

Regulatory Announcement

[Go to market news section](#)



Company [Ceres Agriculture](#)
TIDM CROP
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 Ceres Agriculture Fund Limited
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27 October 2008 **Ceres Agriculture Fund Limited - Interim Management Statement**

Ceres Agriculture Fund Limited ("Ceres", the "Company" or the "Fund"), a Guernsey domiciled, close-ended investment company established to invest in an actively managed portfolio of exchange-traded agricultural commodity contracts and derivatives managed by FourWinds Capital Management, today issues its Interim Management Statement for the period from 1 July to 30 September 2008.

Performance in the three months to 30 September 2008

Overall Ceres was down (-3.67%) for the quarter leading to a composite annualised return of 6.03%. This was primarily driven by gains in the livestock sector offset by losses in the grains, fibers and tropical sectors. The estimated net asset value per ordinary share as at 30 September 2008 was US\$1.05.

The contribution by sector during the quarter was as follows:

Grains	-2.36%
Fibers	-1.15%
Tropicals	-1.10%
Livestock	0.87%

Mass liquidation across commodities took place throughout the quarter as a result of the global economic unrest. The effects of potentially constrained bank lending to agriculture producers inflicted additional downward price action across the agriculture complex.

The DJ Agriculture Index lost 28.10% in the quarter, including a 15.75% loss in September alone. Ceres limited the impact of adverse market conditions and was down by 3.67%.

Throughout the quarter, FourWinds favoured market-neutral and conservative relative value strategies. As a result, the net exposure of the Company was kept at low levels, between +10% and -10%.

FourWinds focuses its attention on traders' risk management disciplines, which historically has resulted in limited downside risk at the portfolio level. As a result, during the quarter, FourWinds took several steps in order substantially to decrease the beta of the portfolio. For instance, several directional traders were asked to trim their exposures, especially in grains.

Regardless of the price action of livestock commodities, a clear trend emerged in the term structure of most of them (particularly in live cattle): the past few months have seen deferred futures give back most of their premium, as the curves have shifted from contango to flat. Therefore meat traders in the Company achieved strong returns in short term relative value spread trading.

Some traders were hurt by huge liquidation flows in most commodities. Ceres' cotton trader was particularly impacted by the 22.27% retracement experienced during the quarter under review, as cotton demand projections were directly tied to the global economic crisis.

Most agriculture commodities are now trading below production costs. This makes them an even more attractive investment proposal in the context of a global economical slowdown.

Going forward, strict risk management discipline, coupled with long volatility investment strategies, should continue to produce consistent and uncorrelated returns to investors.

Performance since admission to trading

A summary of the monthly performance of the Company since its ordinary shares were admitted to trading on the London Stock Exchange is set out below.

<u>Date</u>	<u>Ceres (Net)</u>	<u>NAV</u>	<u>DJ-AIG Agriculture Index</u>
7- Dec	2.00%	1.02	7.86%
8- Jan	0.98%	1.03	6.61%
8-			

Feb	2.91%	1.06	16.21%
8-			
Mar	-1.89%	1.04	-16.05%
8-			
Apr	0.96%	1.05	1.98%
8-			
May	0.00%	1.05	-1.83%
8-			
Jun	3.81%	1.09	14.92%
8-Jul	-1.83%	1.07	-10.58%
8-			
Aug	0.00%	1.07	-4.57%
8-			
Sep	-1.87%	1.05	-15.75%

Performance Statistics:
Index

Average Monthly Return	
Largest Monthly Return	
Largest Monthly Loss	
Comp. Annualised Return	
Percent Winning Months	
Sharpe Ratio (5%)	
Standard Deviation	
Maximum Drawdown	
Months in Max Drawdown	
Months to Recover	

Ceres

0.49%
3.81%
-1.89%
6.03%
70%
0.15
7.00%
-3.67
3
In progress

DJ-AIG Agriculture

-0.75%
16.21%
-16.05%
-8.59%
50%
Negative
40.60%
-30.56%
7
In progress

Breakdown by sector:

Grains	45%
Fibers	10%
Tropicals	14%
Livestock	29%
Cash	2%

Breakdown by strategy:

Discretionary Trading	96%
Systematic Trading	3%
Cash	1%

Trade horizon allocation:

Short term	25%
Medium term	49%
Long term	25%
Cash	1%

A copy of this statement is available on the Company website:
www.ceresagriculture.com

Important Information

This Interim Management Statement has been produced solely to provide additional information to shareholders of the Company to meet the relevant requirements of the U.K. Listing Authority's Disclosure and Transparency Rules. It should not be relied upon by any other party for any other purpose. The information in this statement has not been audited.

Consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinance, 1959 as amended has been obtained in respect of the placing of shares pursuant to a prospectus dated 22 November 2007. To receive such consent application was made under the Guernsey Financial Services Commission's framework relating to Registered Closed-ended Investment Funds. Under this framework neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council have reviewed any placing memorandum, prospectus, explanatory memorandum but instead have relied on specific warranties provided by the Guernsey licensed administrator of the Fund. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council takes any responsibility for the financial soundness of the Fund or for the correctness of any of the statements made or opinions expressed with regard to it.

The information related to the Company included in this statement is provided for information purposes only and does not constitute an invitation or offer to subscribe for or purchase shares in the Company. This material is not intended to provide a sufficient basis on which to make an investment decision. All investments are subject to risk. An investment in the Company should be regarded as long term in nature and is suitable only for sophisticated investors, investment professionals, high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts, in each case, who can bear the economic risk of a substantial or entire loss of their investment. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decisions.

The information contained in this statement relating to the DJ AIG Agriculture Index has been sourced from published information. Such information had been accurately reproduced from the source materials and, as far as the Company is able to ascertain from information published in respect of the Index, no facts

have been omitted, the omission of which would render the reproduced information inaccurate or misleading.

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