

Nikitsky Russia/CIS Opportunities Fund Ltd.

March, 2007 Performance Report

In March we saw some rays of sunshine and we have reason to feel optimistic about the future of the small/mid-cap sector of the Russian market. There were two substantial events – the first was of major significance, and has reversed some painful paper losses on the portfolio.

On the last day of March, the Russian Federal Securities Commission disallowed the dilutive issue on the Nizhnekamskneftekhim refinery, sending the share price up by some 250% in a matter of minutes. This is tremendously reassuring, as it suggests that the worst of the value-destructive corporate governance practices common in the 1990s are safely behind us.

In the wake of this decision, quite a few of our small-cap assets, in particular the Bashkortostan refiners, e.g. Novoil, are now catching a strong bid; given their very high current dividend payout (>10% on the prefs) we would expect some strong gains over the coming months.

A second bit of good news was the announced changes to the Federal Tax Code – dividends paid by subsidiaries to the parent companies will no longer be taxed as ordinary income. This totally irrational taxation was one of the main driving forces for the abusive transfer pricing which daughter companies commonly fell victim to. A combination of carrot (the end to the dividend tax) and sticks (tax enforcement) should gradually put an end to this archaic practice, strongly benefiting numerous small-cap companies: refineries, mines, steel mills, etc.

As regards the overall Russian market, performance has been a bit listless of late, lagging the EMEA somewhat. At present, all of the emerging markets are held somewhat hostage to concerns about the US economy, in particular the train-wreck in sub-prime mortgage lending. We will reiterate our view that while this will have a near-term effect on Russian financial markets, Russia is one of the countries least dependent upon US economic activity. While Russia could be affected by secondary factors – i.e. a resultant slowdown in Asia – the rapid growth in domestic demand coupled with the enormous reserves position should provide a great deal of insulation.

The other major concern haunting the Russian market, the recurring fear that oil prices would return to some fictional long-term average price of, say, \$20 dollars is gradually fading; even the most stalwart of the bulge-bracket firms are gradually upgrading their long-term oil price targets (UBS was the latest to move, begrudgingly at that, hiking its long-term estimate from \$41 to \$50). This, along with a parallel upgrade in long-term metals prices forecast given the soaring demand from Asia should underpin Russian performance.

After a brief, chilly winter, we are quite optimistic on the prospects for a shift in the Russian market momentum back to the small/mid-caps.

IMPORTANT NOTE:

Anyatta Capital, advisor to the Nikitsky Fund, is happy to announce that Mr. Michael Sito agreed to join our investment committee as of May 1, 2007. In addition to his regular duties pertaining to the investment committee, Mr. Sito has also agreed to assume responsibility for the fund in the event that Anyatta Capital's Managing Director, Eric Kraus, were to become incapacitated.

Nikitsky Russia/CIS Opportunities Fund Ltd.

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

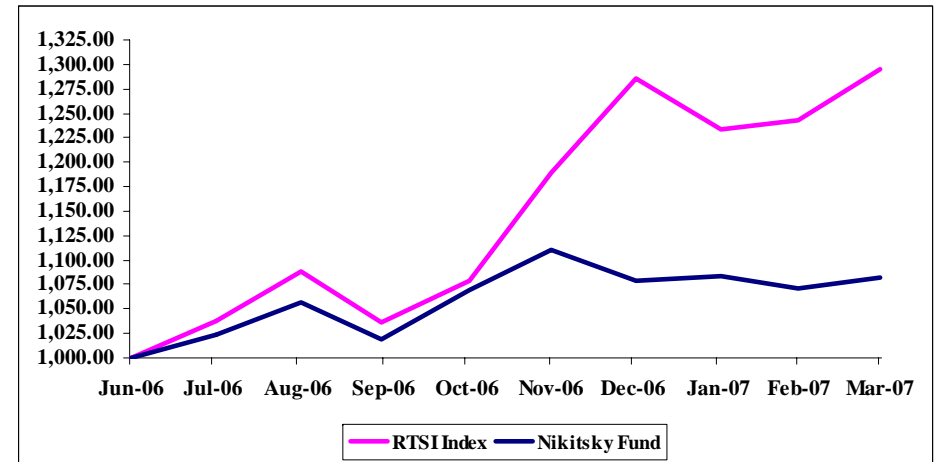
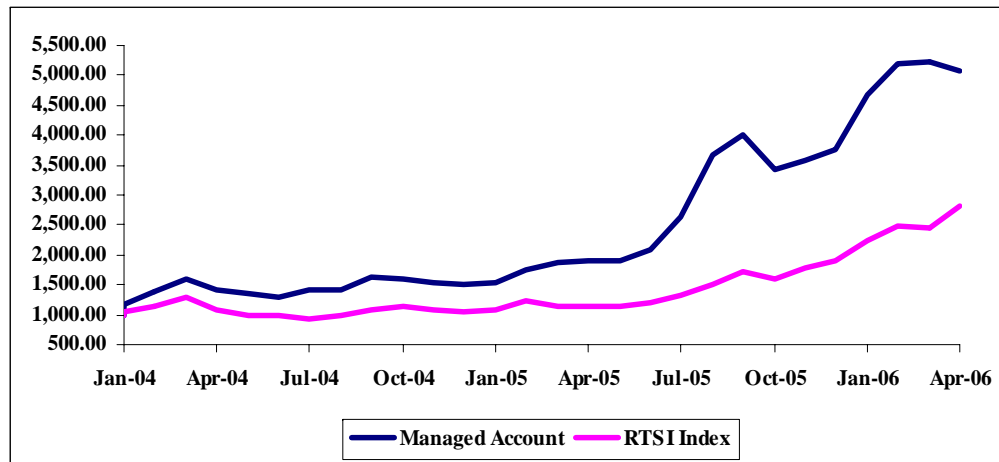
2006	Jul	Aug	Sept	Oct	Nov	Dec	Year	2007	Jan	Feb	Mar	YTD
RTSI	3.78%	4.87%	-4.72%	4.10%	10.11%	8.17%	28.59%	RTSI	-4.11%	0.83%	4.18%	0.72%
FUND	2.35%	3.29%	-3.68%	5.04%	3.75%	-2.77%	7.89%	FUND	0.38%	-1.13%	1.01%	0.25%

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

2004*	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
RTSI	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%
MA	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	YTD
RTSI	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%
MA	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									
RTSI	10.55%	8.50%	-1.09%	14.23%									
MA	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
JULY-06	1,023.50	2.35%	2.35%
AUGUST-06	1,057.16	3.29%	5.72%
SEPTEMBER-06	1,018.27	-3.68%	1.83%
OCTOBER-06	1,069.57	5.04%	6.96%
NOVEMBER-06	1,109.66	3.75%	10.97%
DECEMBER-06	1,078.91	-2.77%	7.89%
JANUARY-07	1,083.04	0.38%	0.38%
FEBRUARY-07	1,070.83	-1.13%	-0.75%
MARCH-07	1,081.62	1.01%	0.25%

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

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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.