

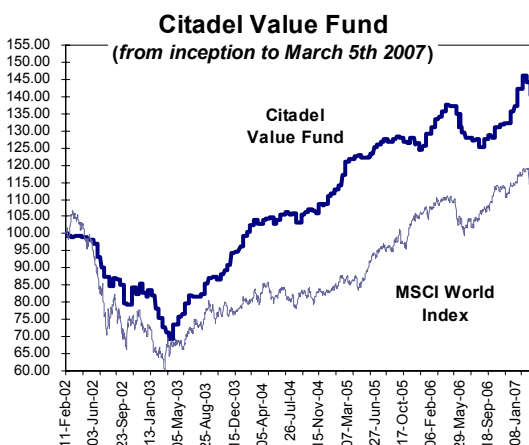


March 2007 Update

NAV/share (05/03/07): EUR 140.27

ISIN code: LU0141953439

website: www.citadelfund.com



Citadel Value Fund Performance
(as of March 5th, 2007)

	Since inception (11/02/02)	5 year	3 year	1 year	2007 YTD
Citadel Value Fund	40.3%	41.8%	34.6%	4.7%	2.1%
MSCI World Index	12.4%	7.0%	35.5%	3.7%	-1.5%

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

Telegraaf Media Groep NV	6.0%
Heineken Holding NV	5.4%
Nedschroef Holding NV	5.2%
Wegener NV	5.0%
Village Super Market Inc.	4.8%
Carclo PLC	4.7%
Bristol-Myers Squibb Co.	4.1%
Grupo Continental SA	4.0%
Molins PLC	3.9%
Signaux Girod SA	3.7%

COMMENTARY

Global markets underwent a stiff correction in the last week of the month and this carried on into March. The down-turn left few stocks unscathed and the Fund was down by 3.9% to March 5th but is still up by 2.1% this year. Since inception, (a period that is just more than 5 years now), Citadel rose by 40.3% versus +12.4% for the MSCI World.

While share prices fell, the month was actually very good in terms of the news it brought from portfolio companies. Almost half the Fund's holdings presented results, and these were virtually all quite pleasing. Even good news, however, was not enough in many cases to push share prices higher, even though valuations were modest or downright low. **Heineken** is a case in point. Its shares sank in February despite reporting sales up by 7%, EBIT by c.11% and the dividend by 50%. Profits in 2007 should grow by 10-13%. With the company growing its value at a good clip, and with the shares valued at up to 50% less than multiples commonly paid in industry transactions (of which there have been many) we remain enthusiastic about the stock's potential. **Wolters Kluwer** saw an acceleration in its sales growth and results are almost certain to improve substantially again in 2007. Two stocks that did rise after releasing good results were **Land America Financial** and **Molins**. The latter's stock surged as the company reported a rise in profits, excellent cash generation, and a sharp fall in debt and the pension liability. In an earlier update we noted how the stock price did not adequately reflect ongoing improvements (after divesting a loss-making unit). That now appears to be changing after another piece of positive fundamental news, although the discount to estimated intrinsic value remains huge.

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.