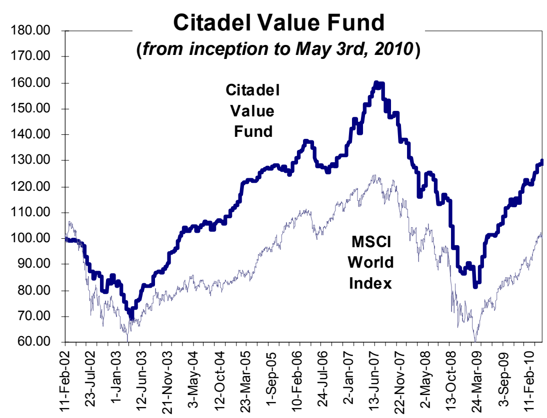
May 2010 Update

NAV/share (03/05/10): EUR 130.33
ISIN code: LU0141953439
website: www.citadelfund.com



Citadel Value Fund Performance
(as of May 3rd, 2010)

	Since inception (11/02/02)	2010 YTD	2009	2008	2007	2006	2005	2004	2003	2002
Citadel Value Fund	30.3%	9.0%	36.2%	-35.8%	-0.5%	9.7%	12.0%	17.2%	17.0%	-18.4%
MSCI World Index	1.4%	13.0%	26.7%	-37.2%	-1.2%	7.9%	26.8%	6.9%	11.3%	-29.9%
+/- vs. index	28.9%	-4.0%	9.5%	1.4%	0.7%	1.8%	-14.8%	10.2%	5.7%	11.5%

note: MSCI World Index based on total returns (gross dividends excl. tax) in Euro's
* annual returns are based on Citadel's estimated NAV as of Dec. 31st, out/underperformance figures may differ due to rounding
source: European Fund Administration, MSCI

Top 10 holdings

SK Telecom, ADR	5.8%
Cia Paranaense de Energia, ADR	5.7%
Grupo Continental SA	5.1%
Zwack Unicum	4.7%
GS Home Shopping	4.6%
Bristol-Myers Squibb Co.	4.0%
Clinton Cards PLC	3.9%
Signaux Girod SA	3.7%
Nongshim Co.	3.4%
Village Super Market Inc.	3.1%

COMMENTARY

During the past month the Fund's NAV rose bringing the Year-To-Date performance to +9.0%. Citadel is up by 30.3% since inception while the MSCI World Index rose 1.4%.

The first Q1 results are now dribbling in, providing an initial insight into how companies in the portfolio are faring this year. Of the 8 reporting, almost all saw profits rise, although this compares to the admittedly difficult 1Q09. **SK Telecom's** quarterly profits dipped slightly due to high marketing costs. However this should reverse soon as marketing is throttled back. Sales, profits and cash flows are apt to grow nicely this year. The company remains one of the most undervalued in the portfolio with a dividend yield of c. 5% while trading at less than 4.5X EBIT. One of the most startingly good reports was from German newspaper group **Axel Springer** where EBITDA surged by 48% and sales by 7%. It upgraded its forecast for the year, and held its dividend steady - it now yields more than 5%. Our US pharma firm **Bristol-Myers Squibb** reported 11% higher sales as a number of key products performed well. EBIT rose by 21% due to a combination of tight cost controls and strong sales. It yields 5.1% and trades at 8.4X 2009 EBIT – a modest multiple for a company with after-tax returns of more than 25% and robust cash generation. Finally, while it didn't give any sales or profit indications, hydro-electric utility **Copel** published Q1 electricity volumes. These were up a whopping 8.2% - always a positive sign for future results. Most portfolio companies in the portfolio didn't suffer excessively during the credit crunch and are now making up for lost ground. Stock prices are up substantially. Neverthless, taken as group the portfolio is still very cheap – with a trailing EBIT multiple of a mere 5.1X and a dividend yield of 3.7%.