

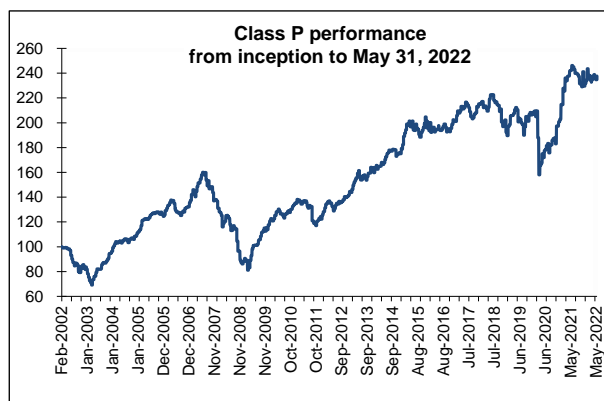


May 2022 Update – Class P

NAV/P share (31/5/2022): EUR 237.69

ISIN code: LU0141953439

Website: www.citadelfund.com



Citadel Value Fund - Performance overview Class P as of May 31, 2022	NAV (in €)	Net Return
since inception	237,69	137,7%
2022 YTD	237,69	1,4%
2021	234,41	15,6%
2020	202,77	-2,9%
2019	208,77	10,1%
2018	189,66	-12,1%
2017	215,83	7,4%
2016	201,03	-0,1%
2015	201,21	12,2%
2014	179,39	10,1%
2013	162,98	15,1%
2012	141,66	12,7%
2011	125,70	-6,9%
2010	134,97	12,9%
2009	119,52	36,2%
2008	87,76	-35,8%
2007	136,76	-0,5%
2006	137,40	9,7%
2005	125,20	12,0%
2004	111,78	17,2%
2003	95,41	17,0%
2002	81,58	-18,4%

The Fund is actively managed without a benchmark reference. Source: EFA

COMMENTARY

May turned out to be a very volatile month, with growing evidence that high inflation has started pressuring corporate revenue growth and eating into operating profits. While markets continued their downward trend, Citadel's performance remained positive with a realised monthly return of +0.6%, and +1.4% year-to-date. Meanwhile the MSCI World index (in €) is down -7.6% year-to-date. Since inception Citadel's return has been +138%.

As you would expect, a company's ability to cope with high inflation, and its impact on both revenues and costs, highly depends on the strength of its market positions, the type of industry and of course on management's ability to adapt to a new reality. Generally speaking, we expect most companies to be impacted at least to some extent, proof of which can be found already in many Q1 reports.

Citadel's strongest performance contributors in May were **Vitesco** (automotive electronics and sensors) and **SOL Group** (industrial gases and healthcare services). Vitesco reported solid Q1 results with further improving profitability despite a challenging automotive market. Its record order intake linked to the rapidly growing EV car market was again astonishing and bodes well for long-term value creation. Industrial gases company SOL reported continued strong revenue growth but we expect input costs to rise steeply as well.

American Eagle Outfitters (US apparel retailer) was the largest detractor in May. While its Q1 results were less impacted than those of some other retailers, margins were under pressure relative to the stellar FY21 results. Management is quickly adapting to a lower demand forecast for the remainder of the year.

Top-5 Fund Positions & Valuation		Current Price (in €m)			Current Valuation				
Company name	Geography	Market Cap	Net Cash	Ent. Value	EV/Sales	EV/EBITDA	FCF Yield	Div. Yield	Upside pot.
Dewhurst -A-	UK	69	20	50	0,8	4,2	11%	2%	62%
National Oilwell Varco	USA	7.736	-7	7.743	1,4	nm	9%	1%	65%
Pronexus	Japan	213	145	68	0,4	2,2	15%	3%	88%
Vitesco	Germany	1.799	754	1.044	0,1	2,6	nm	0%	265%
TGS	Norway	1.899	180	1.719	4,1	5,3	6%	3%	15%
Citadel Value Fund "look-through"		100%	44%	56%	0,5	5,2	7%	3%	67%
MSCI World Index		100%	-9%	109%	2,4	12,1	5%	2%	

Note: Net Cash includes financial fixed assets. Valuation ratios are based on last reported financial year Source: MSCI, Bloomberg, D&F Financial Services

IMPORTANT: This newsletter constitutes marketing communication. 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 and KIID before making any investment decisions. 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.