

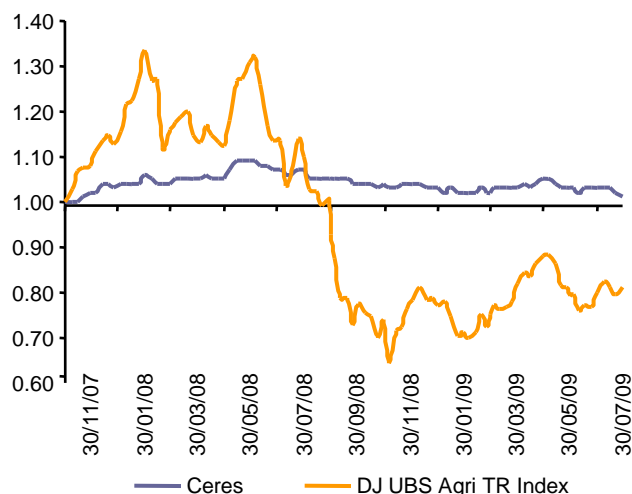
Ceres Agriculture Fund

Monthly Report : August 2009

Monthly Performance: August* NAV
 -1.94% 1.01

* As of August 28th, 2009

Performance since inception (NAV per share):



Risk Return Indicators:

	<u>Ceres</u>	<u>DJ UBS</u> <u>AG TR Index</u>
RETURNS:		
Average Monthly Return	0.05%	-0.98%
Largest Monthly Return	3.81%	16.21%
Largest Monthly Loss	-1.94%	-16.48%
Comp. Annualised Return	0.57%	-11.14%
Percent Winning Months *	62%	52%
RISK:		
Sharpe Ratio (2%)	Neg.	Neg.
Standard Deviation	5.70%	33.80%
Maximum Drawdown	-7.34%	-46.82%
Months in Max Drawdown	14	18
Months to Recover	N/A	N/A

* Positive months or flat

Monthly Performance:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<u>2007</u>												2.00%	2.00%
<u>2008</u>	0.98%	2.91%	-1.89%	0.96%	0.00%	3.81%	-1.83%	0.00%	-1.87%	-0.95%	0.00%	0.00%	1.98%
<u>2009</u>	-0.96%	-0.97%	0.00%	0.98%	1.94%	-1.90%	0.00%	-1.94%					-2.88%

Monthly review:

In August, agriculture markets suffered from little intrinsic fundamental news with the sugar markets advance to 30 year highs being the only real outlier. As a result, grains and livestock markets continued to attract bearish trade flows while the tropical commodities underwent a round of profit taking mid-month. Traders found the month of August to be difficult due to these conditions but plan to ramp up conviction going into the final quarter of the year as more sufficient data is reported.

- **Corn** lost 3.9% as market participants continued to project a record large 2009 harvest. Prices intra-month traded as much as 11% lower which allowed bullish traders to buy value, thus creating a near term price floor. Fundamentally, larger feeder cattle placements and increased corn usage for ethanol hope to brighten the demand picture in the face of what is expected to be a large upcoming U.S. harvest.
- **Soybean** prices lost 3.0% as ideal growing conditions across the U.S. Midwest persisted allowing for crop analysts to increase yield projections. Still traders remained cognizant of on-going demand from China, further shrinking U.S. soybean ending stocks. Due to this factor, many traders remained conservatively bullish during the month.
- **Wheat prices** in Chicago lost 10.8%, 9.7% in K.C. and 13.8% in Minneapolis. Bearish global supplies continued to be the driving factor across wheat exchanges. Additionally, large physical deliveries against the September contracts pressured prices lower. Traders profited on relatively value arbitrage between classes.
- **Live Cattle** gained 2.3% as boxed beef and cash market prices moved higher during the month. However, deferred futures contracts drifted lower as a result of a 10% increase in feeder cattle placements during July. In part due to the significant drop in feed costs along with a strong movement of heavy cattle off of pasture and into feed yards.
- **Lean Hog** prices lost 14.1% as the multi-month decline in lean hog futures reached 7 year lows. Fundamental factors such as increased herd liquidation, negative producer profit margins, and large cold storage numbers continue to add bearish sentiment in the market. Traders have been cautiously bearish due to the already significant price break and are looking for bullish signals by way of U.S. pork exports.
- **NY Cocoa** lost 4.1% and London Cocoa was flat as the strong July rally brought on profit taking which created choppy price activity during August. Losses were trimmed towards the end of the month as a weaker USD and strengthening equity market attracted buying. Fundamentally, traders remain long term bullish on the cocoa market and are looking to implement suitable strategies going forward.
- **Arabica Coffee** dropped 5.4% and Robusta lost 7.5% on the month. Arabica coffee prices rallied 8% at the beginning of the month, before speculative liquidation brought on by reports of slacking consumer demand caused a sharp break. Additionally, Brazilian weather in the coffee growing regions came in dry helping support the prospects of a favorable harvest.
- **Cotton** closed flat after failing to hold 7% gains mid-month. Lack of fresh fundamental news along with participants rolling out of the September contract fueled the sell-off from the highs. Traders are now focusing on the developing U.S. cotton crop and the early harvest yields out of the drought ridden growing areas of Texas for fundamental indication on future cotton supply. As always economic indicators continue to hold court in terms of macro influence on cotton prices.
- **No. 11 NY Sugar** surged 31.1% during August as the entire sugar market was able to de-couple from the rest of the commodity bucket and reach 30 year highs. The bleak supply picture remained the driving factor as news in August provided further confirmation that India will produce sugar cane at a 7M ton deficit this year. Traders continue to feel the market is constructively bullish both in terms of fundamentals and technical data.

Past performance is not an indicator of future results.

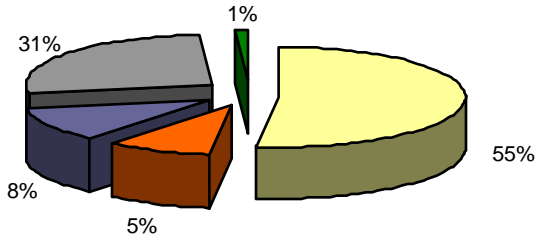
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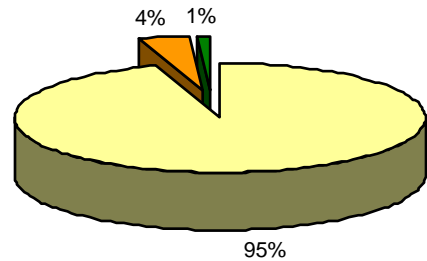
Ceres Agriculture Fund: Portfolio Breakdown

Breakdown by sector:



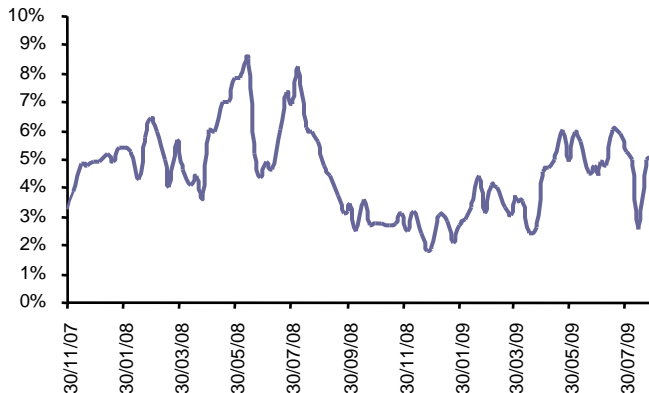
■ Grains ■ Fibers ■ Tropicals ■ Livestock ■ Cash

Breakdown by strategy:

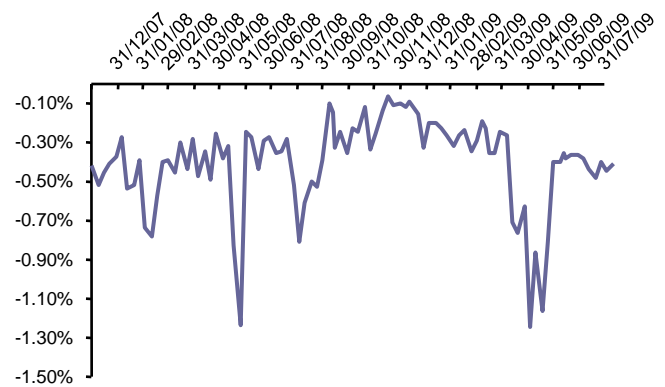


■ Discretionary trading ■ Systematic trading ■ Cash

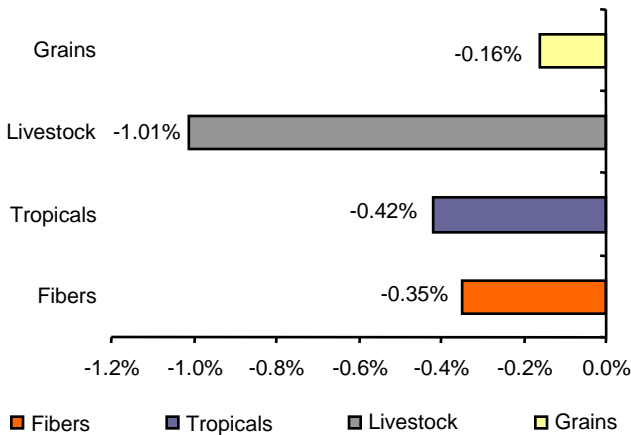
Margin to equity:



VaR (1 day; 95%) changes:

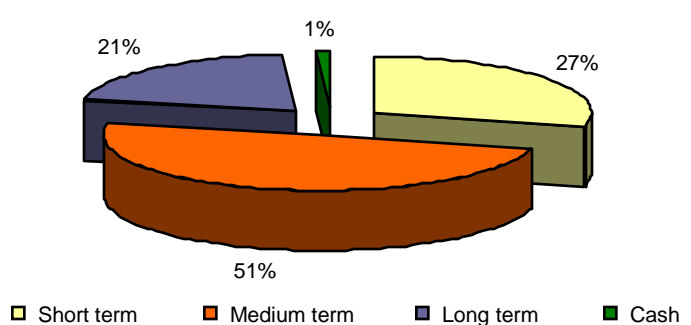


Contribution by sector (during the month):



■ Fibers ■ Tropicals ■ Livestock ■ Grains

Trade horizon allocation *:



* Short term: less than 1 month
Medium term: 1 to 3 months
Long term: over 3 months

Profile and Summary of Terms:

Inception Date	27/11/2007
Lock up	None
Management Fees	1.5%
Performance Fees	20%
High Water Mark	Yes
Hurdle rate	8% per annum

Domicile	Guernsey
Investment Manager	FourWinds Capital Management
Fund Administrator	HSBC Securities Services (Guernsey)
Auditor	Ernst & Young
Broker	Centkos Securities plc
Bloomberg ticker	CROP LN <Equity>
ISIN Codes	GG00B28B2R95

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