



*for*

ZENIT **MULTIS**TRATEGY SICAV  
SOCIÉTÉ D'INVESTISSEMENT À CAPITAL VARIABLE

LUXEMBOURG

**ASSET ALLOCATION MONTHLY REPORT**

**NOVEMBER 2007**

*This document was written in respect of the point n° 5 of the INVESTMENT MANAGEMENT AGREEMENT signed between Degroof Gestion Institutionnelle – Luxembourg (Management Company) and Zenit SGR SpA (Investment Manager).*

**Investments and reasons.**

Name of Company		Weight ipotesis	Reasons
<ul style="list-style-type: none"> <li>• Pierrel (a)</li> <li>• Kerself (a)</li> <li>• Cogeme (a)</li> <li>• Servizi Italia (a)</li> </ul>		5,0% - 10%	<p>(a) Companies that have these capability:</p> <ul style="list-style-type: none"> <li>☞ Quality management</li> <li>☞ Clear strategic vision</li> <li>☞ Solid competitive positioning</li> <li>☞ Entrance <i>barriers</i> for competitors</li> <li>☞ Good growth prospects</li> </ul> <p>(b) Energy sector stocks close to important turning points.</p>
<ul style="list-style-type: none"> <li>• Caleffi (a)</li> <li>• Monti Asc. (a)</li> <li>• RCF Group (a)</li> <li>• Bouty (a)</li> </ul>	<ul style="list-style-type: none"> <li>• Gentium (a)</li> <li>• Interoil (b)</li> <li>• Biancamano (a)</li> </ul>	2,0% - 5,0%	

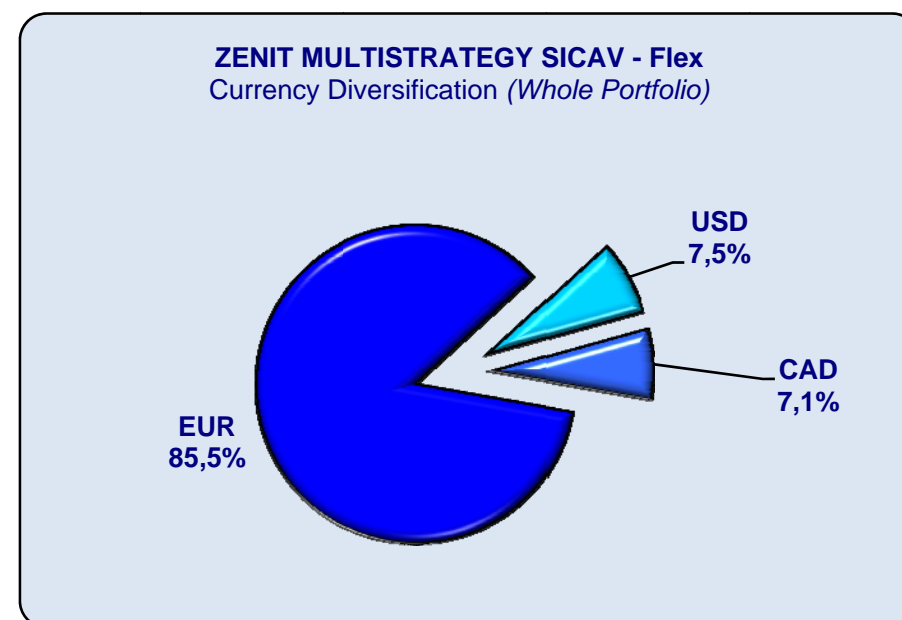
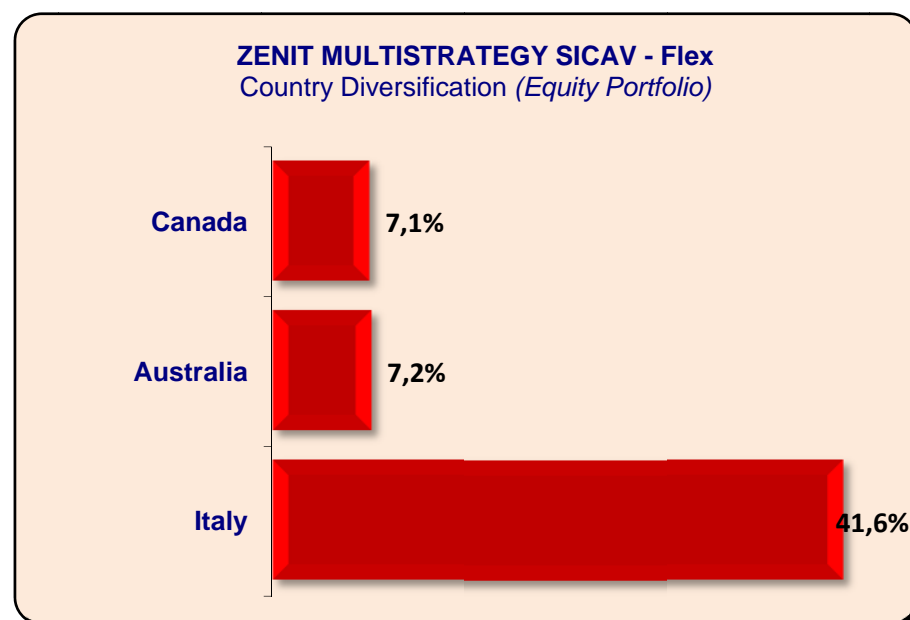
**Risk Measures, Geographical & Currency Breakdown.**

ZENIT MULTISTRATEGY SICAV Flex - EQUITY PORTFOLIO - 30/11/07	
% Equity in Portfolio	59,1%
Stock's Number in Portfolio	16
Stock Average BETA	0,36
V.A.R. on WHOLE PORTFOLIO at 95% 1 Month Horizon	3,22%
Bloomberg Recommendation Consensus	3,00
Volatility 30 Day	31,96
Volatility 90 Day	29,41
Volatility 360 Day	24,89
BE Estimate P/E Current Year	30,90
BE Estimate P/E Next Year	26,30
Price/Book Value	6,84

**Bloomberg Recommendation Consensus:** *Esprime la media dei rating delle azioni delle Società in portafoglio: 5 = BUY; 4 = OUTPERFORM; 3 = HOLD; 2 = UNDERPERFORM; 1 = SELL. Il rating è basato sui consigli degli analisti, raccolti dai giornalisti di Bloomberg di tutto il mondo.*

ZENIT MULTISTRATEGY SICAV Flex - BOND PORTF. & CASH <sup>[1]</sup> - 30/11/07	
% Cash in Portfolio	21,3%
% Government Bond in Portfolio	8,0%
% Corporate Bond in Portfolio	11,6%
Bond's Number in Portfolio	6
Modify Duration	1,26
Maturity	4,18
Volatility 90 Day	2,60
Moody's Rating	Aa3
Yield	5,05%
Coupon	4,18%
Mid Government Spread (bp)	152

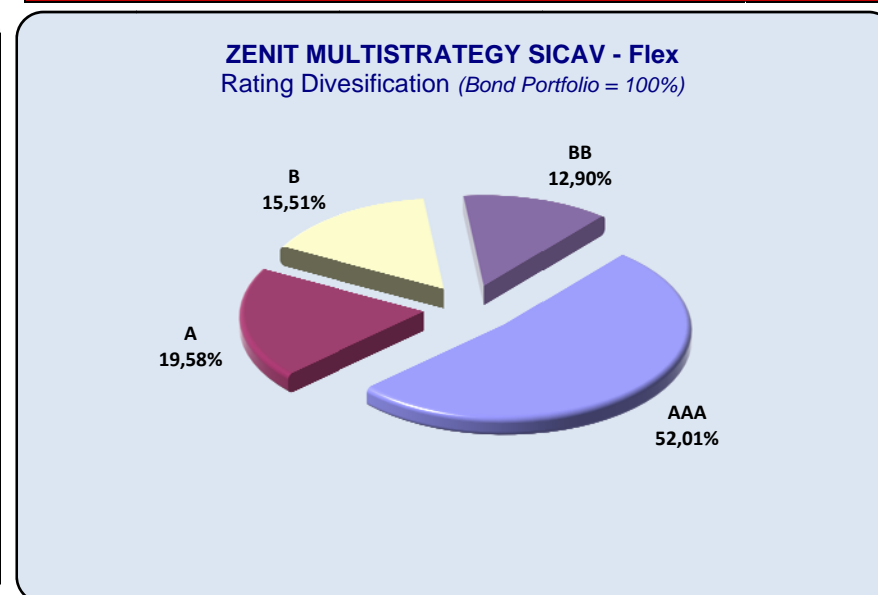
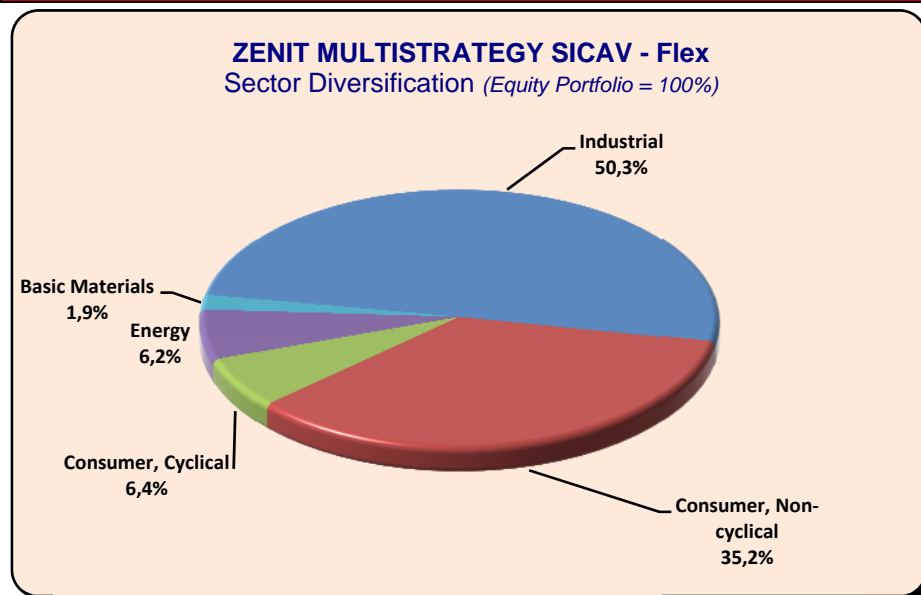
<sup>[1]</sup> *Cash position is valued with AAA rating and 3,10% yearly yield*



**Top 10 Holdings, Sector & Rating Breakdown.**

ZENIT MULTISTRATEGY SICAV - Flex - Top 10 Stocks in Portfolio 30/11/2007		
Company Name	Sector	%
KERSELF	Industrial	10,0%
PIERREL SPA	Consumer, Non-cyclical	8,5%
COGEME SET SPA	Industrial	7,2%
SERVIZI ITALIA SPA	Consumer, Non-cyclical	7,1%
BIANCAMANO SPA	Industrial	4,7%
CALEFFI SPA	Consumer, Cyclical	3,8%
INTEROIL CORP	Energy	3,7%
MONTI ASCENSORI SPA	Industrial	3,2%
BOUTY HEALTHCARE SPA	Consumer, Non-cyclical	2,5%
GENTIUM SPA-SPONSORED ADR	Consumer, Non-cyclical	2,4%
<b>Total Weight Top 10 Stocks</b>		<b>53,2%</b>

ZENIT MULTISTRATEGY SICAV - Flex - Top 10 Bonds in Portfolio 30/11/2007		
Bond Description	Rating	%
BTPS 2 1/2 06/15/08	A	8,0%
SNORAS 7 05/21/10	BB	3,2%
F 7 1/8 01/16/12	B	2,2%
BHIP 6 12/01/13	B	2,1%
LTOIM 8 1/4 03/31/66	BB	2,1%
NXPBV 8 5/8 10/15/15	B	2,0%
-	-	-
-	-	-
-	-	-
-	-	-
<b>Total Weight Top 10 Bonds</b>		<b>19,6%</b>



**Changes on Top 10 Holdings.**

EQUITY	
IN	OUT
* Bouty Healthcare	* RCF Group

BOND	
IN	OUT
*	*

- ✓ No change in the Bond Top 10 holdings.
- ✓ We have sold about 1% of RCF Group. Bouty enter in top 10 Equity but was yet in portfolio.

**Comments and explanations about the performance.**

November ends with performance very slack for the market as a whole (S&P 500 -6,32%; CAC40 -3,03%; DAX -1,85%; S&PMIB -3,79%; FTSE -6,79%) and terrible for mid-small caps (CAC MID & SMALL CAP -6,52%; DAX MID CAP -6,51%; ITALY MIDEX -9,03%; ITALY ALLSTARS -12,7%; FTSE SMALL CAP -13,39%). The overall picture for equity markets is less than brilliant. 2008 is set to be a year when earnings growth slows. Signs that the wind was changing were already evident in quarterly results. The latter gave rise to various unpleasant surprises, some profit warnings, and, in general, to downward revision of market earnings estimates by 2% for 2007E and by 3% for 2008E. The positive side of all this is that stock markets have acknowledged this situation and in some cases, there have been signs of capitulation, above all in the world of small caps.

Valuations have decreased and offer a safety margin in the eventuality of downward earnings revision (2008E P/E = 12.6). Dividend yield is not at historical maximum levels (4% vs. maximum of 4.5%) but is now once again higher than the gross return on Italian treasury notes (BOT – 3.95%).

November, for FLEX, was the worst month's performance since it was launched -7,43%. The choice to compose the equity Portfolio with few but well known Companies took us a vantage in terms of performance when the market was in a normal trend, but gave us a penalty this month, when a large de-rating on all the small caps and a deep sell off appeared. We are convinced that the growth prospect for the Company in portfolio is very strong, however, today, to be a small cap Company is surely a damage. Whatever. We think that on the Stock Market, you need to be convinced and you need to have time. Convinced in not giving in to market and investor pressure and having the time to accompany the growth of "worthy equities".

Below we report the monthly performance of the portfolio stocks:



Name	1 Month	YtD	From last Qtr
Zenit MultiStrategy SICAV – FLEX	-7,43%	-1,28%	-5,60%
MSCI World Free in €	-5,79%	-2,59%	-4,52%
S&P 500 in €	-5,03%	-6,32%	-6,07%
DJ Stoxx 50 €	-2,11%	+6,68%	+0,30%
NIKKEI 225 in €	-4,24%	-12,30%	-6,35%

- The fund's *Year To Date* return was -1,28%.
- The fund's 30 days Historical Volatility was 15,72 at the 30<sup>th</sup> of November 2007 (HVG Bloomberg's Function) from 7,81 of the month of October.