

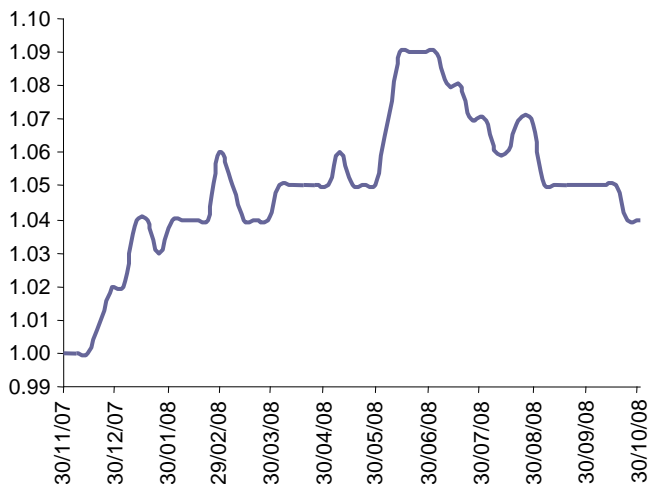
Ceres Agriculture Fund

Monthly Report : October 2008

Monthly Performance: October* NAV
 -0.95% 1.04

* As of October 31st, 2008

Performance since inception (NAV per share):



Risk Return Indicators:

<u>RETURNS:</u>	<i>Ceres</i>
Average Monthly Return	0.36%
Largest Monthly Return	3.81%
Largest Monthly Loss	-1.89%
Comp. Annualised Return	4.37%
Percent Winning Months	64%
<u>RISK:</u>	
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
<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%			1.98%

Monthly review:

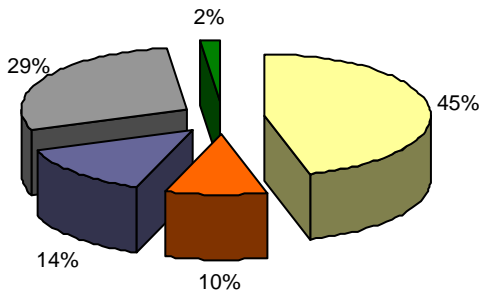
In October the DJ AG index lost 16.48% and when combined with Q3 it makes for a 47% downturn from the beginning of July. Ceres Traders excelled in risk aversion in the terms of exposure and strategies. A new headlining factor amongst all commodity balance sheets is the potential demand ramifications caused by the global economic crises. At the moment, this factor alone has many participants hesitant to make bold predictions on price direction.

- **Corn** prices witnessed sharp declines of 17.2%. Initial losses at the beginning of the month were driven by outflows; however this influence was overcome by bearish fundamentals. The USDA estimates these fundamentals have higher crop yields as well as, increases in harvested acres.
- **Soybean** prices dropped 11.5%, as total open interest fell sharply by 14.2%. At month end, an unprecedented USDA revision reduced 2.1 million planted acres of corn and soybeans from the initial crop production estimate that was reported at the beginning of the month. Ceres traders found this news cautiously bullish given all the recent downside volatility created by outside factors.
- **Wheat** prices across all varieties lost between 13 - 21%. Fundamentally derived price action was put on hold as wheat sold off due to massive liquidation. By month end, a non-commercial position in Chicago wheat was oscillating around net short of 40,000 contracts. As market participants found opportunity selling wheat based on its ever growing global supply.
- **Live Cattle** prices fell steadily during the month by 6.3%. Liquidation persisted and drove front-end contracts sharply lower. Additionally, given the poor U.S. GDP growth and a projected export slow down, deferred cattle futures witnessed fresh selling. Ceres traders were successful by way of weighted relative value spreads.
- **Lean Hog** prices fell sharply by 20.1%. Due to the global slowdown, the lower pork cut-out values and the weakened export demand projections have put pressure on lean hog futures. However, once again Ceres traders found relative value bear spreads to be a successful strategy.
- **NY Cocoa** lost 19.7% and London Cocoa lost 10.7%. NY Cocoa, in fact, witnessed an increase in open interest by 7.2% on the month. Fresh selling caused by the rise in the US dollar made export commodities, like cocoa, vulnerable targets.
- **Arabica Coffee** lost 13.4%, increasing its premium over Robusta which lost 22.3%. Once again, outward money flows dictated price action. Projections for increased Arabica demand and narrowing surpluses in Brazil remain to be fundamentally supportive.
- **Cotton** lost 20.2%. Cotton prices traded on the whims of demand projections due to the global economic crisis. As a result, the USDA lowered its projected cotton shipments for this marketing year by 1.5 million bales, as economic growth rates in the U.S. and China are expected to slow considerably.
- **No. 11 NY Sugar** lost 2.8%. Prices were primarily driven by mass liquidation as total open interest declined 13.7%. Sugar ethanol demand projections for the next year remains to be the main variable within sugar fundamentals. An overall reduction of global sugar supplies are expected to be supportive prices going forward.

Past performance is not an indicator of future results.

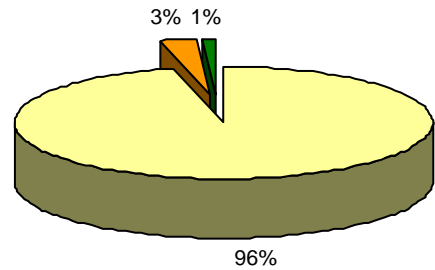
Ceres Agriculture Fund: Portfolio Breakdown

Breakdown by sector:



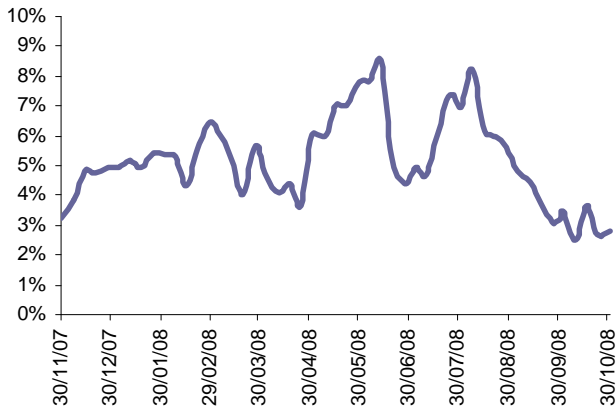
■ Grains
 ■ Fibers
 ■ Tropicals
 ■ Livestock
 ■ Cash

Breakdown by strategy:

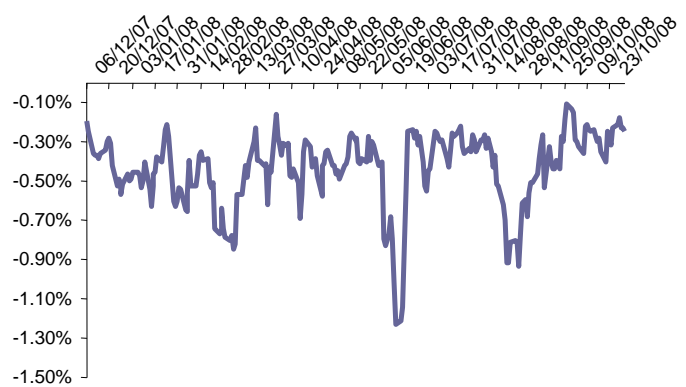


■ Discretionary trading
 ■ Systematic trading
 ■ Cash

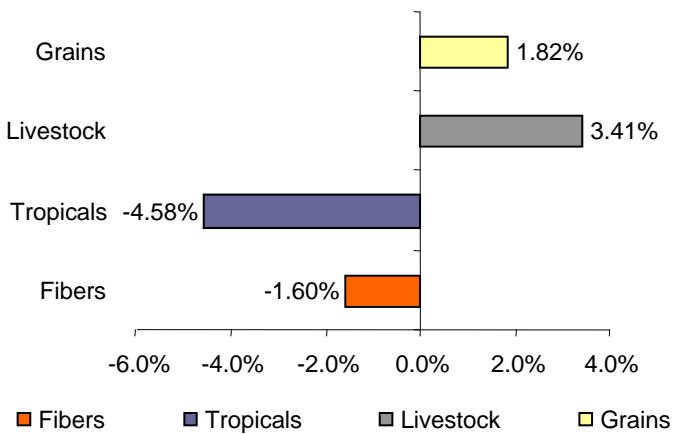
Margin to equity:



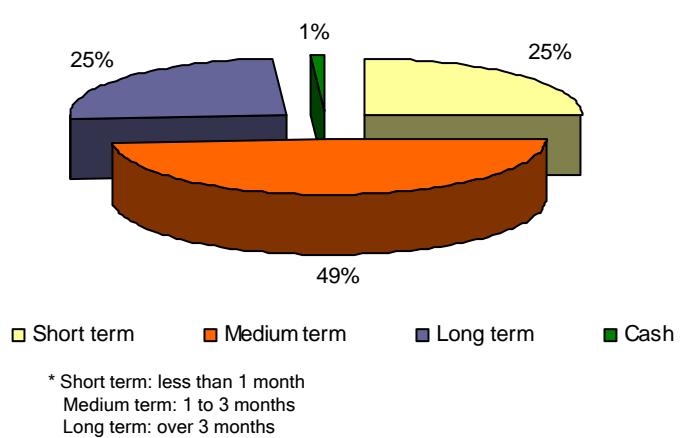
VaR (1 day; 95%) changes:



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