

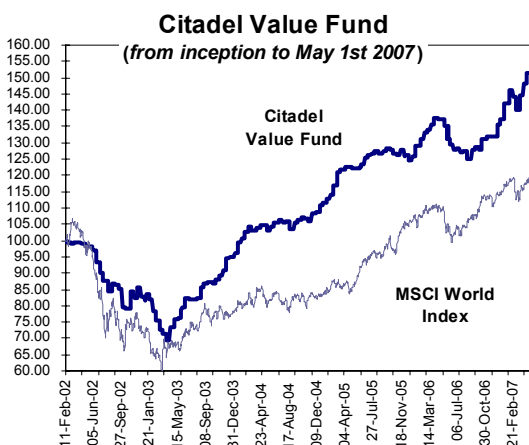


May 2007 Update

NAV/share (01/05/07): EUR 151.46

ISIN code: LU0141953439

website: www.citadelfund.com



Citadel Value Fund Performance
(as of May 1st, 2007)

| | Since inception (11/02/02) | 5 year | 3 year | 1 year | 2007 YTD |
|---------------------------|----------------------------|--------|--------|--------|----------|
| Citadel Value Fund | 51.5% | 53.1% | 44.5% | 10.3% | 10.2% |
| MSCI World Index | 18.5% | 20.2% | 42.2% | 8.8% | 3.8% |

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

| | |
|---------------------------|------|
| Wegener NV | 5.6% |
| Heineken Holding NV | 5.1% |
| Nedschroef Holding NV | 4.8% |
| Telegraaf Media Groep NV | 4.6% |
| Carclo PLC | 4.4% |
| Village Super Market Inc. | 4.3% |
| SK Telecom ADS | 4.1% |
| Molins PLC | 3.8% |
| Bristol-Myers Squibb Co. | 3.7% |
| Batenburg Beheer NV | 3.7% |

COMMENTARY

During the past month Citadel's NAV per share rose by 2.1% bringing the year-to-date performance to +10.2%. Since inception the Fund is ahead by 51.5% which compares with the World market's (MSCI World) +18.5%.

It was a reasonably quiet month for news although a number of holdings reported results. One significant non-results related announcement came from **Pioneer Natural Resources**, the US oil & gas firm, which said that it would bring several oil & gas properties into two partnerships and list those on the market. The thinking behind this is that the stock market is placing a markedly higher per barrel valuation on these sort of oil & gas partnerships than it is on Pioneer itself. The transaction highlights the value we see in the company, and the shares soared after the news. In the UK greeting card shops company **Clinton Cards** released results. These showed same-store sales growth at both its major chains for the first time in a while. Encouragingly this suggests that an earnings recovery is underway, after a couple of difficult years. Recently Citadel made its first investment in Asia. The Fund purchased shares of South Korean mobile telephone giant **SK Telecom** which holds a market share of more than 50% in a large and rather sophisticated market. Even though margins and returns are very high, and the business throws off major amounts of cash, the company's valuation is one of the lowest in the world in its sector – a sector not known for extremely demanding multiples. Q1 results were quite good and the shares advanced. There appears to be some realisation that market fears (reflected in the low valuation) of a marketing war are overdone. With a general paucity of bargains to be had, it is pleasing to add a sizeable new stake to the portfolio.

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.