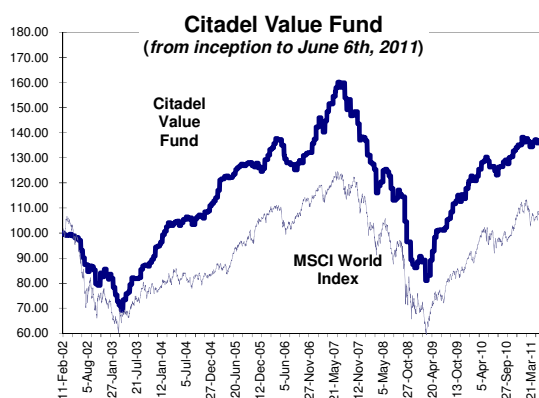


## June 2011 Update

**NAV/share (06/06/11): EUR 132.89**

**ISIN code: LU0141953439**

**website: [www.citadelfund.com](http://www.citadelfund.com)**



**Citadel Value Fund Performance**  
(as of June 6th, 2011)

	Citadel Value Fund	MSCI World Index	+/- vs. index
Since inception	32.9%	2.8%	30.1%
YTD	-1.5%	-4.7%	3.1%
2010	12.9%	20.1%	-7.2%
2009	36.2%	26.7%	9.5%
2008	-35.8%	-37.2%	1.4%
2007	-0.5%	-1.2%	0.7%
2006	9.7%	7.9%	1.8%
2005	12.0%	26.8%	-14.8%
2004	17.2%	6.9%	10.2%
2003	17.0%	11.3%	5.7%
2002	-18.4%	-29.9%	11.5%

notes: MSCI World Index is in EUR and includes gross (pre-tax) dividends annual returns based on Citadel's estimated NAV as of Dec. 31st  
source: European Fund Administration, MSCI Barra

### Top 10 holdings

GS Home Shopping	6.9%
Tessi SA	4.7%
Aeropostale, Inc.	4.0%
SK Telecom, ADR	4.0%
BAE Systems PLC	4.0%
Nongshim Holdings	3.6%
Pronexus	3.4%
Zehnder Group AG	3.4%
Bristol-Myers Squibb Co.	3.1%
Dewhurst PLC –A-	3.1%

**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.

### COMMENTARY

After rising somewhat in the first half of May, stock prices started to erode in the last two weeks of the month and this continued into June. Since the last update the Fund's NAV slipped by 2.3% and the year-to-date performance is, as a result, slightly negative at -1.5%. On a since inception basis Citadel's performance is +32.9%. During the same period the MSCI Index (in EUR, incl. pre-tax dividends) generated a return of +2.8%.

In terms of developments at the portfolio companies it was a bit of a mixed bag. US clothing retailer **Aéropostale** had a poor Q1 as it was forced to clear out inventory at sizeable mark-downs. Management seems confident these problems will be cleared up by the Fall. Meanwhile profitability, returns and cash flow remain very high and the firm is plowing much of its free cash into buying its own deeply undervalued stock. **Dewhurst**, the UK lift components maker, also saw profits dip, albeit modestly (-7% in H1). This was probably inevitable given that profits rose by 35% during the crisis and the weak UK economy was bound to restrain them at some point. In contrast economic developments helped Dutch firm **Reesink** in Q1 as strong sales of agricultural machinery led EBIT to surge by 58%. In South Korea there was some good news due to higher cement (**Hanil Cement**) and snack (**Nongshim/Nongshim Holding**) prices. For Hanil in particular - which has seen margins slashed in the past couple of years due to abnormally weak pricing and higher costs - this should lead to a major rebound in profitability. For Nongshim the impact will be less dramatic but nevertheless positive. It may however signal that ramen (noodle) prices will be hiked later this year which would have a huge impact on margins seeing as how ramen constitutes roughly 2/3rds of sales.