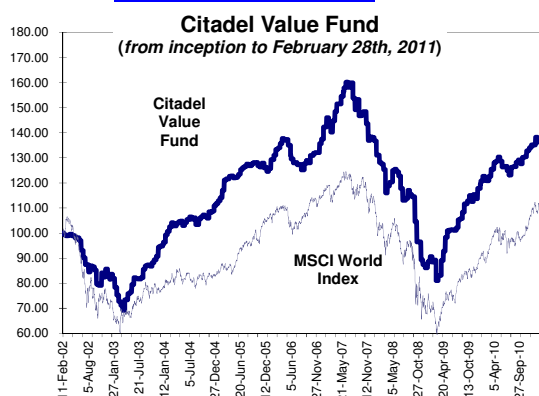


## March 2011 Update

**NAV/share (28/02/11): EUR 136.57**

**ISIN code: LU0141953439**

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



### Citadel Value Fund Performance

(as of February 28th, 2011)

|                 | Citadel Value Fund | MSCI World Index | +/- vs. index |
|-----------------|--------------------|------------------|---------------|
| Since inception | 36.6%              | 10.9%            | 25.7%         |
| YTD             | 1.2%               | 2.9%             | -1.7%         |
| 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         | 5.7% |
| Grupo Continental SA     | 4.8% |
| Aeropostale, Inc.        | 4.6% |
| BAE Systems PLC          | 4.1% |
| SK Telecom, ADR          | 4.0% |
| Pronexus                 | 3.9% |
| Toyota Industries        | 3.6% |
| Bristol-Myers Squibb Co. | 3.2% |
| Signaux Girod SA         | 3.2% |
| 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

February was a volatile although ultimately uneventful period as Citadel ended the month virtually unchanged. Year-to-date the NAV is up by 1.2%. Since inception the performance is +36.6% and that of the MSCI World Index (in EUR incl. pre-tax dividends) is +10.9%.

Although the NAV changed little there was a raft of news including results from almost half of the companies in the portfolio. Our Hungarian drinks producer **Zwack** and South Korean firm **Hanil Cement** both had weak results. Awaiting a recovery it is worthwhile to note that both companies are profitable, paying dividends and have large net cash positions (in Hanil's case roughly equivalent to the share price). Apart from these two firms results were uniformly good. One of the most positive surprises was from Japanese convenience store chain **CircleK Sunkus** where same-store sales rose again after a couple years of decline and 9M EBIT jumped by 24%. On this pace annual results will be far ahead of our assumptions and our value estimate appears increasingly conservative as a result. Spanish TV network **Telecinco**, despite a weak economy, saw profits recover sharply (up 79%). In this case as well we had assumed less. **Reesink**, active in agricultural machinery, tools and other industrial goods, was another beneficiary of improving fortunes with a marked increase in EBIT as well as the finalisation of an important JV of its distribution activities. Brewer **Heineken Holding** and professional publisher **Wolters Kluwer** put in a solid performance with more of the same expected this year. Our intrinsic value estimates for the portfolio companies look very solid, if not somewhat cautious. Certainly the overall portfolio valuation of a very modest 5.3X 2010 EBIT would justify substantially higher share prices for these holdings.