

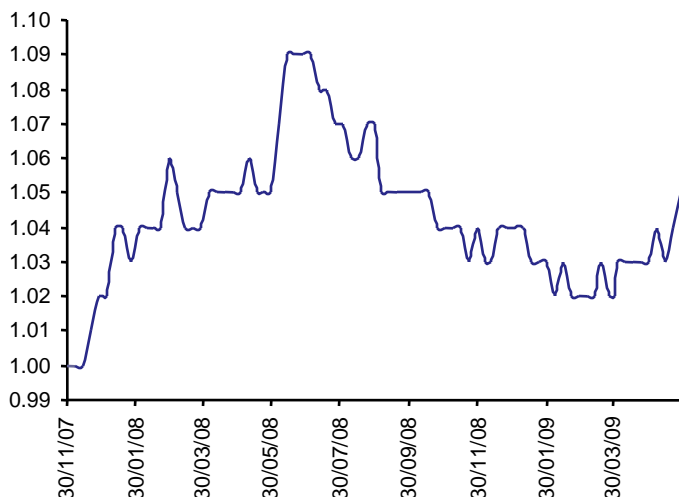
# Ceres Agriculture Fund

## Monthly Report : May 2009

Monthly Performance: **May\*** **NAV**  
1.94% 1.05

\* As of May 29<sup>th</sup>, 2009

### Performance since inception (NAV per share):



### Risk Return Indicators:

	<i>Ceres</i>	<i>DJ AIG Agriculture TR Index</i>
<b>RETURNS:</b>		
Average Monthly Return	0.27%	-0.72%
Largest Monthly Return	3.81%	16.21%
Largest Monthly Loss	-1.89%	-16.48%
Comp. Annualised Return	3.31%	-8.26%
Percent Winning Months *	67%	50%
<b>RISK:</b>		
Sharpe Ratio (2%)	0.23	-0.29
Standard Deviation	5.66%	35.76%
Maximum Drawdown	-6.42%	-46.82%
Months in Max Drawdown	11	15
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
2007												2.00%	2.00%
2008	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%
2009	-0.96%	-0.97%	0.00%	0.98%	1.94%								0.96%

### Monthly review:

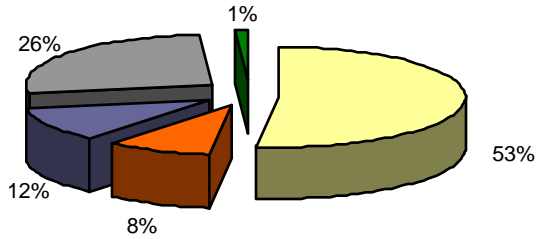
In May, DJ Agriculture TR Index gained 11.46%. Open interest across agriculture markets witnessed a resounding increase due to fresh money flows driven by a weakening USD and supportive fundamentals. Another dynamic factor was the strength provided by short term trend following technical's that provided confirmation to the rally.

- **Corn prices** increased 10.1%. Open interest also witnessed a healthy climb of 22% as end users and speculators bought into both old and new crop prices. Fundamentally, the combination of an unexpected decrease in ending stocks and major spring planting delays helped fuel prices. Traders looked to capture this move by placing their bullish convictions in the new crop prices.
- **Soybean prices** gained 10.7% as new money flows helped compound back to back months of strong gains; open interest was up 19%. Worries of record tight ending stocks made the July 09' contract the upside leader in the soy complex. Traders continued to implement net long strategies focused on pricing anomalies across the curve and also on a relative basis against corn prices.
- **Wheat prices** in Chicago gained 21.6%, 19.2% in Kansas City (K.C.) and were up 13.3% in Minneapolis. The Chicago contract benefited from having deeper volume and open interest as it attracted the majority of fresh buying. Also, K.C. and Chicago were able to gain back some of the sharp relative value losses it has incurred against Minneapolis contract during the year. Some traders profited by holding outright long positions across the curve in Chicago wheat.
- **Live Cattle prices** lost 1.4% as spot month prices continued to hold a large discount to cash cattle trade. Cattle prices in the back end of the curve actually gained slightly due to lower cattle on feed numbers and the strong rally in corn. Trader's implemented relative value spreads along with additional net long exposure across select contract months.
- **Lean Hog prices** gained 10% as it recouped part of the sharp decrease in price it suffered at the end of April. Still throughout May cash fundamentals remained sluggish and rallies in the futures market were not sustained. However, pork production in the month of April declined 6% year over year this along with higher corn prices are expected to support deferred lean hog contracts.
- **NY Cocoa prices** gained 10.4% and London Cocoa lost 4.6%. NY Cocoa reached a 7 week high by the end of May as the combination of a weak dollar, improving demand, and continued decreases in warehouse stocks buffeted prices. Mid-month, the International Cocoa Organization stated that it is projecting further production deficits going forward.
- **Arabica Coffee** was up 19.5% and Robusta gained 5.4% on the month. Arabica gained strongly on the month due to a weaker USD and an increase of 12% in open interest as continued news of poor harvest gave way to fresh buying.
- **Cotton** was up 6.5% as substantial trend buying persisted. A healthy increase of 10.5% in open interest was also noticed. Long term fundamental traders continue to see the sharp decreases in cotton stocks and acres planted as being bullish prices over the long haul. However, due to strong year to date performance some bullish cotton traders lightened up position size and took profits during the month, as they felt the long side could be getting too crowded for the short term.
- **No. 11 NY Sugar prices** rose 10.9% as follow thru buying excited by strong crude oil prices and the weakening green back pushed futures prices near 3 year highs. Fundamentally, India's need to replenish their domestic sugar supply remains highly bullish news. Additional buying interest during the month occurred when India's government suspended futures trading at the NCDEX.

Past performance is not an indicator of future results.

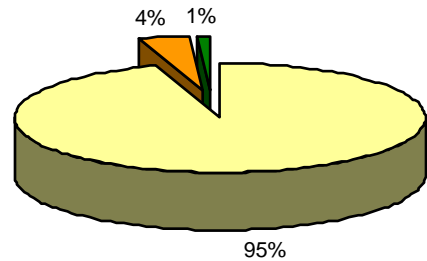
# Ceres Agriculture Fund: Portfolio Breakdown

## Breakdown by sector:



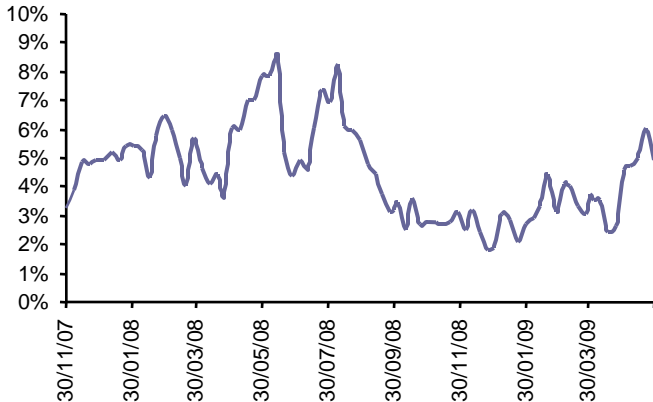
■ Grains 
 ■ Fibers 
 ■ Tropicals 
 ■ Livestock 
 ■ Cash

## Breakdown by strategy:

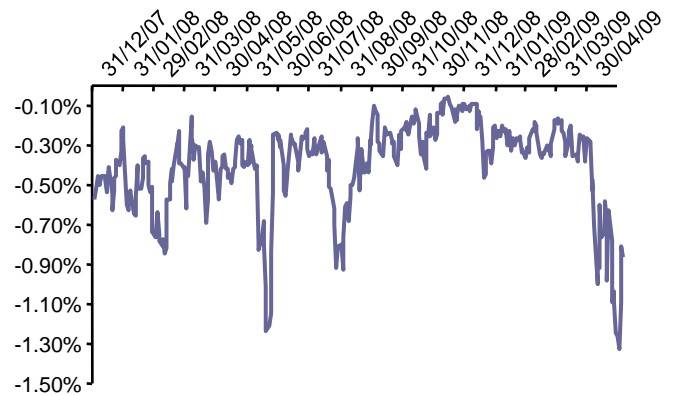


■ Discretionary trading 
 ■ Systematic trading 
 ■ Cash

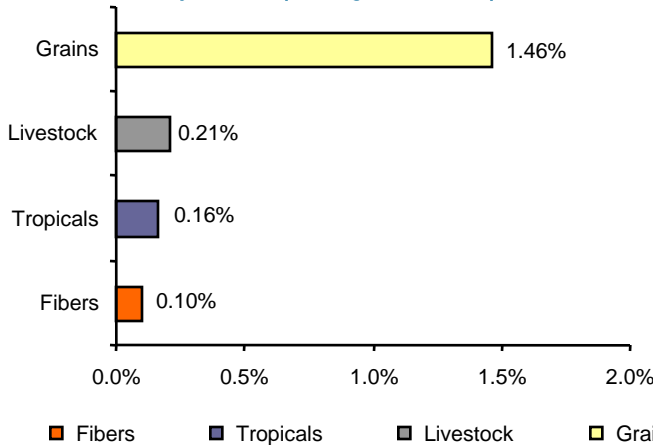
## Margin to equity:



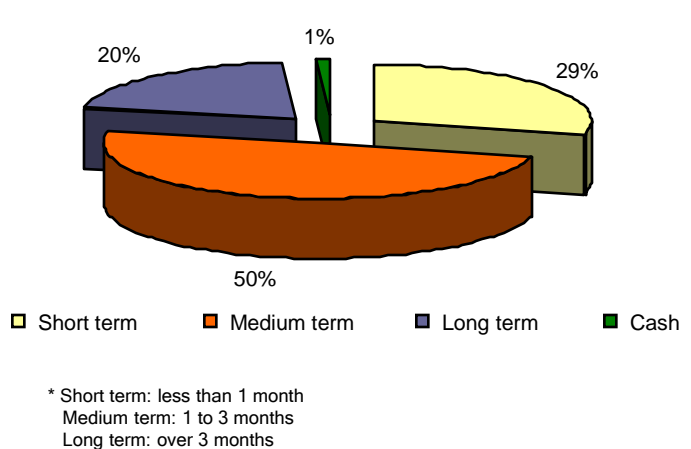
## VaR (1 day; 95%) changes:



## 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	Centkos Securities plc
Bloomberg ticker	CROP LN <Equity>
ISIN Codes	GG00B28B2R95

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