

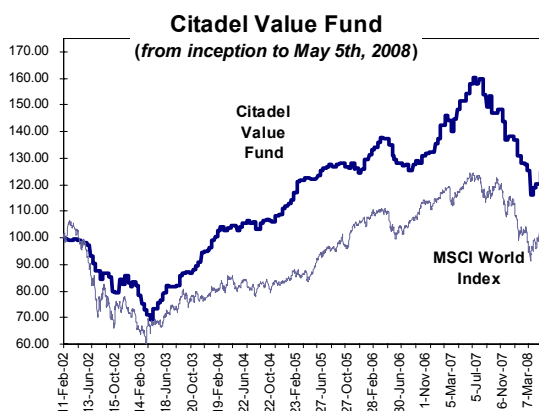


## May 2008 Update

**NAV/share (05/05/08): EUR 124.99**

**ISIN code: LU0141953439**

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



**Citadel Value Fund Performance**  
(as of May 5th, 2008)

	Since inception (11/02/02)	2008 YTD	2007	2006	2005	2004	2003	2002
<b>Citadel Value Fund</b>	25.0%	-8.6%	-0.5%	9.7%	12.0%	17.2%	17.0%	-18.4%
<b>MSCI World Index</b>	3.7%	-8.1%	-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

Cia Paranaese de Energia, ADR	5.2%
SK Telecom, ADR	4.6%
Batenburg Beheer NV	4.2%
Grupo Continental SA	4.2%
Signaux Girod SA	4.1%
Zwack Unicum	3.9%
Daekyo Co. Ltd, preferred	3.8%
GS Home Shopping	3.7%
Ozeki Corp. Ltd.	3.7%
Village Super Market Inc.	3.6%

### COMMENTARY

In April markets more than recouped their March losses. The Fund's NAV rose by 5.2%, a welcome recovery after a couple of difficult months. YTD the Fund is down by 8.6% while the MSCI World Index fell by 8.1%. Since inception Citadel's performance stands at +25.0% vs. +3.7% for the Index.

In previous monthly updates we have argued that the disconnect between share prices and fundamentals of companies becomes very clear during times of seemingly indiscriminate stock selling. One way of looking at this disconnect is a company's dividend yield, or the ratio between the dividend a company is paying and its share price. Since the April / May period is dividend paying time for many companies, we wanted to share with you a sample of the good dividend news, all presented pre-tax: **Batenburg Beheer** returned EUR 2.40, which implies a current yield of some 4.9%; **Clinton Cards** declared a total 2007 dividend of 2.36 pence, yielding 4.3%; **Johnston Press**, returned a total of 10 pence over 2007, currently yielding 7.2%; **Copel**, the Brazilian hydro utility paid out 1,027 Real, yielding 3.6%; **Contal**, the Mexican Coca Cola bottler paid out 1,25 pesos, yielding 4.5%. All of these companies have current dividend yields that are higher than bank account interest rates, and we expect each of them to grow their dividends. Of course not all companies in the portfolio have high dividend yields, but with a yield of more than 3% we believe the portfolio's yield is very attractive. Sometimes it's tough to remain positive among so much macro-related negativism, but we find it hard to suppress our enthusiasm in view of these dividends. What makes us really happy is tangible proof of shareholder return !

**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.**