

Nikitsky Russia/CIS Opportunities Fund Ltd.

December, 2007 Performance Report

December performance was moderately positive (+2.32%), however we slightly underperformed the index, essentially because of our decision to reduce risk in light of global volatility, switching into Russian Rouble fixed income, in particular the bank bonds.

Despite the carnage in global financials, Russian banks provide an excellent safe-haven in the current storm. Not only do they have zero exposure to US subprime/CDO/CDS madness, but especially – with close to one-half **trillion** dollars in reserves the Central Bank of Russia has repeatedly declared that there would be no banking crisis; they have repeatedly provided liquidity to any bank experiencing difficulties in refinancing its loan book.

As we go to press, Russian equity markets are being hit by a wave of indiscriminate – indeed, of panicky selling – due solely to global contagion. Since the Russian blue chips are now highly liquid, hedge funds facing margin calls have dumped these assets wholesale. Indeed, at one point today, the Micex index was down by some 7%, the sort of drop not seen since the 1997-98 crisis.

Of course, in 1997 there were excellent reasons for the market to sell off – the economy was melting down, the political situation was totally chaotic, the Central bank coffers were empty. Today – the economy is growing at about 7% per annum, the Russian Central bank controls the world's third largest reserves position, and politics are the least of our concerns.

As counterintuitive as it may sound, Russia constitutes a safe-haven in treacherous global waters. The issue of whether the current US recession will be confined to the US, or will instead drag down not just Europe but also the emerging countries has been exhaustively debated elsewhere. For what it's worth, we believe that the growth of domestic consumption in the BRICs should allow strong and sustained economic growth – indeed, some slowdown will be welcome in those economies faced with the risk of overheating. Despite a sharp slowdown in US imports, we see no sign whatsoever of a collapse in growth in China - (which has just slowed...to a smoking +11.3 %!) or India.

We are disinclined to catch falling knives – and will thus continue to take a conservative stance, preserving liquidity so as to be able to take advantage of the rebound – whenever it comes. For now, we find that the bond markets provide a welcome refuge.

Nikitsky Russia/CIS Opportunities Fund Ltd.

Nikitsky Russia/CIS Opportunities Fund Performance (net of all fees, %%)

2006	Jul	Aug	Sept	Oct	Nov	Dec	Year	2007	Jan	Feb	Mar	Apr	May	Jun	
<i>RTSI</i>	3.78	4.87	-4.72	4.10	10.11	8.17	28.59	<i>RTSI</i>	-4.11	0.83	4.18	-0.01	-8.02	6.59	
<i>FUND</i>	2.35	3.29	-3.68	5.04	3.75	-2.77	7.89	<i>FUND</i>	0.38	-1.13	1.01	0.34	-5.72	3.73	
									July	Aug	Sept	Oct	Nov	Dec	YTD
								<i>RTSI</i>	5.07	-3.71	7.91	7.30	-0.13	3.17	19.18
								<i>FUND</i>	5.19	-3.80	2.41	7.79	-2.53	2.32	9.58

Audited Track Record of Gross Performance of the Managed Account¹ (MA), %%

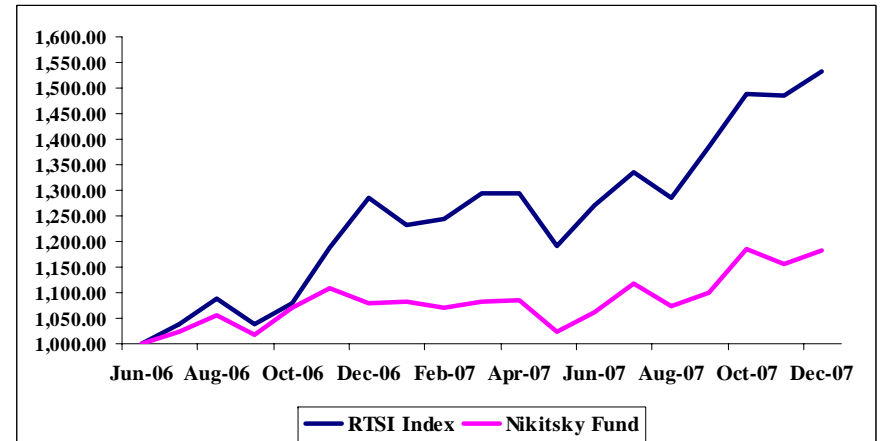
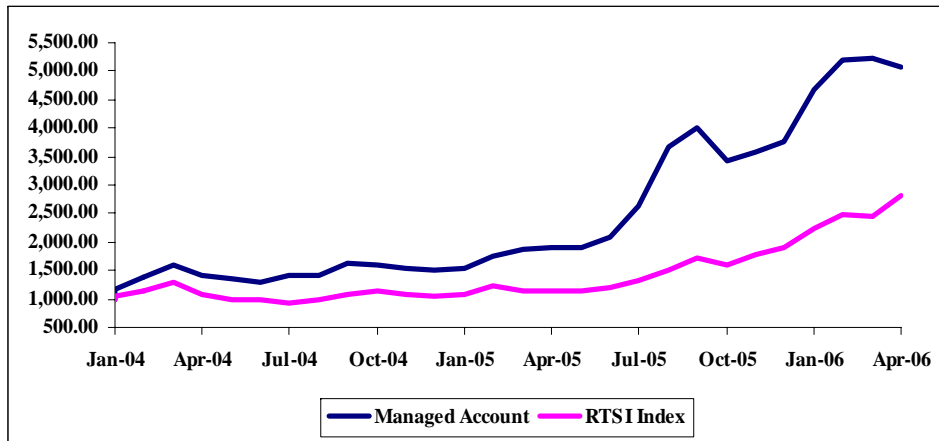
2004*	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year
<i>RTSI</i>	4.27	10.24	9.28	-15.73	-8.69	4.64	-7.67	7.12	8.22	2.37	-5.67	0.50	4.78
<i>MA</i>	17.33	17.12	15.61	-10.78	-4.46	-4.37	8.07	1.38	13.84	-0.64	-3.65	-3.17	49.74
2005*	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year
<i>RTSI</i>	4.88	11.88	-6.31	-1.47	0.76	5.88	8.51	12.73	12.65	-9.99	10.10	5.98	84.70
<i>MA</i>	2.84	14.57	6.55	0.90	-0.04	10.15	25.53	39.57	9.53	-14.21	3.76	5.14	150.47
2006**	Jan	Feb	Mar	Apr									
<i>RTSI</i>	10.55	8.50	-1.09	14.23									
<i>MA</i>	24.68	10.86	0.96	-3.17									

* KPMG audited results, values expressed gross

** 2006 results certified but unaudited

¹ The Nikitsky Russia/CIS Opportunities Fund is a continuation of the managed account run by Mr. Eric Kraus (Managing Director of Anyatta Capital Management Ltd, the investment advisor to the Nikitsky Fund) since 1999.

Nikitsky Russia/CIS Opportunities Fund Ltd.



Fund's Performance Since Inception

	NAV Per Share	Performance MTD	Performance YTD	Performance Since Inception
JULY-06	1,023.50	2.35%	2.35%	2.35%
AUGUST-06	1,057.16	3.29%	5.72%	5.72%
SEPTEMBER-06	1,018.27	-3.68%	1.83%	1.83%
OCTOBER-06	1,069.57	5.04%	6.96%	6.96%
NOVEMBER-06	1,109.66	3.75%	10.97%	10.97%
DECEMBER-06	1,078.91	-2.77%	7.89%	7.89%

Nikitsky Russia/CIS Opportunities Fund Ltd.

Fund's Performance Since Inception

	NAV Per Share	Performance MTD	Performance YTD	Performance Since Inception
JANUARY-07	1,083.04	0.38%	0.38%	8.30%
FEBRUARY-07	1,070.83	-1.13%	-0.75%	7.08%
MARCH-07	1,081.62	1.01%	0.25%	8.16%
APRIL-07	1,085.28	0.34%	0.59%	8.53%
MAY-07	1,023.17	-5.72%	-5.17%	2.32%
JUNE-07	1,061.30	3.73%	-1.63%	6.13%
JULY-07	1,116.38	5.19%	3.47%	11.64%
AUGUST-07	1,073.94	-3.80%	-0.46%	7.39%
SEPTEMBER-07	1,099.78	2.41%	1.93%	9.98%
OCTOBER-07	1,185.50	7.79%	9.88%	18.55%
NOVEMBER-07	1,155.53	-2.53%	7.10%	15.55%
DECEMBER-07	1,182.30	2.32%	9.58%	18.23%

Nikitsky Russia/CIS Opportunities Fund Ltd.

Essential Information

Fund Name:	Nikitsky Russia/CIS Opportunities Fund Ltd.		
Investment Manager:	Anyatta Capital Management Ltd.		
Domicile:	Cayman Islands		
Inception Date:	1 July 2006		
Fund Share Classes:	A and O (Euro and USD for each)		
Minimum Subscription:	Class O: 100,000 (Euro/USD); Class A: 250,000 (Euro/USD)		
Fees:	Management fee	Performance fee	Redemption fees
		(above 5% hurdle)	(paid integrally into the Fund for benefit of remaining investors)
Class O (<i>initial investors</i>):	1.5%	20%	None
Class A (<i>general</i>):	2.0%	20%	Year 1: 7.5%; Year 2: 5.0%; Year 3 & thereafter: 0%
Redemptions:	Quarterly (30 days notice)		
High-Water Marking:	for all performance fees		
Directors:	Eric Kraus, Peter Hughes, James Keyes		
Administrator:	Apex Fund Services Ltd.		
Custodian:	Troika Dialog (Bermuda) Limited		
Auditor:	KPMG, Cayman Islands		
Legal Counsel:	Quin & Hampson, Cayman Islands		
Bloomberg Ticker:	NIRCOFU KY NIKITSKY RUS/CIS OPP FUND-\$		
Investment Objective:	Long-term capital appreciation through investments in a diversified portfolio, initially consisting of Russian/CIS securities, primarily small- and mid-cap assets selected by a value-driven screening process.		

Primary Contacts

Eric Kraus
Anyatta Capital Management Ltd.
Tel.: +7 495 917 0091
E-mail: krausmoscow@yahoo.com; eric@nikitskyfund.com

Peter Hughes
Apex Fund Services Ltd
Tel.: +1 441 292 2739
E-mail: peter@apex.bm

Disclaimer

This document is not a solicitation or an offering document to invest in this fund or any affiliated funds. There is no guarantee that an investment in any of the funds managed by Eric Kraus will generate a positive return, even if financial markets perform favourably.

There is no guarantee that an investment will not result in a loss. Past performance is no guarantee of future return. An investment in this fund or any affiliated funds should be regarded as long-term in nature.

Please note that the Nikitsky Fund is limited to Qualified, Non-US Investors.