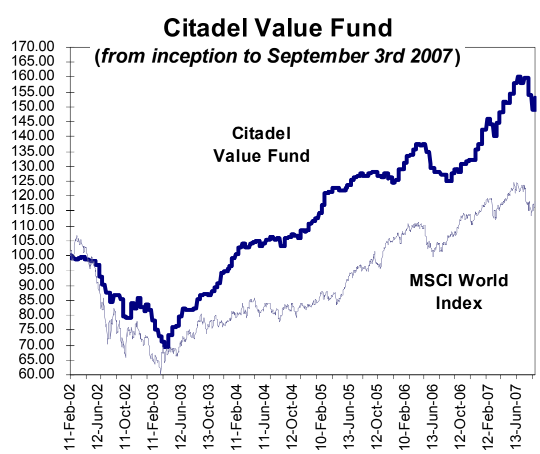
September 2007 Update

NAV/share (03/09/07): EUR 153.25
ISIN code: LU0141953439
website: www.citadelfund.com



Citadel Value Fund Performance
(as of September 3rd, 2007)

	Since inception (11/02/02)	5 year	3 year	1 year	2007 YTD
Citadel Value Fund	53.3%	77.0%	48.3%	22.4%	11.5%
MSCI World Index	18.5%	60.3%	42.9%	10.1%	3.8%

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

Top 10 holdings

Heineken Holding NV	5.3%
Village Super Market Inc.	4.2%
Cia Paranaese de Energia, ADR	4.1%
Carclo PLC	4.1%
Telegraaf Media Groep NV	3.9%
SK Telecom, ADR	3.8%
Hanil Cement Co. Ltd.	3.8%
Zwack Unicum	3.7%
Wolters Kluwer NV	3.7%
Molins PLC	3.6%

COMMENTARY

It won't have escaped attention that markets gyrated wildly in the past month. Citadel ended the period (August 6th to September 3rd) down marginally (-0.4%). Since inception the Fund is ahead by 53.3% compared to 18.5% for the MSCI World Index (Euro).

There was a lot of news from the companies in the portfolio as H1 results were released. Some of the more noteworthy were those of brewer **Heineken** (the largest holding) which were excellent with sales ahead by c.7% and EBIT by c.25%. Brazilian utility **Copel** (3rd largest holding) saw volumes rise by 6% and EBIT by c.9% with a better performance in the 2nd quarter than the first. UK based packaging and machinery firm **Molins** came with the latest in a string of positive announcements as it sold another surplus property for more than £3m or c. 8% of the market cap. Unfortunately this news was dampened by the release of weak H1 results. Finally, Belgian telecom operator **Belgacom** surprised with better than expected figures and a stronger outlook for 2007. Fixed line results were strong and the market share position of mobile is stabilising at a high level.

As we mentioned last month the market turmoil has led to a welcome increase in new opportunities. In addition to adding to existing positions 3 new stakes were bought, of which two are still ongoing. The cash position has shrunk from c.14% at the beginning of July to c.6% of assets at the beginning of September despite net inflows. Where a few months ago we had more cash than ideas, the reverse is now the case. Our idea flow has swollen such that a shortage of available cash may soon be a distinct reality. This is apt to be particularly true if markets remain as jittery as they have been.