

## Regulatory Announcement

[Go to market news section](#)



<b>Company</b>	Ceres Agriculture Fund Limited
<b>TIDM</b>	CROP
<b>Headline</b>	Tender Offer
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Ceres Agriculture Fund Limited  
17 March 2009

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Ceres Agriculture Fund Limited (the "Company")

### **TENDER OFFER BY CENKOS SECURITIES PLC TO PURCHASE UP TO 7.5 PER CENT. OF THE SHARES IN ISSUE OF CERES AGRICULTURE FUND LIMITED**

#### **Introduction**

As part of the Company's discount management policy, the Directors have the discretion to implement a tender offer for up to 25 per cent. of the Shares in issue where, from time to time, the Shares have, in any 12 months preceding the last NAV Calculation Date, traded at an average discount in excess of 5 per cent. of the NAV per Share. In the 12 month period from 28 February 2008 to 27 February 2009 the Shares traded at an average mid-market price discount to the NAV per Share on each NAV Calculation Date of approximately 13 per cent. The Board have over this period used the Company's buyback powers to acquire 1,335,000 Shares which are held in treasury.

On 6 March 2009, your Board announced that it was implementing a tender

offer for up to 7.5 per cent. of the Company's issued share capital (excluding treasury shares) as at the Record Date. The price per share will be 95 per cent. of the latest published estimated unaudited NAV per Share as at the close of business on 1 April 2009.

The Record Date for the Tender Offer is the close of business on 6 March 2009.

The Directors and FourWinds Capital Management have confirmed to Cenkos Securities that they will not tender any of their Shares in the Tender Offer in respect of their beneficial holdings.

In addition, the Directors have decided to implement a further tender offer in September 2009 for up to five per cent. of the Company's issued Shares at that time (excluding treasury shares) in the event that the average daily discount of the mid market price per Share to the NAV per Share over the period from 31 March 2009 to 30 September 2009 is in excess of 5 per cent. In the event that this tender offer is implemented Shareholders will be sent a separate circular at that time.

A circular dated 17 March (the "Circular") with the terms of the Tender Offer together with details of how Shareholders can tender their Shares for purchase if they wish to do so is being dispatched to Shareholders today together with the Annual Report and Accounts of the Company.

### **Key points of the Tender Offer**

The key points of the current Tender Offer are as follows:

- the Tender Offer is for up to 7.5 per cent. of the Company's issued Shares (excluding treasury shares) as at the Record Date, the close of business on 6 March 2009;
- Shareholders (other than Restricted Shareholders) on the register on the Record Date will be able to tender some or all of their Shares within the overall limit of the Tender Offer (but tenders in excess of a Shareholder's Basic Entitlement will only be accepted to the extent that other Shareholders tender less than their Basic Entitlement or do not tender any Shares);
- the Tender Price will be the price per Share which represents 95 per cent. of the latest published estimated unaudited NAV per Share as

at the close of business on 1 April 2009. If the Tender Price had been calculated on the close of business on 13 March 2009 (being the latest practicable date prior to the publication of this document) it would have been US\$ 0.969 per Share, compared to the mid market Share price as at the close of business on 13 March 2009 of US\$ 0.835 per Share;

- Continuing Shareholders will receive an uplift to their NAV per Share as the Tender Price is being calculated at 95 per cent of the NAV per Share.
- the Tender Price will be paid to Shareholders in US dollars and will be effected by the dispatch of cheques or the crediting of CREST accounts as appropriate.

The Tender Offer is conditional upon, *inter alia*, the Repurchase Agreement (as described in the Circular) becoming unconditional in all respects (save in respect of any condition relating to the Tender Offer becoming unconditional) and on valid tenders being received in respect of at least one per cent. of the Company's issued Shares (excluding treasury shares) as at close of business on 1 April 2009 all as more fully described in the Circular.

### **Options for Shareholders**

Shareholders on the Register on the Record Date can choose:

- to continue their full investment in the Company; or
- save for Restricted Shareholders, to tender some or all of their Shares for purchase and to receive cash in consideration of such purchase (subject to the scaling back of tenders in excess of the Basic Entitlement or otherwise in accordance with the terms of the Tender Offer).

Shareholders on the Register on the Record Date, other than Restricted Shareholders, will be entitled to have up to 7.5 per cent. of their respective holdings purchased under the Tender Offer. Such Shareholders will be able to tender additional Shares, but such tenders will only be satisfied, on a pro rata basis, to the extent that other Shareholders tender less than their Basic

Entitlement or do not tender any Shares.

Shareholders should note that the Board will retain the right, in its absolute discretion, to scale back applications to participate in the Tender Offer so as to ensure that the Tender Offer does not result in a breach by the Company of its obligation in respect of the shares in public hands requirement for listing as contained in Listing Rule 9.2.15 R of the Listing Rules.

#### **Further details of the Tender Offer**

Shareholders (other than Restricted Shareholders) on the Register on the Record Date are being invited to tender for sale some or all (subject to the overall limits of the Tender Offer) of their Shares to Cenkos Securities who, as principal, will purchase at the Tender Price the Shares validly tendered (subject to the overall limits of the Tender Offer) and, following the completion of all those purchases, sell the relevant Shares on to the Company at the Tender Price by way of an on-market transaction. All transactions will be carried out on the London Stock Exchange.

The Tender Offer is subject to certain conditions, and may be terminated in certain circumstances as set out in the Circular.

Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.

**Shareholders who are in any doubt as to the contents of the Circular or as to the action to be taken should immediately consult their stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under FSMA or licensed under the Protection of Investors (Bailiwick of Guernsey) Law 1987 (as amended).**

#### **Expenses**

The costs relating to the Tender Offer, assuming the Tender Offer is fully subscribed, are expected to be approximately £65,000. These costs will be borne by the Company. On the basis that the Tender Offer is fully subscribed, the estimated costs are less than 0.1 per cent. of the latest published estimated unaudited NAV as at close of business on 13 March 2009 (being the latest practicable date prior to the publication of this document). This NAV was US \$1.02 per Share being the estimated NAV as at 6 March 2009, which was published on 13 March 2009.

#### **Restricted Shareholders and other Overseas Shareholders**

The Tender Offer is not being made to Shareholders who are resident in, or citizens of, Restricted Territories, as defined in the Circular. Restricted Shareholders are being excluded from the Tender Offer to avoid infringing applicable local laws relating to the implementation of the Tender Offer. Accordingly, copies of the Circular, the Tender Form and any related documents are not being and must not be mailed or otherwise distributed in or into Restricted Territories.

It is the responsibility of all Overseas Shareholders to satisfy themselves as to the observance of any legal requirements in their jurisdiction, including, without limitation, any relevant requirements in relation to the ability of such holders to participate in the Tender Offer.

### **Taxation**

Shareholders who sell their Shares in the Tender Offer may, depending on their individual circumstances, incur a liability to taxation.

The attention of Shareholders is drawn to the Circular which sets out a general guide to certain aspects of current UK law and HMRC practice and Guernsey law.

**Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK or Guernsey should consult an appropriate professional adviser.**

### **Action to be taken**

#### *Certificated Shares*

Shareholders who hold their Shares in certificated form (other than Restricted Shareholders) who wish to participate in the Tender Offer should complete the Tender Form being dispatched today with the Circular in accordance with the instructions set out therein and return the completed Tender Form by post or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU to arrive as soon as possible and in any event by no later than 1.00pm on 1 April 2009. Shareholders who hold their Shares in certificated form should also return their Share certificate(s) and/or other documents of title in respect of the Shares tendered with their Tender Form.

#### *Uncertificated Shares*

Shareholders who hold their Shares in uncertificated form (that is, in CREST) should not return the Tender Form as described above but should

arrange for the relevant Shares to be transferred to escrow by way of TTE Instruction as soon as possible and in any event so that the TTE Instruction settles by no later than 1.00pm on 1 April 2009.

### General

The Board make no recommendation to Shareholders as to whether or not they should tender their Shares. The extent to which Shareholders participate in the Tender Offer is a matter for each Shareholder to decide, and will be influenced by their own individual financial and tax circumstances and their investment objectives. Shareholders should seek advice from their own independent financial adviser authorised under FSMA or licensed under the Protection of Investors (Bailiwick of Guernsey) Law 1987 (as amended).

The definitions within this announcement are the same as set out in the Circular.

### EXPECTED TIMETABLE OF EVENTS

2009

<b>Record Date for Tender Offer</b>	close of business on 6 March
<b>Closing Date: latest time and date for receipt of Tender Forms or for settlement of TTE Instructions</b>	1.00pm on 1 April
<b>Results of Tender Offer and Tender Price announced</b>	2 April
<b>Settlement Date: cheques despatched and payments through CREST made</b>	as soon as practicable after 9 April
<b>Balancing Share certificates despatched and CREST accounts credited in respect of unsuccessful tenders</b>	as soon as practicable after 9 April

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The Company is an Authorised Closed-ended investment scheme domiciled in Guernsey. As an existing closed-ended fund the Company is deemed to be granted an authorisation declaration in accordance with section 8 of the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended and rule 6.02 of the Authorised Closed-ended Investment Schemes Rules 2008 on the same date as the Company obtained consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinance 1959 to 1989.

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