | 24.2% | 34.3% | 51.7% | 19.1% | 8.8% |

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 | 4.9% |
| Telegraaf Media Groep NV | 4.3% |
| Cia Paranaese de Energia ADR | 4.0% |
| Carclo PLC | 3.9% |
| Village Super Market Inc. | 3.9% |
| SK Telecom ADR | 3.8% |
| Bristol-Myers Squibb Co. | 3.5% |
| Nongshim Co. Ltd. | 3.4% |
| Molins PLC | 3.4% |
| Batenburg Beheer NV | 3.4% |

The major piece of news in the past month was the highly anticipated take-over offer for **Wegener** by a UK newspaper group. The offer price of EUR 17.70 cash or c.18 in stock was modestly higher than the share price (which had already moved higher on the rumours and good company news). It was also in line with our admittedly conservative estimate of intrinsic value. As we had no interest in stock of the acquiring party, and Wegener's share price had climbed well past the cash offer, we decided to sell in the market. The investment is a good example of why we always try to focus on a company's intrinsic value and not the stock price. The share price swings in the past year or so have been stomach churning, to put it mildly. After jumping to a level of more than 15 last May, they plummeted to less than 9 in August before rising again to around 16 just before the bid. Including dividends the stake generated a return of 125%. Other noteworthy events in May consisted of a large acquisition by Swiss newspaper firm **Tamedia**. At first glance the acquisition appears to be an excellent fit, albeit at a fairly stiff price. Q1 results from the Fund's holding in the ADRs of Brazilian utility **Comphania Paranaense de Energia** (or COPEL for the non-Portuguese speaker) were very good. The last couple of quarters have seen renewed growth in electricity demand and strong rises in EBIT. COPEL's stock has risen steadily as the low valuation and positive earnings announcements appear to be attracting some attention.

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.