



March 2009 Update

NAV/share (02/03/09): EUR 81.11

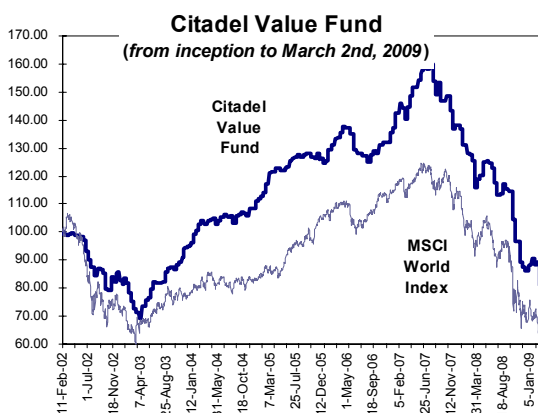
ISIN code: LU0141953439

website: www.citadelfund.com

COMMENTARY

The last two weeks of February and the beginning of March saw stocks slide sharply and Citadel with it. Year-to-Date the Fund's performance is -7.6% vs. -13.9% for the MSCI World Index. Since inception the Fund's performance is -18.9% and the Index -39.1%.

The fear and uncertainty about how long and deep this current recession will be has led stocks to fall almost indiscriminately. In contrast, as you know, we are extremely discriminate in selecting stocks for the portfolio. This has unfortunately not prevented a painful markdown. It has, however, resulted in a portfolio where the risk of permanent capital loss is very low (due to healthy balance sheets, sustainable business models & reasonably resilient profits + low valuations) and where the appreciation potential is very high. In the last couple of months we have reported on how Citadel's companies are coping rather well at a time when profits at many firms are collapsing. This was also the case in the past month. German media group **Axel Springer** reported record earnings with a rise in sales and EBITDA and a 10% higher dividend. Professional publisher **Wolters Kluwer** demonstrated its defensive character with a small rise in EBIT. Dutch brewer **Heineken** saw underlying EBIT rise by 11%. Educational publisher **Daekyo** disappointed with a fall in EBIT although it forecasts a strong rise in 2009 and trades at only 3/4 of its net cash & investments. Finally, the EBIT at packaging and tobacco machinery producer **Molins** fell, but not unduly hard, and it is valued at less than 2X EBIT. Despite reasonable figures and outlooks these stocks all fell. Sentiment in the stock market *will* eventually change and when it does strong profits, healthy balance sheets and low valuations will again count, where today they seemingly do not.



Citadel Value Fund Performance
(as of March 2nd, 2009)

| | Since inception (11/02/02) | 2009 YTD | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---------------------------|----------------------------|----------|--------|-------|------|-------|-------|-------|--------|
| Citadel Value Fund | -18.9% | -7.6% | -35.6% | -0.5% | 9.7% | 12.0% | 17.2% | 17.0% | -18.4% |
| MSCI World Index | -39.1% | -13.9% | -37.2% | -1.2% | 7.9% | 26.8% | 6.9% | 11.3% | -29.9% |

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

| | |
|--------------------------------|------|
| Ozeki Corp. Ltd. | 7.4% |
| Village Supermarket Inc, A | 5.5% |
| SK Telecom, ADR | 5.3% |
| Bristol-Myers Squibb Co. | 4.7% |
| Grupo Continental SA | 4.5% |
| Signaux Girod SA | 4.5% |
| Zwack Unicum | 4.3% |
| Batenburg Beheer NV | 4.3% |
| Cia Paranaense de Energia, ADR | 4.2% |
| Nongshim Co. | 4.1% |

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.