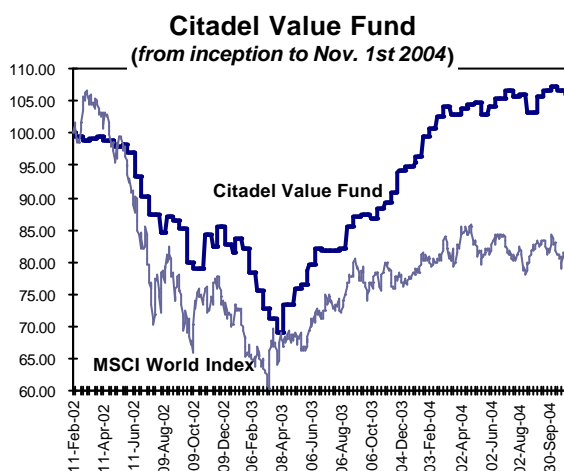


November 2004 Update

NAV/share (01/11/04): EUR 105.85

ISIN code: LU0141953439

website: www.citadelfund.com



Citadel Value Fund Performance
(as of November 1st, 2004)

	Since inception (11/02/02)	1 year	2003*	2004* YTD
Citadel Value Fund	5.9%	20.0%	17.0%	10.9%
MSCI World Index	-18.4%	4.0%	11.3%	4.6%

note: MSCI World Index is based on total returns in Euro's
* annual returns are based on estimated NAV as of Dec. 31, 2002 & 2003
source: European Fund Administration, Datastream

Top 10 holdings

Wegener NV	8.5%
Bristol Myers-Squibb Co.	7.2%
Tamedia AG	5.5%
Havas SA	4.8%
Nedschroef Holding NV	4.6%
Heineken Holding NV	4.3%
Springer (Axel) Verlag AG	3.8%
Merck KGaA	3.8%
VLT AB	3.7%
Sasa Industrie SA	3.6%

COMMENTARY

The past month was a poor one for stocks as the uncertainty of the US election and high oil prices weighed on investors. Markets (MSCI World) fell by 2.9%. The Fund only partially side-stepped this fall, and slipped by 1.2%. Relative to the market and almost all other comparable funds, the Fund's outperformance increased somewhat.

Merck (not be confused with German Merck KgaA) stayed in the news in the aftermath of withdrawing its product *Vioxx*. New revelations suggest that the firm may have known earlier about adverse heart effects from the product. The worry that this will translate into huge legal claims led the stock to fall further. Since withdrawing the drug, the market value of Merck has fallen by a stunning \$38.2bn. As often happens in cases of extreme uncertainty, the market appears to be over-reacting. After stripping out the future cash flows of both *Vioxx* and its successor drug, and the costs of withdrawal, the implied litigation risk is \$24bn on an after tax basis. This means that some \$34bn (pre-tax) in claims could be paid before the market's worst fears were confirmed. Given the host of issues surrounding litigation (e.g. did Merck act inappropriately? were patients' heart problems a result of *Vioxx* or natural causes?, etc.) damages of this magnitude seem very unlikely. Another recent development was a share issue (at ridiculously low prices) by **Havas**, meant to reduce its debt. The Fund exercised its rights and bought more shares, thereby reducing the average purchase price in what remains a very undervalued company.

Also, taking advantage of low prices the Fund added to several existing stakes, and built new positions in two 'deep value' companies; **Molins** (UK) and **Signaux Girod** (France).

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.