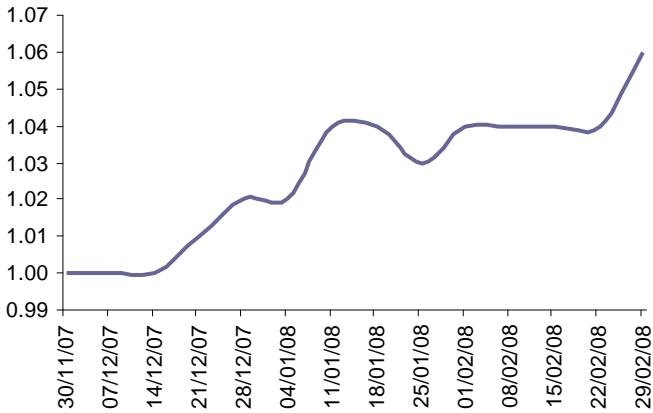


# Ceres Agriculture Fund Monthly Report : February 2008

Monthly Performance: February NAV  
2.91% 1.06

## Performance since inception (NAV per share):



## Risk / Return Indicators:

<b>RETURNS:</b>	<i>Ceres</i>
Average Monthly Return	1.96%
Largest Monthly Return	2.91%
Largest Monthly Loss	N/A
Comp. Annualised Return	26.25%
Percent Winning Months	100%

<b>RISK:</b>	
Sharpe Ratio (5%)	N/A
Standard Deviation	N/A
Maximum Drawdown	N/A
Months in Max Drawdown	N/A
Months to Recover	N/A

## Monthly Performance:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2007												2.00%	2.00%
2008	0.98%	2.91%											3.92%

## Monthly review :

The **grain complex** experienced sensational upside price discovery during the month of February. While the nearby contract months in the **livestock complex** continued their on-going retreat to lower prices. Ceres traders were able to profit by managing risk and bolstering favorable strategies during this record-setting month.

- **Corn** prices continued their 2008 climb by scoring record high prices. This price activity can be attributed to the pre-planting season fight for acres and fresh speculative demand. Ceres traders were already positioned to capture higher corn prices; as a result they were able to bolster profits throughout the month.
- **Soybean** prices were significantly higher during February, gaining \$2.24 bushel. This came as a result of an on-going fight for U.S. planting acres, the weakening dollar, global oil seed demand and fresh speculative buying. Similar to corn prices, Ceres traders were able to anticipate fundamental price factors by strategically placing positions in soybeans.
- **Wheat** across all exchanges witnessed price action by scoring record high prices, especially in the **Minneapolis Hard Spring Wheat (MGE)**. This can be attributed to estimated shortages in the hard spring wheat stocks and acres planted. The wheat market experienced severe phases of panic and high volatility, making it a relatively risky investment during the month. Ceres traders played this market with caution and neutrality.
- Spot month **live cattle** witnessed sideways to lower price action during the month. However, positive news could be found in the deferred contracts as they scored contract highs. This was a result of consolidation in the industry and herd contraction. Ceres traders were able to continue profiting from the relative value bear spreads during the month.
- Spot month **lean hog** prices continued drifting lower throughout February. This can be attributed to large nearby market-ready hogs. Ceres traders continued to profit from the relative value bear spreads.

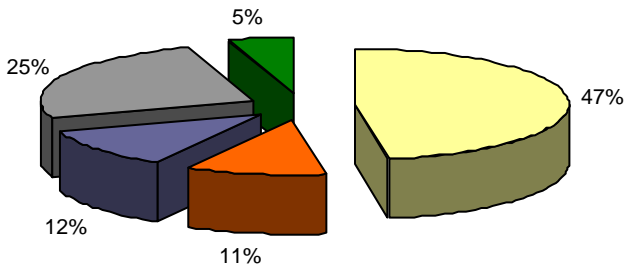
The **tropical and fiber complexes** experienced good gains in February. While Coffee and Cocoa gains were supported by the fundamentals, Sugar and Cotton gained traction from large inflows of capital into commodity markets. Ceres traders were able to anticipate the moves in Coffee and Cocoa and therefore generate positive returns for the fund.

- **Cocoa** continued to rise in February on dry weather concerns in the Ivory Coast. The fundamental traders in Ceres were able to profit from Cocoa's price increase in February.
- **London Coffee** (Robusta) and **NY Coffee** (Arabica) trended favorably during February, allowing both fundamental and technical traders in Ceres to profit from the bull run.
- The **cotton** story is very similar to that of Sugar; Cotton has ignored the fundamentals and experienced a big rally on the back of commodity indices and long speculative inflows in what one could only describe as a "commodity supermarket".
- Short-term **sugar** volatility remained high compared to historical averages as the price continued to increase throughout the month, despite the surpluses. Our spread traders are well positioned for a correction.

Past performance is not an indicator of future results.

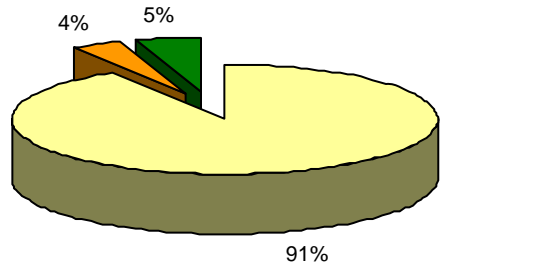
# Ceres Agriculture Fund: Portfolio Breakdown

## Breakdown by Sector:



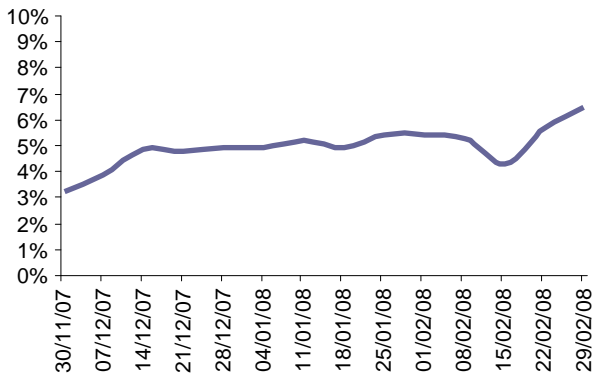
■ Grains   
 ■ Fibers   
 ■ Tropicals   
 ■ Livestock   
 ■ Cash

## Breakdown by Strategy:

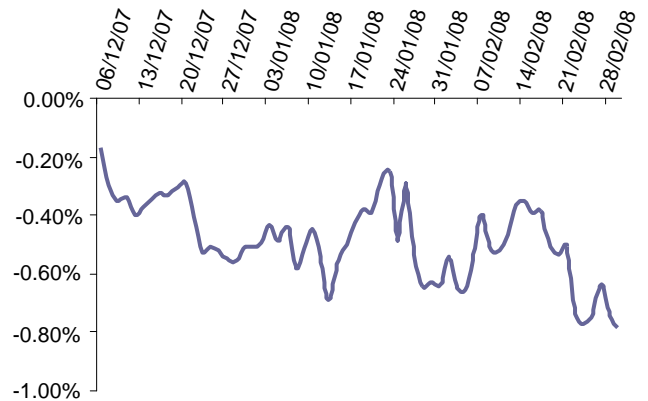


■ Discretionary trading   
 ■ Systematic trading   
 ■ Cash

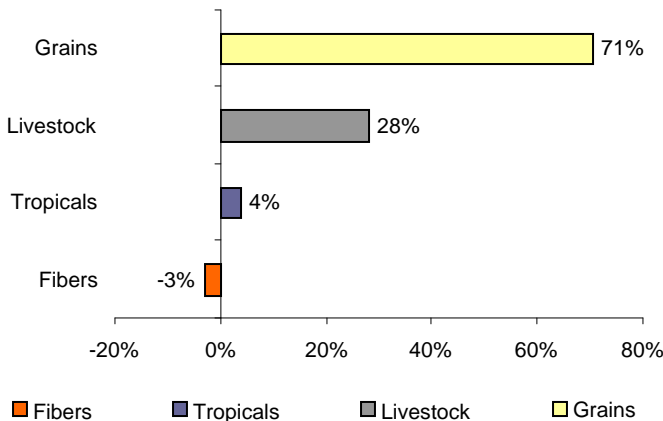
## Margin to equity:



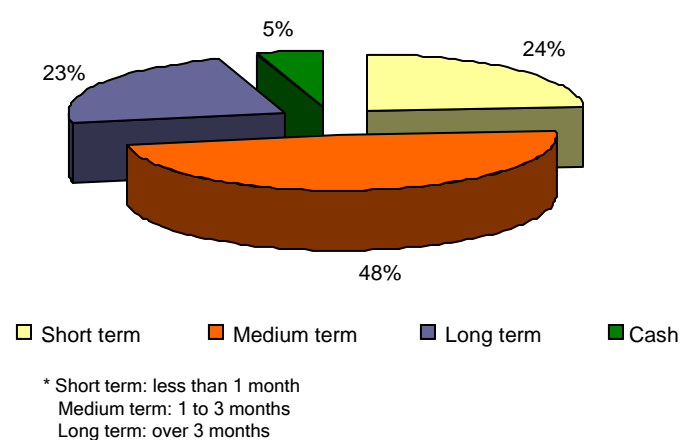
## VaR (1 day; 95%) changes:



## Contribution by sector (during the month):



## Trade horizon allocation \*:



## 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	Landsbanki Securities (UK) Ltd.
Bloomberg ticker	CROP LN <Equity>
ISIN Codes	GG00B28B2R95