CITADEL GROUP OF FUNDS

CITADEL DIVERSIFIED INVESTMENT TRUST ANNOUNCES DISTRIBUTION AND TOP TEN HOLDINGS AUGUST 23, 2006

Stock Symbol: ***CTD.UN, TSX***

Citadel Diversified Investment Trust reports the distribution to unitholders of record at the close of business on August 31, 2006 and payable on September 15, 2006 is $0.085 Cdn per unit.

Throughout the month of July 2006, Citadel Diversified repurchased 129,200 units at an average price of $10.58 per unit under its mandatory repurchase program, which represented a discount to net asset value of 10.5%.

The Trust's net asset value as at August 17, 2006 was $12.11 Cdn per unit. The current portfolio consists of 40% income funds, 27% oil and gas royalty trusts, 11% real estate investment trusts, 9% pipeline and energy distribution funds, and 13% cash and cash equivalents.

Top Ten Holdings at August 17, 2006:

1) ARC Energy Trust
2) Penn West Energy Trust
3) NAL Oil & Gas
4) Vermilion Energy Trust
5) Baytex Energy Trust
6) Paramount Energy Trust
7) Arctic Glacier Income Fund
8) Energy Savings Income Fund
9) Crescent Point Energy Trust
10) Armtec Infrastructure Income Fund

For more information, contact Joe MacDonald, Executive Vice President, Sales and Marketing at 1-877-261-9674 or visit our website at www.citadelfunds.com.