

NAV Date Jun 30, 2025
ISIN code (P) LU0141953439

€ 245,45
NAV

-0,3%
Last month

-1,1%
Year-to-date

+145,5%
Since inception

DEAR SHAREHOLDER

It is our pleasure to present this report covering the first half year of 2025.

Citadel's P class shares delivered a return of -1.1% for the first half of the year, bringing the total return since inception to 145.5%. As of 30 June 2025, the Fund's Net Asset Value (NAV) per share for the P-Class was €245.45.

Equity markets have continued to experience heightened volatility in recent months, driven by both macroeconomic factors and geopolitical developments. President Trump's so-called "Liberation Day", marked by the announcement of steep trade tariffs followed by a rapid reversal of these policies, and more recently a reintroduction again, has led to an unusual degree of uncertainty. This has not only affected equity valuations and impacted major currencies but, crucially, has also complicated decision-making for businesses operating in an increasingly unpredictable world.

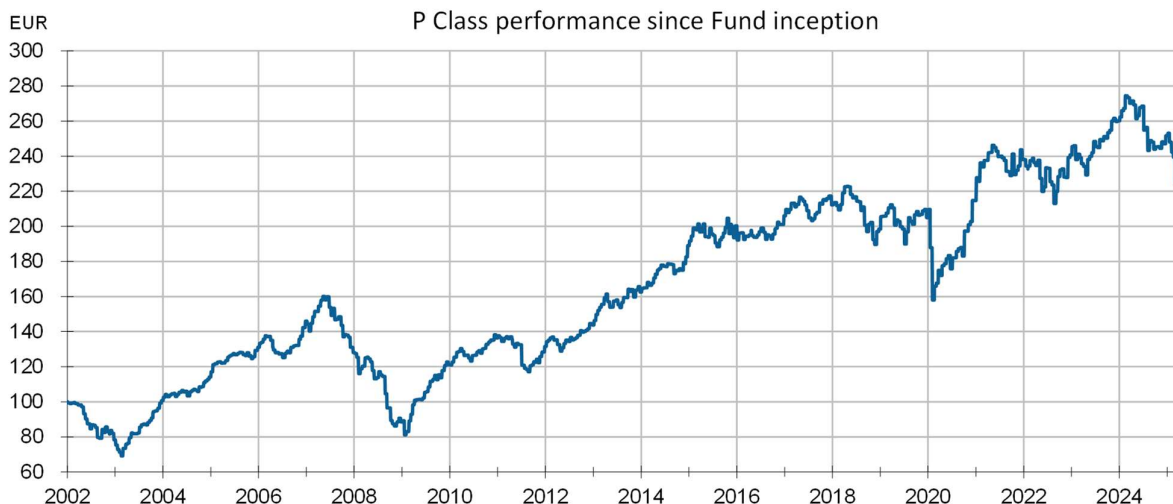
As a result, equity index performance has been erratic and volatile, including a brief market panic in early April. The MSCI World Index (in euros, including net dividends) ended the first half with a negative return of -3.4%.

CVF P-Class performance	NAV (€)	Net return
Since inception		145,5%
Latest NAV as of Jun 30, 2025	245,45	-1,1%
Dec 31, 2024	248,16	-5,1%
Dec 29, 2023	261,56	14,8%
Dec 30, 2022	227,83	-2,8%
Dec 31, 2021	234,41	15,6%
Dec 31, 2020	202,77	-2,9%
Dec 31, 2019	208,77	10,1%
Dec 31, 2018	189,66	-12,1%
Dec 29, 2017	215,83	7,4%
Dec 30, 2016	201,03	-0,1%
Dec 31, 2015	201,21	12,2%
Dec 31, 2014	179,39	10,1%
Dec 31, 2013	162,98	15,1%
Dec 31, 2012	141,66	12,7%
Dec 30, 2011	125,70	-6,9%
Dec 31, 2010	134,97	12,9%
Dec 31, 2009	119,52	36,2%
Dec 31, 2008	87,76	-35,8%
Dec 31, 2007	136,76	-0,5%
Dec 29, 2006	137,40	9,7%
Dec 30, 2005	125,20	12,0%
Dec 31, 2004	111,78	17,2%
Dec 31, 2003	95,41	17,0%
Dec 31, 2002	81,58	-18,4%

Past performance does not predict future returns
Fund inception: Feb 11, 2002 at an NAV of €100. Source: UI efa

Citadel Value Fund

P Class performance since Fund inception



IMPORTANT: This letter is an integral part of the Fund's Semi-Annual Report. 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 does not predict future returns. Investors should read the Fund's Prospectus and KID before making any final 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. The Fund qualifies as a financial product under Article 6 of the SFDR. The Fund is actively managed, without reference to a benchmark.

STAYING DISCIPLINED IN UNCERTAIN TIMES

Citadel's investment approach centres on identifying quality businesses trading at attractive valuations, benefiting from a meaningful margin of safety between the price paid and the estimated intrinsic value of the underlying company. As explained below, we believe this disciplined and fundamental approach is well-suited to current volatile markets marked by ongoing macroeconomic-, business- and political uncertainties.

As investors, we acknowledge that it is impossible to predict precisely how these uncertainties will unfold. Financial markets have struggled to find clear direction amid these shifting dynamics. This was compounded by the fact that the first half of 2025 began with equity valuations at historically high levels—particularly tech stocks in the US. Mega-cap technology stocks currently represent an outsized portion of widely used equity indexes, compromising one of the index's original functions as a broad indicator of market performance. Because markets are currently driven more by momentum and flows than fundamentals, the valuation gap between the broader market and many high-quality, underappreciated businesses has widened.

However, for fundamental investors like Citadel, such volatility presents opportunities. Sharp market selloffs can create situations where leading companies, with strong competitive positions and robust cash flows, become available at prices that offer significant long-term value creation potential. These are the moments when Citadel aims to strike.

At the same time, a challenge we currently face is that the clear undervaluation of some of our holdings remains undiscovered or unappreciated in the current climate of irrational market behaviour. This can temporarily weigh on short-term performance, particularly when compared to equity indices that are dominated by overvalued large-cap technology stocks. However, we remain confident that in the long run, intrinsic values of undervalued companies will be recognised—especially when supported by sound fundamentals and strong cash generation.

The objective of the Fund remains to identify and hold these compelling investment cases with patience and conviction, focusing on sustainable business quality and valuation discipline rather than to focus on short-term market sentiment. As this report will demonstrate, the first half of 2025 has already provided selective opportunities to strengthen the portfolio further, while maintaining a well-diversified and attractively valued group of investments.

Citadel continues to believe that this long-term approach based on company fundamentals and valuation offers the best protection against the excesses of speculative markets—providing both resilience and peace of mind to its shareholders.

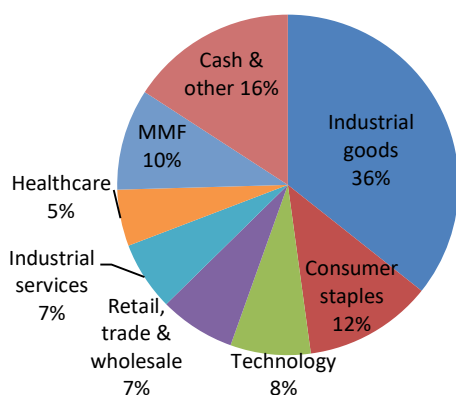
PORTFOLIO OVERVIEW

Historically we have always highly valued transparent communication with our shareholders, and therefore, we disclose the Fund's full portfolio in these reports, along with discussions of significant changes in the Fund's holdings. As of 30 June 2025, Citadel's portfolio comprised investments in 20 companies. The portfolio is geographically well diversified across major developed economies, with Japan, the Netherlands, the UK and the US as the top four. As most companies in the portfolio operate on a multinational scale, the Fund has exposure to a broad range of countries and markets worldwide.

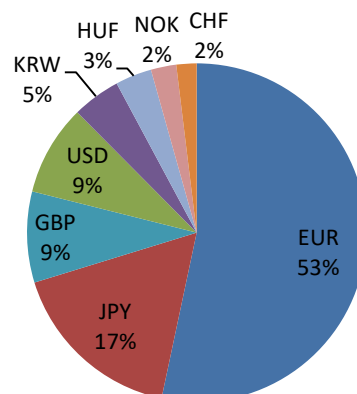
In terms of currency exposure, 53% of the Fund's net assets are denominated in euros, which is the Fund's reporting currency. The Japanese yen (17%), British pound (9%), and US dollar (9%) also represent significant currency exposures of the Fund's net assets.

Although more than half of the Fund's assets are euro-denominated, performance in the first half of 2025 was negatively affected by currency movements, resulting in a drag of approximately 3 percentage points. The Japanese yen, British pound, and Korean won each depreciated by around 4%, while the US dollar weakened by as much as 12%. Measured in local currency, Citadel's portfolio return for the first half of 2025 would have been +2.1%, rather than the reported -1.1%.

Portfolio by Sector



Fund currency exposure



The portfolio's three largest industry sectors are industrial goods, consumer staples, and technology. While Citadel's portfolio has traditionally leaned slightly towards small-cap stocks, current exposure to small caps is limited to 22% of net assets. Large-cap stocks now represent the largest portion of the portfolio, accounting for 43%.

As of 30 June 2025, Citadel's net cash balance—primarily held in interest-bearing deposits—stood at 16% of total net assets, up from 11% at the end of 2024. This increase reflects the net selling activity during the period. In addition to equity investments and cash, the Fund maintains a 9.6% position in an ultra-short-duration money market fund. All cash balances, deposits, and money market holdings contributed positively to Citadel's return. The Fund's substantial allocation to cash and cash equivalents continues to provide flexibility to capitalise on new investment opportunities amid volatile markets.

Portfolio Holdings

as of 30 June 2025

Company	Activity	% of NAV
Signify	industrial goods (lighting)	8,0%
Toyota Industries	industrial goods (Toyota, forklifts, engines, cars & parts)	5,6%
SOL Group	healthcare & industrial (homecare, medical & technical gases)	5,4%
Samsung Electronics -Pref-	technology (semiconductors & consumer electronics)	4,6%
Jost Werke	industrial goods (truck and tractor parts)	4,5%
Nichirin	industrial goods (automotive & motorcycle components)	4,2%
Pronexus	business services (financial documentation & IR services)	4,1%
Continental	industrial goods (tires & automotive components)	4,1%
Village Super Market -A-	retail (supermarkets)	3,7%
MPAC Group	industrial goods (packaging machinery)	3,5%
Zwack Unicum	consumer goods (spirits)	3,5%
Kering	consumer goods (luxury goods)	3,2%
Sumco	technology (semiconductor supplies)	3,0%
NOV	industrial goods (oil & gas equipment & services)	3,0%
Dewhurst -A-	industrial goods (elevator fixtures & controls)	2,8%
Ahold Delhaize	retail (supermarkets)	2,7%
TGS	industrial services (seismic data)	2,4%
Diageo	consumer goods (beer & spirits)	2,4%
American Eagle Outfitters	retail (apparel)	2,1%
Swatch Group	consumer goods (luxury watches & jewelry)	1,9%
JP Morgan Ultra Short Income UCITS ETF	money market fund	9,6%
Cash and other assets & liabilities		15,8%
		100,0%

Overall, Citadel's portfolio is well-diversified and attractively valued, with a free cash flow yield of 6% and a multiple of 8x operating earnings. In comparison, the MSCI World Index trades at a free cash flow yield of just 3% and 19x operating earnings, highlighting the relative attractiveness of Citadel's portfolio valuation.

As of 30 June 2025, the portfolio was trading at a 40% discount to its estimated intrinsic value. This should offer reassurance to investors, particularly considering the elevated valuations seen across major market indices.

PORTFOLIO CHANGES

During the period under review, the Fund engaged in a relatively limited amount of buying and selling. Notably, we initiated a new position in **Diageo Plc**—an established quality name in the branded consumer goods sector.

Formed through the merger of Guinness and Grand Metropolitan in 1997, but with roots dating back to the 17th century, **Diageo** is a global leader in branded spirits (including Johnnie Walker whisky and Smirnoff vodka), premium beer (Guinness), and selected non-alcoholic beverages. It operates one of the most successful and well-diversified brand portfolios in the alcoholic drinks industry and has demonstrated resilience across various volatile market environments.

Diageo is a high-quality business with long-term, sustainable competitive advantages in marketing, distribution and production, along with deeply entrenched market positions. This is evidenced by its consistently high margins and strong returns on capital. Nevertheless, performance has come under pressure in 2024 and 2025, following the unwinding of the post-Covid demand surge. More recently, renewed US tariff discussions have added further pressure to sentiment around its stock. Following a significant decline in Diageo's share price —over 50% from peak to trough in the past 3,5 years— the company traded at valuation levels sufficiently attractive to initiate a position. While perhaps not an outright bargain at face value, we believe that the company's long-term earnings potential justifies a significantly higher valuation. We are very pleased to have acquired a stake in this high-quality business at what we consider to be a very reasonable price.

The volatile equity markets also created a compelling opportunity to increase the Fund's weighting in **Signify**, the global market leader in lighting solutions. During a brief period of market panic in early April, Citadel purchased additional shares in Signify at what we considered to be an exceptionally low valuation. A 15% free cash flow yield—even based on this year's somewhat depressed earnings—a 9% dividend yield, an EV/EBITA multiple of 6x: by any conventional valuation metric, this stock appears significantly undervalued for a global market leader that consistently generates strong cash flows. The decline in the conventional lamps segment, which has long weighed on growth, is nearing the end of its impact. Within the next 12 months, it is expected to contribute less than 5% of revenue and under 10% of operating profit. It will now be up to the newly appointed CEO to capitalise on the improved growth outlook.

Changes in the Portfolio

1 January 2025 to 30 June 2025

Holdings bought or added to

Diageo
Signify

Holdings reduced or sold

Brunswick
SOL Group

While markets have been volatile, one holding stood out for its strong performance: **SOL Group**. Headquartered in Italy, SOL is one of the three leading producers of technical gases and the second-largest provider of home care services in Europe. Since Citadel became a shareholder in 2020, SOL has consistently exceeded expectations. Its share price has increased almost fivefold relative to the Fund's entry point. As a result, the position's portfolio weighting began approaching the Fund's 10% risk management threshold—at a valuation that could no longer be considered a bargain. We therefore reduced our holding in this high-quality, well-managed business. This also created room to initiate a position in Diageo, a similarly high-quality company, at a little over half of SOL's current valuation.

The sale of the Fund's position in **Brunswick Corporation** was a portfolio change made relatively early in the year. Although we continue to appreciate the business fundamentals of Brunswick—a global leader in recreational marine products—we decided to reduce exposure to the US market for non-essential consumer goods, particularly considering the valuation levels at which the shares were trading.

Brunswick has faced headwinds from weaker demand, driven by more cautious consumer behaviour and high interest rates on consumer loans. Additionally, as the company has continued to buy back its own shares, we became increasingly concerned that, in a scenario of further demand weakness, its debt levels could reach uncomfortable territory. Given this risk profile, we chose to exit the position for now. We may consider re-entering at a later stage, should valuation and conditions become more favourable.

PERFORMANCE HIGHLIGHTS

As noted in the previous section, **SOL Group** has been one of the strongest performers in Citadel's portfolio, including during the first half of 2025. The shares have risen by 30% year-to-date, reflecting the market's growing recognition of the company's strong operating performance. The most recent quarterly results once again exceeded expectations—particularly noteworthy given that the European market for technical gases might be expected to soften amid weaker industrial production. Nonetheless, SOL continues to deliver strong results in its technical gas division, and even more so in its home care business, which benefits from secular growth trends like limiting hospital stays to support health care cost control and the aging of populations.

Other strong performance contributors included **Signify** (+16%), **Toyota Industries** (+23%), **Zwack Unicum** (+35%) and **Jost Werke** (+21%).

The share price performance of **Toyota Industries** warrants further comment. In April, local media reported that the Chairman of Toyota Motor Corporation was considering acquiring Toyota Industries at a 40% premium to the prevailing share price. While that level still undervalues Toyota Industries, it would significantly reduce the valuation gap to intrinsic value. However, when the formal bid was launched in June, the take-over premium surprisingly was only 23%. This offer significantly undervalues the company, prompting vocal criticism from international investors, although it elicited little response in Japan. It remains unlikely that minority shareholders will ultimately receive a better offer. It is fair to say that corporate governance in Japan, while having improved noticeably in recent years, still falls short of US or Western standards.

That said, at the current offer price, Citadel is set to realise a total return of 365% in Japanese Yen on its investment in Toyota Industries, equivalent to approximately +300% in Euro terms, representing a very successful investment overall.

Zwack Unicum's performance of +35% is also noteworthy. As the market leader in spirits in Hungary, Zwack has continued to perform well despite facing a range of additional tax-related measures in recent years. Interestingly, Diageo holds a 25% stake in Zwack, and Zwack is exclusive distributor for Diageo's products in Hungary. While Diageo is the well-diversified multinational of the two, the local small-cap Zwack is currently trading at a higher valuation multiple than Diageo.

This valuation gap partly reflects Diageo's recent slower profit growth compared to Zwack's continued strong results. Diageo benefits from a broad global footprint, a highly diversified brand portfolio, and significant scale advantages, contributing to stable cash flows and a strong competitive position. Zwack, meanwhile, is more exposed to local market dynamics and regulatory challenges but offers potential for growth within its niche and the benefit of concentrated management focus as a majority-owned family business, providing long-term strategic stability.

For investors, Zwack presents an opportunity to participate in a well-established local leader with potentially higher growth prospects, albeit with greater risks related to market size and regulation. Diageo, currently clearly undervalued,

offers a more diversified, lower-risk investment with exposure to global trends in premium spirits and beverage consumption, with the potential to regain profit momentum.

Most significant performance contributors & detractors

1 January 2025 to 30 June 2025

Holding	Contribution	Absolute return	Holding	Detraction	Absolute return
SOL Group	2,2%	30%	American Eagle Outfitters	-1,9%	-48%
Signify	1,2%	16%	MPAC Group	-1,2%	-27%
Toyota Industries	1,0%	23%	Pronexus	-0,9%	-18%
Zwack Unicum	0,9%	35%	NOV	-0,9%	-23%
Jost Werke	0,8%	21%	Kering	-0,8%	-21%

Note: Returns in € and including dividends

During the first half of 2025, some portfolio holdings unfortunately experienced negative performances for various reasons, including weaker exchange rates. **American Eagle Outfitters**, a US-based apparel retailer, was affected by reduced demand for its clothing brands, driven by lower consumer spending in its target markets, ongoing trade tariff uncertainty, and a disappointing spring/summer fashion collection. This serves as a reminder of the risks inherent in the sector. The company is actively addressing the issue with a refreshed go-to-school season offering, but the lost spring revenue will not be recovered.

MPAC Group, a UK-based packaging machinery manufacturer, was the second largest detractor in 2025H1, following a strong share price performance in 2024. Its multinational customers in the US have been largely paralysed by the frequent changes in trade tariff announcements. This has resulted in capital expenditure programmes being temporarily put on hold. While it is reasonable to expect these projects to proceed eventually, profits for the 2025 financial year will clearly be impacted. The profit warning for 2025 has overshadowed a positive update: the company has agreed with an insurer to transfer its pension assets and liabilities, with no additional cash outflows. With pensions having been a major cash drain for MPAC in recent years, this move reduces the risk, improves the company's cash flow profile, and ultimately supports a higher valuation.

Both **Pronexus**, a Japanese investor relations and regulatory reporting service provider, and **NOV**, a US-based oil and gas services company, faced share price pressure despite publishing reasonably strong results during the recent half year. **Kering**, the luxury group renowned for its Gucci brand, continued to struggle with weaker demand, particularly in China. The company has recently announced a change of CEO to drive its growth and margin turnaround strategy. Should the new CEO prove more successful, the company's value could significantly exceed what the current share price suggests.

INVESTMENT CASE: JOST WERKE

In 2024, the Fund initiated a position in **Jost Werke**, a welcome addition to the portfolio purchased at a very attractive valuation. Based in Germany, Jost Werke is a leading supplier to the global truck and trailer industry. It holds strong, in many instances even dominant, market positions in truck coupling solutions and trailer landing gear. In other areas such as axles, brakes, suspension, and other truck-to-trailer connecting systems, Jost offers specialised high-end solutions, avoiding fierce competition and commanding premium prices. Additionally, the company has expanded into the agricultural/tractor market with the Alö acquisition in the beginning of 2021 and hydraulic solutions with the recent acquisition of Hyva.

What makes Jost an appealing investment? The combination of strong management and market leadership has enabled the company to maintain consistently solid profit margins, even during the pandemic years of 2020 and 2021. The key to this resilience lies in its cost flexibility and asset-light business model. Furthermore, significant synergy potential—both

from cross-selling and cost efficiencies—is being realised by integrating recent acquisitions, particularly Hyva, which is expected to drive further profit growth in the coming years.

Having monitored Jost for several years, Citadel was able to acquire shares when the price dipped during the summer of 2024. Based on conservative estimates, we see at least 100% upside from the purchase price. Meanwhile, the company offers shareholders an attractive dividend of 4%.

IN CONCLUSION

Several companies of the calibre of Diageo and Jost are on Citadel's radar. Given today's volatile environment, there is a significant chance we will be able to strike at the right price, although purchasing windows may sometimes be open for only a very short time. Beyond future opportunities, we would like to emphasise that the current Fund portfolio remains a valuable holding, trading at a 40% discount to its estimated intrinsic value. While we cannot predict timing, we are confident that, in due course, rational markets will recognise and appreciate the underlying value of our quality businesses.

We thank our shareholders for their continued trust in the Fund. We remain dedicated to managing the portfolio with discipline and focus, aiming to deliver consistent long-term value and provide peace of mind as a hedge against speculative markets.

Kind regards,

Citadel Value Fund SICAV - The Board of Directors

21 July 2025