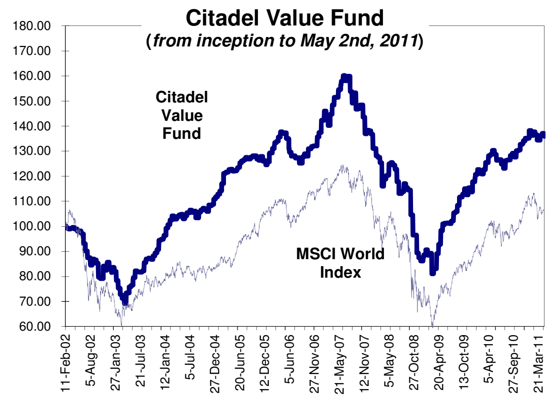
May 2011 Update

NAV/share (02/05/11): EUR 135.92
ISIN code: LU0141953439
website: www.citadelfund.com



Citadel Value Fund Performance
(as of May 2nd, 2011)

	Citadel Value Fund	MSCI World Index	+/- vs. index
Since inception	35.9%	6.5%	29.4%
YTD	0.7%	-1.2%	1.9%
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	6.6%
Tessi SA	4.4%
Aeropostale, Inc.	4.2%
SK Telecom, ADR	4.1%
BAE Systems PLC	3.9%
Pronexus	3.4%
Zehnder Group AG	3.1%
Nongshim Holdings	3.0%
Toyota Industries	3.0%
Bristol-Myers Squibb Co.	3.0%

COMMENTARY

The NAV of the Fund ended the past month down ever so slightly. Year-to-date Citadel is up a bit (+0.7%) and since inception the performance stands at +35.9%. By way of comparison the MSCI World including dividends is ahead by 6.5% since the Fund began.

There was a torrent of news from the portfolio companies as results poured in. In Japan three of the portfolio companies released full year figures. The two convenience store chains **Circle K Sunkus** and **Family Mart** had much stronger than anticipated operating earnings (+22%/+14%). Both appear to have turned the corner operationally. Operating earnings soared 213% at **Toyota Industries** as sales of forklifts, engines and air-conditioning compressors rose strongly on the back of economic recovery. Its 6% owned affiliate Toyota Motor has yet to report. At all three firms the damage from March's earthquake was contained, but there was understandable (although hopefully overdone) cautiousness about this year. The largest holding, **GS Home Shopping**, saw sales and EBIT jump by more than 15% in Q1 – this coming on the back of excellent 2010 figures and the sale of 2 cable stakes for KRW 382bn which was completed in Q1 (this compares to a current market cap of c. KRW 900bn). Also in South Korea, **SK Telecom** finally realised a marked uplift in its profits – something we had been awaiting for some time now. In Q1 EBIT rose 16% on lower marketing costs and growing smartphone penetration. Finally Swiss travel agent **Kuoni** launched a rights issue to pay for a large acquisition done earlier this year. While the stock is down recently, the deal and prospects for 2011 are favourable in our view.