

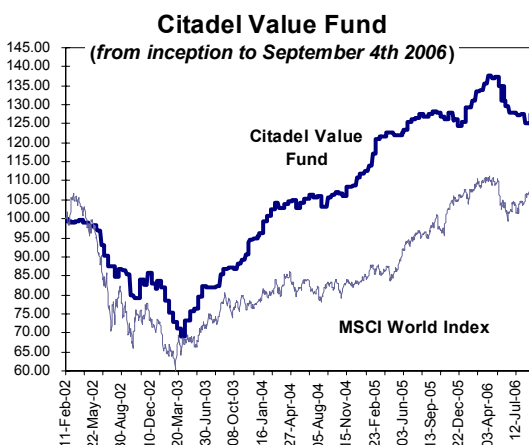


September 2006 Update

NAV/share (04/09/06): EUR 127.69

ISIN code: LU0141953439

website: www.citadelfund.com



Citadel Value Fund Performance
(as of September 4th, 2006)

	Since inception (11/02/02)	3 year	1 year	2006* YTD
Citadel Value Fund	27.7%	47.0%	0.7%	2.0%
MSCI World Index	7.7%	34.4%	13.5%	1.8%

note: MSCI World Index based on total returns (gross dividends) in Euro's
* annual returns are based on estimated NAV as of Dec. 31, 2002/03/04 & 05
source: European Fund Administration, MSCI

Top 10 holdings

Telegraaf Media Groep NV	6.2%
Heineken Holding NV	6.1%
Nedschroef Holding NV	4.8%
Village Super Market Inc.	4.4%
Bristol-Myers Squibb Co.	4.0%
Grupo Continental SA	3.9%
Wegener NV	3.8%
Batenburg Beheer NV	3.7%
Carclo PLC	3.7%
Wolters Kluwer NV	3.7%

COMMENTARY

During the past month the Fund's NAV dipped, and then rose, and ended the period up marginally. Citadel's performance since inception is now +27.7% compared to +7.7% for the MSCI World Index (Euro).

There was a veritable flood of news relating to the Fund's holdings. **Bristol-Myers** succeeded in obtaining an injunction against the launch of a generic form of its important *Plavix* product. An earlier settlement – which would have kept generics off the market for several years – did not receive required regulatory approval. To the dismay of investors a generic was then launched. Post-injunction this issue will revert to the courts which will judge whether *Plavix's* patent is upheld, as most experts believe that it will be.

Most of the remaining news related to H1 results. Amongst the most notable were **Nedschroef**, **Metall Zug**, and **Reesink** which all reported results that can only be described as spectacular. The Fund's newspaper holdings were mixed with continued weak ad spending holding back **Wegener** and **Telegraaf**, while **VLT** and **Tamedia** saw good profit growth. **Apache** – the oil & gas producer recently purchased – had excellent results. Higher oil prices clearly contributed, although gas prices (more than 50% of production) were quite weak. Finally, a couple of days after the NAV publication, the Fund's second largest stake, **Heineken**, dazzled with substantially higher volumes and strong growth in operating results. The introduction of its *Heineken Light* brand in the US has been a huge success with volumes to exceed 600,00hl within a year of launch. After a couple of years of uninspiring results, the firm looks set to begin growing its value again as it has historically done so well.

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.