



**Annual report including audited financial statements  
as at May 31st 2024**

# **Citadel Value Fund SICAV**

Société d'Investissement à Capital Variable  
Luxembourg

R.C.S. Luxembourg B85320

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**Citadel Value Fund SICAV**

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# Citadel Value Fund SICAV

## Organisation

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**Registered office**

2, rue d'Arlon  
L-8399 WINDHOF

**Board of Directors**

*Directors*

Bastiaan SCHREUDERS  
9, Meescheck  
L-6834 BIWER

Joseph ROTTEVEEL  
26, chemin JA Zinnen  
L-7626 LAROCLETTE

Marie-Hélène WATTÉ-BOLLEN  
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L-8077 BERTRANGE

**Management Company**

PURE CAPITAL S.A.  
2, rue d'Arlon  
L-8399 WINDHOF

**Board of Directors of  
the Management Company**

Loïc DE CANNIERE  
Bernard PONS  
Guy POURVEUR

**Conducting officers of  
the Management Company**

Rudy HOYLAERTS  
Bernard PONS  
Patrick VANDER EECKEN  
Thierry LEONARD  
Frédéric VENDITTI

**Investment Manager**

PURE CAPITAL S.A.  
2, rue d'Arlon  
L-8399 WINDHOF

**Investment Advisor to the  
Investment Manager**

D&F FINANCIAL SERVICES B.V.  
Van Hengellaan 2,  
NL-1217 AS HILVERSUM

**Depositary and principal  
paying agent**

QUINTET PRIVATE BANK (EUROPE) S.A.  
43, boulevard Royal  
L-2449 LUXEMBOURG

**Domiciliary agent**

PURE CAPITAL S.A.  
2, rue d'Arlon  
L-8399 WINDHOF

## Citadel Value Fund SICAV

### Organisation (continued)

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**Delegated administrator, registrar  
and transfer agent**

UI efa S.A.  
2, rue d'Alsace  
L-1122 LUXEMBOURG

**Réviseur d'entreprises agréé**

BDO Audit S.A.  
1, rue Jean Piret  
L-2350 LUXEMBOURG

# Citadel Value Fund SICAV

## Report on activities of the Board of Directors

### DEAR SHAREHOLDER

For the fiscal year 2023/24, ending 31 May 2024, Citadel's P class shares achieved a strong performance of 17.4%, bringing its total return since inception to 169.2%. The Fund ended the fiscal year at a Net Asset Value of €269.22 per P class share. Amid quite volatile financial markets, Citadel Value Fund continued its positive performance this calendar year with a 2.9% return for the P class shares as per 31 May 2024.

For the X class shares, the fiscal year 2023/24 performance was 18.4%, and a total return since inception of 207.4%.

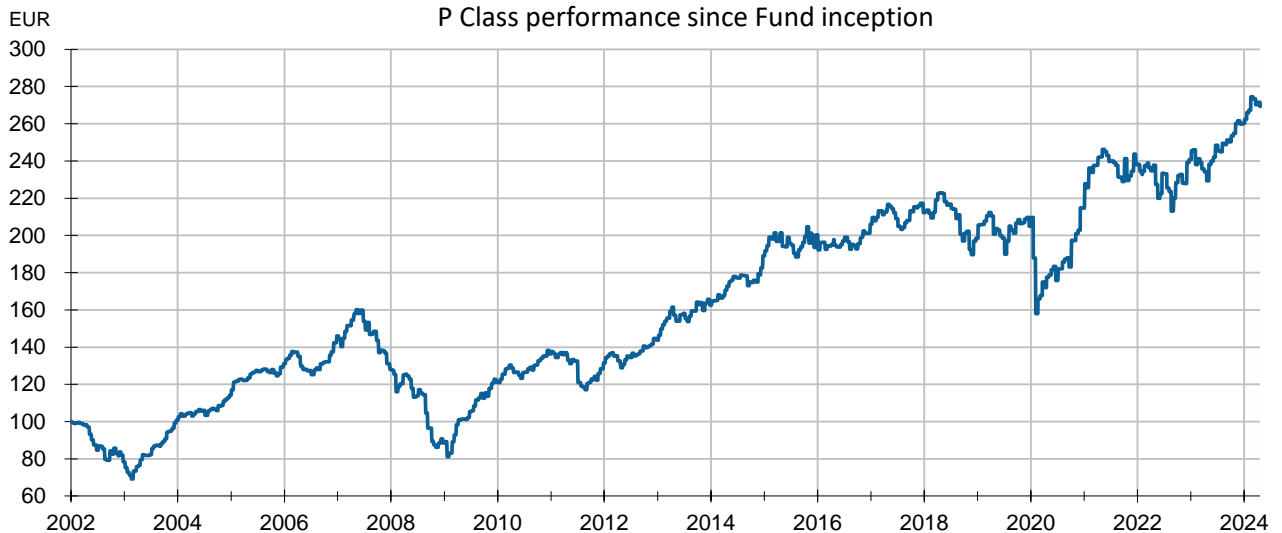
Financial markets remained positive during the first five months of 2024. However, major equity indices showed distinctly varied performance. Some indices, like the Japanese Nikkei, performed strongly, gaining 15%, while others, such as the Korean KOSPI, declined by 0.7%. The French CAC-40 index, with a gain of 6%, settled roughly in the middle. Generally, growth-oriented indices outperformed their value-oriented counterparts. On top of equity market volatility, currencies such as the Japanese Yen and Swiss Franc weakened significantly against the Euro. It has certainly not been a dull time for active investors!

CVF performance overview	NAV-P (€)	Net return
Since inception		169,2%
Latest NAV as of May 31, 2024	269,22	2,9%
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



#### BROKEN MARKETS?

Citadel is an actively managed fund that does not aim to track any equity market index. In contrast, many so-called passive funds simply mirror an index, with trading often done automatically based on algorithms. The key difference between active and passive investing is that passive investors are value agnostic, i.e. they do not have an opinion about the value of the underlying companies. Instead, they focus solely on price. If a stock price rises, it receives a larger weighting in the index, prompting other (passive) investors to buy more of it. Crucially, this buy decision is not because of the outcome of some valuation analysis, but just due to price movements. This self-reinforcing process (buying because a stock price rises) can lead to overvalued index stocks getting even more expensive, potentially reaching bubble territory. A second destructive effect concerns capital allocation: a lot of capital flows to the most expensive companies, while little new capital reaches cheaper companies. Ultimately, this can lead to significant distortions in capital allocation and even massive capital destruction, as history has repeatedly shown.

David Einhorn of Greenlight Capital, a long-time successful investor, recently remarked publicly that “markets are broken” due to the rise of passive investing. As passive strategies now constitute a larger share of the investment management market, fewer investors are conducting valuation analysis. Cheap stocks, if not included in a major index, are often overlooked by passive funds. So, cheap remains cheap? David Einhorn's solution is to focus on even cheaper companies that generate significant cash flows relative to their market capitalisation and return a portion of that to shareholders, thus providing a positive return. This approach doesn't require other active investors to discover a cheap stock and buy the same stock after him.

Citadel's view aligns closely with David Einhorn's approach. Citadel's portfolio consists of businesses that are highly cash generative relative to their purchase price. These companies typically use their cash flow for a combination of reinvesting in profitable growth opportunities (such as capacity expansion or acquiring other solid companies) and providing shareholder returns through dividends or share buybacks. We favour companies that can reinvest their cash flow into high-return growth opportunities, which in turn generate additional free cash flow. These so-called compounders are often among the best long-term investments. An example in Citadel's portfolio is the Hungarian spirits and liquor producer Zwack. After investing in the optimisation of existing activities and capacity expansion, Zwack returns its entire free cash flow to its shareholders each year as a dividend. Identifying such companies and buying them at a discount to their intrinsic value has always been central to Citadel's investment strategy. Given the Fund's solid returns in recent years, we believe this approach remains robust and should continue to provide a sound basis for future returns.

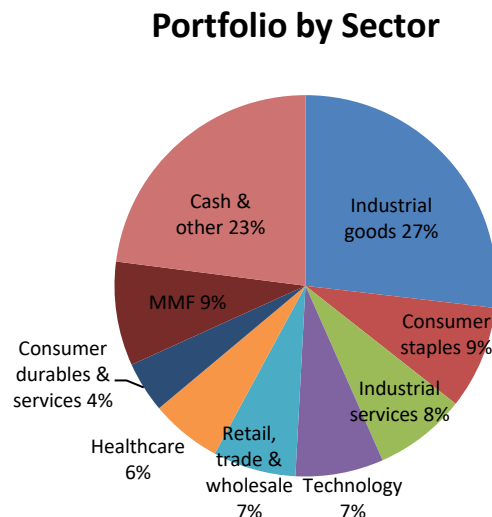
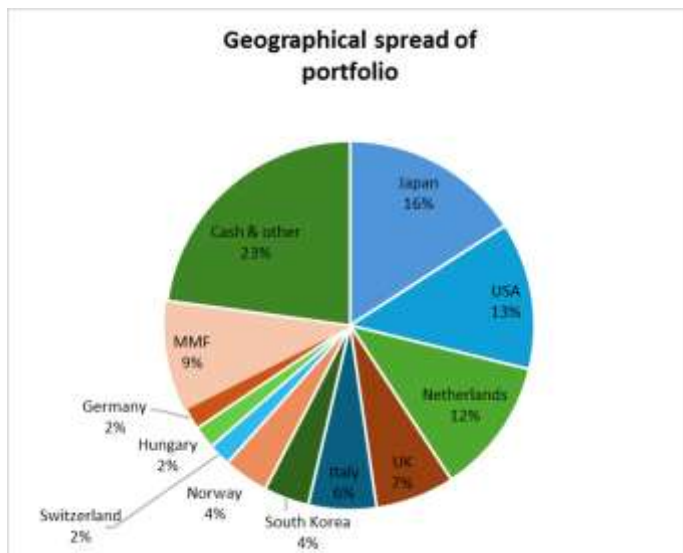
#### PORTFOLIO OVERVIEW

We highly value the principle of transparency for our shareholders and therefore we always share the Fund's entire portfolio in this shareholder letter, along with discussing significant changes to the Fund's holdings. As of 31 May 2024, Citadel's portfolio includes holdings in 18 companies. The portfolio is geographically well diversified across major developed economies, with the USA, Japan and the Netherlands as the top-three. Since most companies in the portfolio operate on a multinational scale, the Fund naturally has exposure to many countries worldwide. In terms of currency exposure, 52% of the Fund's net assets are denominated in Euro's, which is the Fund's reference currency. The Japanese Yen (16%) and the US Dollar (13%) are the only other currencies with a weighting of over 10% of the Fund's net assets.

## Citadel Value Fund SICAV

### Report on activities of the Board of Directors (continued)

The three largest industry sectors in the portfolio are industrial goods, consumer staples, and industrial services. Technology-related exposure has increased slightly but remains limited to 7%. While Citadel's portfolio traditionally leans towards small and mid-cap stocks (currently 21% of net assets), large-cap stocks now represent the largest portion of the portfolio at 37%, while mid-caps make up 10%.



As of 31 May 2024, Citadel's net cash balance, mostly held in interest-bearing deposits, was 23% of total net assets, down slightly from 24% as per 31 May 2023. In addition to equity investments and cash, the Fund holds a 9% position in an ultra-short duration money market fund. All cash balances, deposits and money market fund positions generate a positive return for Citadel. The Fund's cash & cash equivalents position provides ample flexibility to capitalise on new investment opportunities amid volatile markets. More about this will be discussed later in this letter.

### Portfolio Holdings

as of 31 May 2024

Company	Activity	% of NAV
SOL Group	healthcare & industrial (homecare, medical & technical gases)	6,0%
Signify	industrial goods (lighting)	5,9%
American Eagle Outfitters	retail (apparel)	4,6%
Toyota Industries	industrial goods (Toyota, forklifts, engines, cars & parts)	4,6%
Village Super Market -A-	retail (supermarkets)	4,6%
NOV	industrial goods (oil & gas equipment & services)	4,3%
Stellantis	consumer goods (passenger cars)	4,3%
Pronexus	business services (financial documentation & IR services)	4,2%
Samsung Electronics -Pref-	technology (semiconductors & consumer electronics)	3,8%
MPAC Group	industrial goods (packaging machinery)	3,7%
Nichirin	industrial goods (automotive & motorcycle components)	3,6%
Sumco	technology (semiconductor supplies)	3,6%
TGS	industrial services (seismic data)	3,6%
Dewhurst -A-	industrial goods (elevator fixtures & controls)	3,1%
Swatch Group	retail (luxury watches & jewelry)	2,5%
Zwack Unicum	consumer goods (spirits)	2,3%
Ahold Delhaize	retail (supermarkets)	1,9%
Continental	industrial goods (tires & automotive components)	1,6%
JP Morgan Ultra Short Income UCITS ETF	money market fund	8,8%
Cash and other assets & liabilities		23,0%
		100,0%



## Citadel Value Fund SICAV

### Report on activities of the Board of Directors (continued)

Overall, the current portfolio is well-diversified and attractively valued, with a look-through free cash flow yield of 7% and an EV/EBITA multiple of approximately 7x. As of 31 May 2024, the portfolio is trading at a 33% discount to its estimated intrinsic value, providing a substantial margin of safety and ensuring peace of mind amid volatile times.

#### PORTFOLIO CHANGES

The most significant change in the portfolio was the addition of **Sumco Corp**, a leading producer of semiconductor wafers based in Japan. Among the pure players, Sumco holds the largest market share globally of 25% for silicon wafer production, and even around 50% for high-end wafers. These high-end wafers are crucial for the manufacturing of logic processors (including AI processors) and high-speed memory chips. With the highest number of technology patents in the wafer industry, Sumco focuses on the high-end semiconductor market, providing it with an above average growth profile and lower cyclicality compared to its peers. Demand for Sumco's wafers is strong, with customers typically agreeing to 5-year purchase agreements that include annual price increases. Moreover, Sumco is well managed and has a solid balance sheet. Citadel acquired its position at a very attractive valuation, with a normalised free cash flow yield of 14%.

Additionally, we increased our holdings in **Signify** and **TGS**. In both cases, temporary declines in share prices presented highly attractive valuation opportunities. Citadel increased its position in both stocks at a double-digit free cash flow yield, at share prices that were less than half of our estimated intrinsic value for each company.

Changes in the Portfolio 1 January 2024 to 31 May 2024	
Holdings bought or added to	Holdings reduced or sold
Signify	Dewhurst -A-
Sumco	Vitesco Technologies
TGS	

In early January, Citadel divested its entire position in **Vitesco Technologies**, realising a significant return of 113%. Besides this divestment, the Fund trimmed its stake in **Dewhurst**, a UK-based producer of lift components that Citadel has held since 2004. Dewhurst has proven to be a wonderful investment, with the current total return exceeding 300%. In February 2024, Dewhurst management initiated a share buyback program, which we viewed as highly accretive due to the undervaluation of the A-shares and the company's cash-rich balance sheet. With the aim of reducing the exposure to this relatively illiquid position, Citadel facilitated the share buyback program through a block trade. Following the announcement in February, Dewhurst's A-share price rose by 12%, putting the shares once again in the list of top 5 performance contributors.

#### PERFORMANCE HIGHLIGHTS

Citadel's stake in **MPAC Group**, a UK-based packaging machinery producer, performed exceptionally well in the first five months of 2024, with a 95% increase. In its January trading update, MPAC reported strong results for 2023, highlighted a record-level order book, and projected healthy prospects for 2024. In early March, Citadel visited MPAC's production facilities, engaging with management to observe the latest product innovations and market developments. Impressed by the robust product line-up, strong customer orders, and promising R&D initiatives, Citadel continues to be a satisfied shareholder in this well-managed company.

Most significant performance contributors & detractors						
1 January 2024 to 31 May 2024						
Holding	Contribution	Absolute return	Holding	Detraction	Absolute return	
MPAC Group	1,9%	95%	Signify	-0,7%	-10%	
SOL Group	1,1%	21%	Pronexus	-0,6%	-12%	
Village Super Market -A-	0,8%	19%	Swatch Group	-0,6%	-18%	
Toyota Industries	0,7%	18%	Continental	-0,3%	-16%	
Dewhurst Plc -A-	0,5%	18%	Samsung Electronics -Pref-	-0,3%	-7%	

*Note: Returns in € and including dividends*

Other strong contributors to performance included **SOL Group** (up 21%), **Village Super Market** (+19%), **Toyota Industries** (+18%) and **Dewhurst** (+18%). SOL demonstrated excellent operating performance, surpassing expectations. Village Super Market achieved an all-time high operating profit in its fiscal year ending July 2023, with solid performance continuing into the first half of fiscal 2024. Toyota Industries also exceeded market expectations with significantly stronger underlying operating profit.

During the calendar year-to-date 2024, Citadel experienced relatively modest detractors, with **Signify** (-10%) and **Pronexus** (-12%) being the largest. Citadel capitalised on Signify's lower share price by increasing its existing position, as we believe the stock remains undervalued. Although Pronexus' shares declined by only 4%, the depreciation of the Japanese Yen exacerbated the loss in Euro terms. Similarly, the weak Swiss Franc negatively affected the Euro return of **Swatch Group**. Overall, temporary portfolio losses were limited, and the Fund did not incur any permanent losses.

## INVESTMENT OPPORTUNITIES

At Citadel, we continuously explore numerous compelling investment opportunities. Citadel's watch list includes a growing number of companies, filtered from the vast universe of companies listed in OECD countries. Each company that made it to the Citadel watch list typically operates a leading, profitable business segment with sustainable competitive advantages. These companies are diversified across products and customers, maintain solid balance sheets, and exhibit strong operational management, intelligent capital allocation and solid governance. The next crucial step involves waiting for the right share price before initiating a purchase. Amid ongoing market volatility, we believe exercising patience to secure favourable prices will ultimately prove rewarding.

Historically, Citadel has maintained substantial exposure in select sectors with particularly interesting characteristics, including, for example, branded consumer goods (consumer staples but also luxury goods), healthcare, and travel/leisure. When share prices offered opportunities for building a position, the Fund did so, and as shares became too expensive the Fund successfully divested many of these holdings. Presently, our watch list includes several names from these sectors once more, driven by more attractive valuation levels observed recently.

An example of a company on our watch list is a pharmaceutical company, whose name we cannot disclose at this time. Managing a longstanding successful business with strong market positions in several areas including oncology treatment drugs, this company meets nearly all our criteria. As its new drugs pipeline is currently modest or early stage, we assign minimal value to it. The company's current business operations must justify its valuation, with new drugs considered a free option. Based on its free cash flow yield, the current valuation stands around 12%, nearing Citadel's valuation

threshold. Pending satisfactory completion of our fundamental analysis and an even more attractive share price, this company could potentially become a new addition to Citadel's portfolio.

For those trying to guess the name anyway, this pharmaceutical company is certainly not Novo Nordisk. Novo Nordisk is renowned for its successful franchise in diabetes and obesity drugs, which currently enjoy stellar growth and pricing power with limited competition. However, this success comes at a price: investors can acquire Novo Nordisk shares at a free cash flow yield of only 2%, reflecting minimal compensation for shareholder risks. Our valuation analysis for Novo Nordisk, considering the duration of its patent portfolio and potential competition, and even attaching considerable value to its pipeline, suggests an estimated intrinsic value significantly lower than the current share price. We believe Novo Nordisk's stock price has been inflated to unsustainable levels. Despite the company's success, adding such a stock would introduce the risk of permanent capital loss to our portfolio - a risk we consistently strive to avoid.

INVESTMENT CASE: STELLANTIS

An investment opportunity that did enter the portfolio is Stellantis, ranked as the fourth largest global carmaker. While the name Stellantis often doesn't ring a bell, its large stable of car brands do: Peugeot, Citroen, Fiat, Opel, Alfa Romeo, Maserati, Jeep, Dodge, Chrysler, and a handful of other smaller car brands. Despite being a mass-market manufacturer, the company has demonstrated strong profitability with an EBIT margin of 10-12% from 2021 to 2023. More importantly, management emphasises cash generation, despite high capital requirements for the transition to emission free vehicles. Early in 2023, Citadel acquired shares in Stellantis at an exceptional valuation. At the time of purchase, Stellantis' free cash flow of €14bn equalled its entire enterprise value. The company offered a dividend yield of 10% and additionally repurchased 5% of its outstanding shares. Stellantis' balance sheet is extremely robust, with €34bn net cash out of a €48bn market capitalisation. This financial strength ensures Stellantis remains resilient regardless of market conditions.

One might ask: how can Stellantis be so attractively priced? We anticipated several years of lower profitability after peak year 2023, and this scenario is currently unfolding. However, we factored this into our valuation analysis and still believe the intrinsic value is at least three times Citadel's purchase price.

The auto industry is grappling with a prolonged shift from internal combustion engine (ICE) vehicles to electric cars, presenting significant challenges. Carmakers must maintain both technologies, which is costly, and investments in electric vehicles and related infrastructure (like batteries and semiconductors) will yield lower returns in the near term. Betting solely on electric or ICE vehicles would carry considerable risk.

<p><b>CHARGER DAYTONA</b></p>  <p>The fastest muscle car is now the world's first electric muscle car</p>	<p><b>WAGONEER S</b></p>  <p>Fastest Jeep, vehicle ever with breathtaking design, full battery-electric capability</p>	<p><b>RAM REV 1500</b></p>  <p>Highest-performance BEV truck across index of 4 most-valued dimensions</p>	<p><b>JEEP, RECON</b></p>  <p>First BEV with Jeep, Trail Rated, off-road capability and, doors-off, open-air experience</p>
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## Citadel Value Fund SICAV

### Report on activities of the Board of Directors (continued)

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Following the merger of Fiat-Chrysler and Peugeot-Citroen that established Stellantis, management swiftly implemented a future-proof strategy with two key decisions. Firstly, among its inherited brands, Stellantis is consolidating to four main vehicle platforms for most of its cars. This consolidation achieves substantial efficiency gains, enhancing cost competitiveness even against Chinese competitors. Secondly, these platforms are designed to accommodate any powertrain - electric, hybrid, ICE, or even hydrogen fuel cell - allowing flexibility to adjust production based on market demand and government regulations. This intelligent engineering approach enables Stellantis to respond swiftly to market dynamics, minimizing the risk of obsolescence in a rapidly developing market.

Financial markets tend to react negatively when short-term earnings face pressure. Consequently, Stellantis shares have retreated somewhat this year, following significant gains last year. Nonetheless, we maintain our conviction that the intrinsic value of Stellantis is nearly triple the current share price. As steadfast holders, we anticipate solid long-term returns.

#### IN CONCLUSION

Despite market anomalies – perhaps even because of them – Citadel's value investing approach is as valid and solid as ever. Citadel's current portfolio offers both upside potential and downside protection. As always, we continue to diligently seek new investment opportunities while adhering to the time-tested principles of value investing. We sincerely appreciate your continued support and trust. Wishing you and your loved ones a fantastic summer.

(Calculations and charts are based on official data from UI efa)

Kind regards,

Luxembourg, July 1st 2024

The Board of Directors

Note: The information in this report represents historical data and is not an indication of future results.

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Shareholders of  
CITADEL VALUE FUND SICAV  
2, rue d'Arlon  
L - 8399 Windhof (Koerich)

### Opinion

We have audited the financial statements of CITADEL VALUE FUND SICAV (the "Fund"), which comprise the statement of net assets and the statement of investments and other net assets as at 31 May 2024, and the statement of operations and other changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of CITADEL VALUE FUND SICAV as at 31 May 2024, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

### Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements » section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Board of Directors of the Fund (the "Board of Directors") is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.





In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

#### **Responsibilities of the Board of Directors for the financial statements**

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

#### **Responsibilities of the “réviseur d'entreprises agréé” for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of "*réviseur d'entreprises agréé*" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of "*réviseur d'entreprises agréé*". However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Luxembourg, 4 September 2024

BDO Audit  
Cabinet de révision agréé  
represented by

Frédéric Mosele

## Citadel Value Fund SICAV

### Statement of net assets (in EUR)

as at May 31st 2024

#### Assets

Securities portfolio at market value	30,738,925.31
Cash at banks	9,447,600.86
Income receivable on portfolio	124,465.64
Bank interest receivable	10,911.37
Prepaid expenses	12,522.46
Total assets	40,334,425.64

#### Liabilities

Expenses payable	432,866.18
Total liabilities	432,866.18
Net assets at the end of the year	39,901,559.46

#### Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in EUR)
MP capitalisation	3,214.54	EUR	352.31	1,132,523.90
P capitalisation	32,155.41	EUR	269.22	8,656,741.70
X capitalisation	106,595.17	EUR	282.49	30,112,293.86
				39,901,559.46

The accompanying notes are an integral part of these financial statements.



## Citadel Value Fund SICAV

### Statement of operations and other changes in net assets (in EUR)

from June 1st 2023 to May 31st 2024

<b>Income</b>	
Dividends, net	657,717.22
Bank interest	217,059.03
Other income	25,080.75
Total income	899,857.00
<b>Expenses</b>	
Investment management fees	276,163.99
Management Company fees	32,538.57
Incentive fees	376,868.10
Depository fees	22,501.17
Banking charges and other fees	11,504.98
Transaction fees	4,753.86
Central administration costs	69,962.55
Professional fees	20,706.00
Other administration costs	24,466.27
Subscription duty ("taxe d'abonnement")	19,314.20
Other expenses	25,122.16
Total expenses	883,901.85
Net investment income	15,955.15
<b>Net realised gain/(loss)</b>	
- on securities portfolio	2,155,460.65
- on foreign exchange	-1,755.20
Realised result	2,169,660.60
<b>Net variation of the unrealised gain/(loss)</b>	
- on securities portfolio	3,931,143.36
Result of operations	6,100,803.96
Subscriptions	841,900.01
Redemptions	-567,274.97
Total changes in net assets	6,375,429.00
Total net assets at the beginning of the year	33,526,130.46
Total net assets at the end of the year	39,901,559.46

The accompanying notes are an integral part of these financial statements.

## Citadel Value Fund SICAV

### Statistical information (in EUR)

as at May 31st 2024

Total net assets	Currency	31.05.2022	31.05.2023	31.05.2024
	EUR	34,867,467.65	33,526,130.46	39,901,559.46

Net asset value per share class	Currency	31.05.2022	31.05.2023	31.05.2024
MP capitalisation	EUR	301.07	292.80	352.31
P capitalisation	EUR	237.69	229.30	269.22
X capitalisation	EUR	247.37	238.64	282.49

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
MP capitalisation	3,129.72	84.82	-	3,214.54
P capitalisation	31,277.29	3,188.96	-2,310.84	32,155.41
X capitalisation	106,595.17	-	-	106,595.17

## Citadel Value Fund SICAV

### Statement of investments and other net assets (in EUR) as at May 31st 2024

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets *
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing</u></b>					
<b>Shares</b>					
CHF	5,000	Swatch Group AG	980,827.13	985,733.61	2.47
EUR	10,000	Continental AG	615,829.70	622,400.00	1.56
EUR	27,000	Koninklijke Ahold Delhaize NV	269,064.31	770,580.00	1.93
EUR	95,000	Signify NV	2,367,033.16	2,367,400.00	5.93
EUR	71,984	Sol SpA	718,578.11	2,404,265.60	6.03
EUR	85,000	Stellantis NV	1,339,606.00	1,719,125.00	4.31
			5,310,111.28	7,883,770.60	19.76
HUF	15,000	Zwack Un Liq Ind and Trad Plc	572,052.36	903,627.23	2.26
JPY	65,000	Nichirin Co Ltd Reg	853,103.18	1,451,224.21	3.64
JPY	226,600	Pronexus Inc	1,138,422.89	1,659,839.52	4.16
JPY	105,000	Sumco Corp	1,489,402.86	1,450,872.61	3.64
JPY	21,000	Toyota Industries Corp	563,125.16	1,821,281.99	4.56
			4,044,054.09	6,383,218.33	16.00
KRW	38,000	Samsung Electronics Co Ltd Pref	1,857,634.90	1,525,095.63	3.82
NOK	120,000	TGS ASA	1,533,708.75	1,442,044.37	3.61
USD	90,000	American Eagle Outfitters Inc	1,113,349.03	1,821,640.79	4.57
USD	100,000	Nov Inc	1,745,598.66	1,733,843.11	4.35
USD	65,000	Village Super Market Inc A	1,207,163.63	1,820,443.13	4.56
			4,066,111.32	5,375,927.03	13.48
<b>Total shares</b>			18,364,499.83	24,499,416.80	61.40
<b><u>Transferable securities dealt in on another regulated market</u></b>					
<b>Shares</b>					
GBP	163,500	Dewhurst Plc A Non Voting	420,203.34	1,255,767.97	3.15
GBP	250,000	MPAC Group Plc	511,201.47	1,462,820.03	3.67
<b>Total shares</b>			931,404.81	2,718,588.00	6.82
<b><u>Open-ended investment funds</u></b>					
<b>Tracker funds (UCITS)</b>					
EUR	33,989	JPMorgan ETFs (Ireland) ICAV EUR Ultra-Sh Inc UCITS ETF Dist	3,363,987.19	3,520,920.51	8.82
<b>Total tracker funds (UCITS)</b>			3,363,987.19	3,520,920.51	8.82
<b>Total investments in securities</b>			22,659,891.83	30,738,925.31	77.04
<b><u>Cash at banks</u></b>					
<b>Notification deposits</b>					
EUR	3,750,000.00	Natixis 3.4000%	3,750,000.00	3,750,000.00	9.40
EUR	3,000,000.00	Société Générale SA 3.5000%	3,000,000.00	3,000,000.00	7.52
<b>Total notification deposits</b>			6,750,000.00	6,750,000.00	16.92
<b>Current accounts at bank</b>					
			2,697,600.86	2,697,600.86	6.76
<b>Total cash at banks</b>			9,447,600.86	9,447,600.86	23.68
<b>Other net assets/(liabilities)</b>				-284,966.71	-0.72
<b>Total</b>				39,901,559.46	100.00

\* Minor differences may arise due to rounding in the calculation of percentages.

The accompanying notes are an integral part of these financial statements.

## Citadel Value Fund SICAV

### Industrial and geographical classification of investments as at May 31st 2024

#### Industrial classification

(in percentage of net assets)

Industrials	21.47 %
Cyclical consumer goods	20.37 %
Investment funds	8.82 %
Non-cyclical consumer goods	8.75 %
Energy	7.96 %
Raw materials	6.03 %
Technologies	3.64 %
Total	<u>77.04 %</u>

#### Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Japan	16.00 %
United States of America	13.48 %
The Netherlands	12.17 %
Ireland	8.82 %
United Kingdom	6.82 %
Italy	6.03 %
South Korea	3.82 %
Norway	3.61 %
Switzerland	2.47 %
Hungary	2.26 %
Germany	1.56 %
Total	<u>77.04 %</u>

## Citadel Value Fund SICAV

### Statement of changes in investments (unaudited)

from June 1st 2023 to May 31st 2024

Currency	Description	Purchases (Number / nominal value)	Sales (Number / nominal value)	Other * (Number / nominal value)
<b><u>Shares</u></b>				
EUR	Signify NV	25,000	0	0
EUR	Vitesco Tec Gr Aktiengesellschaft	0	10,000	-30,000
EUR	Vitesco Tec Gr Aktiengesellschaft	0	30,000	30,000
GBP	Dewhurst Plc A Non Voting	0	60,000	0
JPY	Sumco Corp	105,000	0	0
KRW	Samsung Electronics Co Ltd Pref	14,000	0	0
NOK	TGS ASA	25,000	0	0
<b><u>Tracker funds (UCITS)</u></b>				
EUR	JPMorgan ETFs (Ireland) ICAV EUR Ultra-Sh Inc UCITS ETF Dist	4,000	0	0

\* Corporate actions

## Citadel Value Fund SICAV

### Notes to the financial statements

as at May 31st 2024

#### Note 1 - General information

Citadel Value Fund SICAV (the "Fund") is a "*Société d'Investissement à Capital Variable*" ("SICAV"), established on January 3rd 2002 for an indefinite duration.

The financial year of the Fund runs from June 1st to May 31st.

The reference currency of the Fund is the Euro (EUR).

The most recent annual report and the most recent semi-annual report, the Articles of Association, the Prospectus and the KID are available at the registered office of the Fund and on its website [www.citadelfund.com](http://www.citadelfund.com). At those places the last three annual reports of the Fund are available.

#### Note 2 - Significant accounting policies

##### a) Presentation of the financial statements

The financial statements of the Fund are prepared in accordance with the Luxembourg legal and regulatory requirements concerning undertakings for collective investment and with generally accepted accounting principles in Luxembourg.

The financial statements of the Fund have been prepared on a going concern basis.

##### b) Valuation of assets

The valuation of the investments is based on the following principles:

- 1) Investments (transferable securities and money market instruments) listed on any stock exchange and on any regulated market are valued at the last closing price, unless the price is not representative at the Valuation Date. In the latter case the price will be valued at the probable realization value estimated with care and good faith by the Board of Directors.
- 2) Investments (transferable securities and money market instruments) which are not listed on any stock exchange are valued on the basis of the probable realization value estimated with care and good faith by the Board of Directors.
- 3) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received is deemed to be the nominal value thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such a discount as may be considered appropriate by the Board of Directors in such case to reflect the true value thereof.

The Board of Directors, at its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Fund.

##### c) Acquisition cost of securities in the portfolio

The acquisition cost of the securities held by the Fund that are denominated in currencies other than the reference currency of the Fund is converted into this currency at the exchange rate prevailing on the date of purchase.

##### d) Net realised gain / (loss) on securities portfolio

The realised gains and losses on securities portfolio are calculated on the basis of the average acquisition cost and are disclosed net in the statement of operations and other changes in net assets.

## Citadel Value Fund SICAV

### Notes to the financial statements (continued)

as at May 31st 2024

#### e) Investment income

Dividend income is recorded at the "ex-date", net of any withholding tax.

#### f) Conversion of foreign currencies

Cash at banks, other net assets, liabilities and the market value of the securities in the portfolio expressed in currencies other than the reference currency of the Fund are converted into this currency at the exchange rate prevailing on the date of the financial statements. Income and expenses expressed in currencies other than the reference currency of the Fund are converted into this currency at the exchange rate prevailing on the date of the transaction. Net realised gains or losses on foreign exchange are disclosed in the statement of operations and other changes in net assets.

At the date of the financial statements, the exchange rates are the following:

1	EUR	=	0.9797272	CHF	Swiss Franc
			0.8528048	GBP	Pound Sterling
			390.0944859	HUF	Hungarian Forint
			170.6490276	JPY	Japanese Yen
			1,502.4631564	KRW	South Korean Won
			11.4004814	NOK	Norwegian Krona
			1.0854500	USD	US Dollar

#### g) Transaction fees

Transaction costs disclosed under the item "Transaction fees" in the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the Fund relating to purchases or sales of securities and of fees relating to transactions paid to the depositary.

### Note 3 - Investment management fees

Pure Capital S.A., the Investment Manager, is entitled to an investment management fee, calculated monthly, payable at the end of each month and based on the net assets of the Fund as at the last monthly Valuation Date at a rate of 0.75 % p.a., with a minimum of EUR 15,000.- p.a.. The net assets pertaining to the Class "MP" shares will not be included in this calculation as they are not subject to the investment management fee.

The Investment Manager appointed as its investment advisor D&F Financial Services B.V. for an indefinite period pursuant to an Investment Advisory Agreement signed on January 1st 2022; the Investment Advisor may, subject to approval of the Investment Manager, sub-delegate its powers.

The remuneration of the Investment Advisor is included in the remuneration of the Investment Manager.

The Investment Advisor provides assistance and advice to the Investment Manager regarding investment decisions.

### Note 4 - Management Company fees

For the general services of the Management Company (which do not include the fees in respect of services of the investment management, registrar and transfer agency and central administration), the Management Company is entitled to a maximum fee amounting to 0.06 % calculated on the basis of the Net Asset Value of the Fund, with an annual minimum of EUR 5,000.- payable out of the assets of the Fund. The net assets pertaining to the Class "MP" shares will not be included in this calculation as they are not subject to the management company fee.

## Citadel Value Fund SICAV

### Notes to the financial statements (continued)

as at May 31st 2024

#### Note 5 - Incentive fees

The Investment Manager is entitled to an incentive fee equal to 20% in case of the "P" share Class and to 10% in case of the "X" share Class of the Excess Return (as defined below), if any, achieved by the Fund, which is calculated and payable annually at the end of each financial year. The net assets pertaining to the Class "MP" shares are not included in this calculation as they are not subject to the incentive fee.

The following conditions will apply for the calculation of the incentive fee:

The Excess Return in any year shall be calculated by deducting the High Water Mark, after it has been increased with the Hurdle Rate as defined below, from the last net asset value per share of the current financial year (adjusted for incentive fee provision and including accrual of crystallised incentive fees) and adjusting for subscriptions, redemptions and dividends, if any. The adjustment mechanism for subscriptions and redemptions is specifically designed to ensure that increases resulting from new subscriptions are not resulting in an artificial increase of the calculated Excess Return.

The Hurdle Rate has been set at a rate of 4% annualised during the first year following the High Water Mark.

The incentive fee will be subject to the following 2 restrictions:

- 1) There will be no incentive fee if the Excess Return so defined is 0 or negative.
- 2) A High Water Mark restriction: There will be no incentive fee, if the last net asset value per share (adjusted for incentive fee provision and including accrual of crystallised incentive fees) is lower than the net asset value per share (after accrual of the incentive fee) as of the end of any of the five (5) financial years preceding the current financial year (the "**Performance Reference Period**"). The High Water Mark is therefore defined as the highest net asset value per share at the end of any of the financial years during the Performance Reference Period. For the avoidance of doubt, no incentive fee will accrue for the part of the Fund's performance that is below the High Water Mark during the Performance Reference Period.

For the purpose of calculating the net asset value per share as of any Valuation Date, the incentive fee (if applicable) will be expensed and provisioned. On each Valuation Date, the incentive fee will be recalculated, based on the actual Excess Return, if any, on that Valuation Date. The Fund will pay out an incentive fee, if any, to the Investment Manager, only once a year after the end of each fiscal year based on the Excess return, if any, as per the date of the fiscal year end.

In case of a redemption at a net asset value per share that includes an incentive fee provision, the pro rata part of that incentive fee will be carried forward as a crystallised incentive fee until the fiscal year end and will be paid to the Investment Manager after the fiscal year end.

The Fund pays a portion of the incentive fees to the Investment Advisor (50%).

At the date of the financial statements, the incentive fee was recorded and amounted to :

Fund	Share class	Incentive fee amount in Fund currency	Incentive fee ratio in % of average total net assets
Citadel Value Fund SICAV	P capitalisation	135,749.83	1.70%
	X capitalisation	241,118.27	0.84%
		<u>376,868.10</u> EUR	



**Note 6 - Subscription tax ("Taxe d'abonnement")**

In accordance with current law and practice in Luxembourg, the Fund is not subject to Luxembourg corporate tax. Nor are dividends that are paid by the Fund subject to any Luxembourg withholding tax. However, the Fund is subject in Luxembourg to a registration tax of 0.05% per annum with regard to the "Class P", "Class X" and "Class MP" shares that is payable quarterly in arrears on the basis of the value of the aggregate net assets of the Fund at the end of the relevant calendar quarter. No stamp duty or other tax is payable in Luxembourg on the issue of new shares, except for the payment of an initial capital tax of EUR 1,250.00 that was paid at the incorporation of the Fund.

**Note 7 - Depositary fees and Central administration costs**

The Board of Directors appointed Pure Capital S.A., the management company, as its administrative agent and domiciliary agent as well as registrar and transfer agent.

Pure Capital S.A. delegated the tasks of the Administrative Agent, Registrar and Transfer Agent of the Fund, exclusively to UI efa S.A..

The Fund has appointed Quintet Private Bank (Europe) S.A. as Depositary of the assets of the Fund pursuant to a depositary agreement with effective date as of 31st March 2016.

Central administration costs and depositary fees are based on annual rates as defined in the respective contracts.

**Note 8 - Directors' fee**

The members of the Board of Directors may be entitled to a directors' fee, to be approved by the general assembly of Shareholders, as well as reimbursements of expenses incurred by them in the conduct of their duties.

The Directors' fees are recorded under the caption "Other expenses" in the statement of operations and other changes in net assets.

At the date of the report, the Directors' fee incurred by the Fund amounted to EUR 14,658.96 (the net amount is EUR 12,215.80 and EUR 2,443.16 is the 20% WHT).

**Note 9 - Subscription and redemption fees**

No subscription and no redemption fees are payable.

Shares redeemed have no voting rights and do not participate in dividends, if applicable, or other distributions.

**Note 10 - Liquidity Risk Management**

The Fund invests according to a deep value strategy, suitable for investors with an investment horizon of at least three to five years. The Fund may invest in the shares of small and medium-sized companies, which may be less liquid and more volatile than securities of larger companies. The Management Company deploys a risk management system based on a Liquidity Policy. As at May 31st 2024, 10.9% of total net assets is considered illiquid according to the methodology implemented by the Risk Management Department of the Management Company.

**Note 11 - Ukraine-Russia conflict**

The Russian Federation invaded Ukraine on February 24th 2022 and has caused considerable disruption to the global economy and more particularly to those companies and countries with significant exposure to those countries. As of the date of this report, the Fund has received confirmation that firstly that there are no sanctioned investors or investors closely associated with sanctioned entities or persons in the Fund, and secondly that none of the Fund's investments have any significant exposure to Russia or Ukraine. Consequently, the invasion had a limited impact on the performance of the Fund's investments. The situation is being monitored on an ongoing basis.

**Note 12 - Middle East**

During early October 2023, the Middle East has entered a phase of instability following the assault on Israel by Hamas terrorists from Gaza. This led to Israel's declaration of war on Hamas and the ongoing armed conflict in Israel and the Gaza Strip (the "War").

The Board of Directors is closely monitoring the effects of the War and has assessed that the War does not directly impact the Company's financial statements as at May 31st 2024.

**Note 13 - Subsequent events**

No subsequent event occurred after the end of the accounting year.

## Citadel Value Fund SICAV

### Additional information (unaudited)

as at May 31st 2024

#### 1 - Risk management

As required by Circular CSSF 11/512 as amended, the Board of Directors of the Fund needs to determine the global risk exposure of the Fund by applying either the commitment approach or the VaR ("Value at Risk") approach.

In terms of risk management, the Board of Directors of the Fund decided to adopt the commitment approach as a method of determining the global exposure.

#### 2 - Remuneration

	Number of Beneficiaries	Total remuneration paid	Fixed remuneration paid	Variable remuneration paid	Amount paid directly by the Fund itself to the Management Company (including management company fees; incentive fees and domiciliation fees)
Total remuneration paid by the Management Company during the financial year to executives and senior management	6	3,744,118.97 €	2,313,118.97 €	1,431,000.00 €	85,915.86 €
Total remuneration paid by the Management Company during the financial year to other staff	25	2,407,976.88 €	1,752,038.87 €	655,938.01 €	

#### 3 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR")

During the reporting period, the Fund did not engage in transactions which are subject to the publication requirements of SFTR. Accordingly, no information concerning the transparency of securities financing transactions and of reuse of cash collateral should be reported.

#### 4 - Information related to the EU Regulations 2019/2088 of the European Parliament and of the Council of 27th November 2019 on sustainability - related disclosures in the financial services sector (hereafter "SFDR") as amended and as complemented by regulatory technical standards (RTS)

In accordance with these Regulations, the Fund is categorised under SFDR Article 6.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.