



November 2005 Update

NAV/share (01/11/05): EUR 126.30

ISIN code: LU0141953439

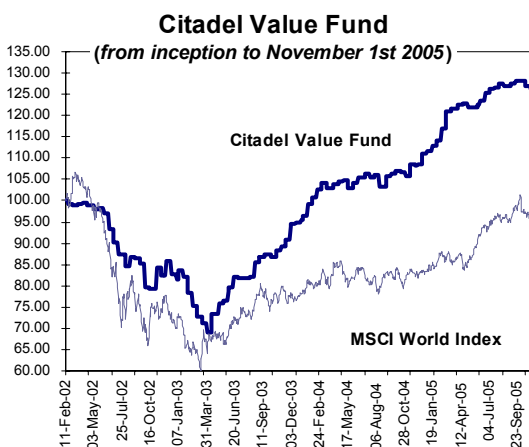
website: www.citadelfund.com

COMMENTARY

Global markets fell modestly in October as investors suddenly turned nervous about a number of the factors we referred to in last month's update. Citadel's NAV/share was down slightly (-1.4%), which brought the performance since inception to +26.3%.

In the Fund's portfolio, there were a couple of important events. **Merck** saw a welcome victory in the 2nd case concerning its *Vioxx* drug. The firm had lost the first, and seemingly easy to win, case. It was therefore reassuring to see it win the second time around, once again in a jury trial. This should, temporarily at least, deter new litigants. It also lends support to the company's case that it handled itself properly and, that it is able to convince jurors of that. **VLT** (Swedish newspaper co.) made a major acquisition of several regional newspapers and brought its printing operations into a major new joint-venture. The print JV will likely add value, although the newspaper acquisition looks very pricey to us. In the Netherlands, the newspaper **de Telegraaf** swapped its valuable stake in the local TV operations of SBS for a smaller stake in the entire group - itself recently acquired by venture capitalists. It is still unclear how this stacks up valuation-wise, although SBS appears well run and is very cash generative.

While October was no more than a blip downwards in a long-term perspective, we are nevertheless seeing more opportunities arise. The first few days of November saw markets rebound. Nevertheless, with any luck we should be able to add a couple of bargain priced securities to the Fund's holdings in the coming weeks. We remain optimistic about the portfolio's potential, but considerably less so about markets in general.



Citadel Value Fund Performance
(as of November 1st, 2005)

	Since inception (11/02/02)	3 year	1 year	2005* YTD
Citadel Value Fund	26.3%	59.5%	19.3%	13.0%
MSCI World Index	-1.5%	32.7%	20.7%	18.1%

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 & 2004

source: European Fund Administration, MSCI

Top 10 holdings

Heineken Holding NV	6.4%
Bristol-Myers Squibb Co.	5.3%
Merck & Co.	4.5%
Wegener NV	4.3%
Zwack Unicum Rt	4.4%
Telegraaf Media Groep NV	4.2%
Ultraframe PLC	4.2%
Wolters Kluwer NV	3.7%
Batenburg Beheer NV	3.5%
Nedschroef Holding NV	3.5%

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.