

GAIA World Agri Fund

February 2011



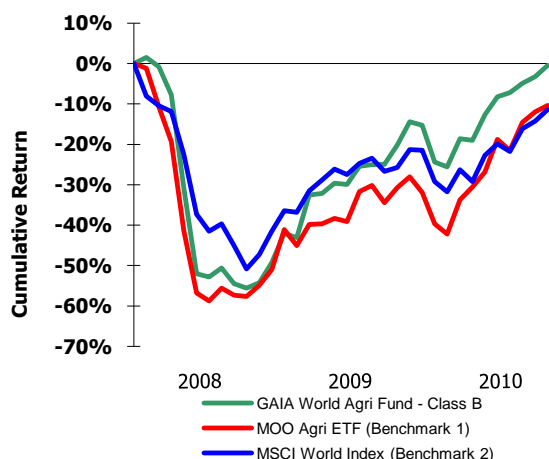
B-Class

NAV/Share	99.49
February 2011	2.87%
Ytd 2011	4.63%
Since inception	-0.51%

Fund Strategy

The GAIA World Agri Fund, launched in May 2008, invests opportunistically in upstream farming operations, agri-land, equipment & technology and related businesses, mainly in emerging regions such as the former Soviet Union, Africa, and LatAm. Investors in the GAIA World Agri Fund will gain direct exposure to global agri operators via the fund's investments in mostly listed, but also unlisted equities. The fund will invest globally, in equities only and will not invest in physical commodities, nor use leverage nor borrow.

Growth of Initial \$1000



Annual Returns	Fund	BM1	BM2
2011-(YTD)	4.63%	4.94%	5.59%
2010	26.84%	22.29%	9.55%
2009	51.85%	57.26%	26.95%
2008	-50.63%	-55.58%	-39.69%

Cum. Returns	Fund	BM1	BM2
Last Month	2.87%	1.85%	3.33%
Last 3 Months	7.21%	14.26%	13.25%
Last Year	24.65%	29.44%	19.27%
2-Year	123.99%	111.74%	79.99%
3-Year			
4-Year			

Historical Data	Fund	BM1	BM2
Compound ROR	-0.18%	-3.90%	-4.32%
Cumulative Return	(1)%	(10)%	(11)%
Cumulative VAMI	\$995	\$896	\$886
Best Month	18.48%	20.29%	10.90%
Worst Month	-30.69%	-27.27%	-19.05%
% Positive Months	60.61%	54.55%	51.52%

Fund Details

Fund Status:	Open ended, Cayman domicile
Invst. Manager:	GAIA Agri Advisors
Administrator:	Butterfield Fulcrum Group (Cayman) Ltd
Auditor:	KPMG Cayman
Custodian:	BNP Securities Services Jersey
Managers:	Coast Sullenger / Thomas Saulnier Alexander Karpov
ISIN:	KYG3707M1125
Bloomberg:	GAIAWRB KY Equity

Fees Structure & Liquidity

NAV Calculation	Monthly
Liquidity:	Monthly
Notice period:	30 days
Fees	C-class 2% management 20% performance
	B-class please contact manager
Load fee:	up to 3%
Lock up	No
Min. investment:	USD 100,000

Portfolio

Positions	40
Largest	6.0%
Top 10	41.0%
Cash	7.4%
Avg Market Cap \$b	1.73

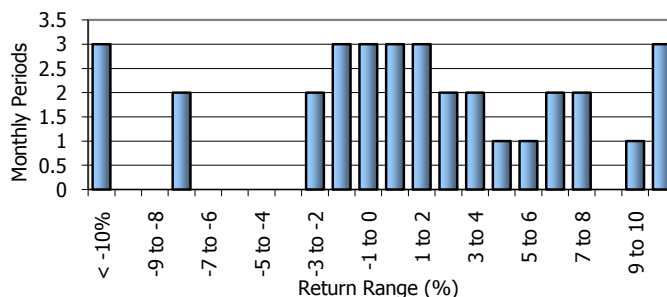
Monthly Performance (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2011	1.71%	2.87%											4.6%
2010	0.08%	6.39%	7.20%	-0.98%	-10.78%	-1.54%	9.34%	-0.51%	7.83%	5.07%	1.16%	2.47%	26.8%
2009	-7.84%	-2.38%	3.04%	10.90%	14.13%	-1.74%	18.48%	0.59%	3.75%	-0.46%	6.44%	0.54%	51.9%
2008						1.47%	-2.25%	-7.02%	-24.89%	-30.69%	-1.65%	4.56%	-50.6%

Risk

	Fund	BM1	BM2
Standard Deviation	32.61%	35.16%	24.56%
Sharpe Ratio (5.0%)	0.02	-0.07	-0.26
Sortino Ratio (10.0%)	-0.36	-0.49	-0.69
Downside Deviation (10.0%)	26.73%	27.90%	20.30%
Maximum Drawdown	-56.23%	-58.76%	-50.80%
Months In Maximum Drawdown	8	6	9
Months To Recover		0	0

Distribution of Returns



Comparison To Benchmark(s)

	BM1	BM2
Alpha	0.29%	0.59%
Annualized Alpha	3.53%	7.36%
Beta	0.84	1.14
Correlation	0.91	0.86
R-Squared	0.83	0.74

NB - all monthly performances reported above are from fund inception. Investors who subscribed in subsequent months should take these numbers as indicative due to side pocket accounting. All investors will receive their individual NAV (corresponding to their particular month of investment) directly from the administrator on a monthly basis.

GAIA Capital Advisors

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February 2011 NAV and Comments
GAIA World Agri Fund performance

February 2011 +2.87%

2011 YTD +4.63%

Since Inception -0.51%

Manager and fund details		Key contacts	
Investment Manager	GAIA Agri Advisors	Fund Managers	+41 22 317 7820 / info@gaicap.ch Coast Sullenger, Thomas Saulnier, Alexander Karpov
Administrator	Butterfield Fulcrum Fund Services	COO/Yacob Hanifa	yacob@gaicap.ch
Fund status	Cayman domicile, open ended	Sales EU/Chris Lecoeur	chris@gaicap.ch / +41 22 317 7820
Bloomberg	GAIAWRB KY Equity	Sales/Bard Sullenger	bard@gaicap.ch / +41 22 317 7826
ISIN	KYG3707M1125		US: +1 571 277 8248

Dear Investors,

The GAIA World Agri Fund is pleased to provide an update and comments for February 2011.

In February, the Fund grew 2.87% despite the correction driven by de-risking in the face of the Libyan events and outperformed MOO which grew 1.85%. While MSCI World grew 3.33% MSCI Emerging Markets showed negative performance of -1.01%.

The USDA's WASDE report released in the beginning of March didn't bring surprises, with roughly flat estimates of corn and soybean ending stocks. Global ending stocks for wheat were up 4.13mt due to an increase in the Argentine and Australian wheat crop, which somewhat pressured the global wheat prices.

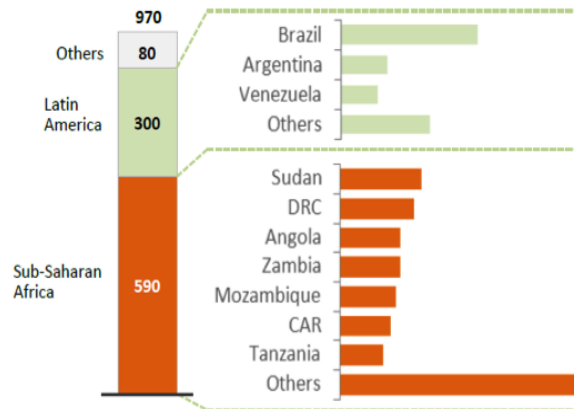
Our Chinese positions in **Chaoda** and **China Green** were weak on continued concerns of possible government intervention to restrain the high food inflation in China. We do not believe that the government will introduce price caps on producers as this move would lead to lower production and investment in the sector—quite the opposite of the desired effect! Rather, China, like many other emerging economies dealing with food inflation, will need to find ways to placate the population via subsidies aimed at the consumer. They also need to invest to modernize and develop the agri sector – a strategy which would directly benefit companies in this space. The two companies mentioned in our portfolio also suffered from additional perceived corporate government issues (mainly lack of clear “use of capital” for the cash rich balance sheet in the case of Chaoda). We believe the sell-off is overdone and such cheap valuations will not remain for long given the Cos' strong cash position, fast growing markets where they operate, and the companies' sizable market position and extensive development programs.

We believe the funds global geographic diversification is key to protecting the downside while still providing exposure to the most promising emerging markets like China, LATAM, CIS, and Africa. Although China has been a drag on performance of late, due largely to weakness in HK listed agri shares like Chaoda and China Green, we saw good performance in February and YTD in other shares in places like Latin America, Russia & Ukraine. China represents now 27% of the portfolio, Latin America 16%, Ukraine 17%, and Russia 10%.

At the end of February, we added new positions to the portfolio: **Charoen Pokhand Foods** and **Lonrho**, which we've been monitoring for over a year. **Charoen** is a large Thai aquaculture and livestock (poultry and swine), producer with a rapidly growing overseas business, mainly in Turkey, Russia, India, and the Philippines. The Co's business model is integrated from producing their own feed supplies to processing and distribution in retail outlets.

Lonrho is a large African conglomerate developing a unique, integrated business model in key directions such as out-grower production/coop consolidation, infrastructure, processing and transport. The agriculture division has approx. 50% of sales today but this is set to grow to above 65% within the next two years. Lonrho has a substantial regional footprint and operates in 17 countries mitigating its political risk from one region. The stock, which is being listed on AIM, is one of the few liquid equities to play the African agri potential. The region holds 60% of the world's arable land and with developing infrastructure the role of Africa in global food supply should grow considerably over time. We are pleased to help finance such a positive development that is in a sense "enabling" this key region and helping it to modernize its agriculture.

Figure 1. Africa has 60% of the world's available arable



Source: McKinsey MGI, Seedrock research, Oct-2010

In the beginning of March, we also increased the portfolio percentage of **Avangard**, (Ukraine's leading egg producer), on weak markets. The Co. released strong 2010 results: sales grew 37% YoY on 22% growth of output, EBITDA up 27%, and NI up 38%. Most importantly, EBITDA margin remained almost flat at 44%, despite analysts' fears of a margin fall, given the Co. sources grain from outside. In 2010, Avangard secured 65% of its grain needs for 2011. Although the domestic egg market is quite saturated the Co. is a market leader and being the most cost efficient operator it dictates the price. Growth is also driven by exports--they grew threefold in 2010! The launch of two new chicken farm complexes in 2H11 will help Avangard increase shell egg output by 36% in 2011 and 13% in 2012.

Figure 2. Publicly listed companies in agri value chain

Item	Global age. value chain (%)	Number of companies	Market cap (%)
Suppliers	22.7	103	39.6
Farming	22.2	7	0.2
Processing	14.8	60	9.7
Logistics	14.7	26	9.7
Packing and distribution	25.6	88	36.8
Integrated	n.a.	16	4
Total	100	300	100

Note: Global market capitalization is in USD mln as of Oct-2009, n.a.= not applicable
Source: World Bank, Brookfield 2010

After the recent Adecoagro IPO, we see other movements in the large scale farming sector, indicating raised interest in agriculture as an investment class. Ivolga, a large farming conglomerate that controls 1.5m ha of farmland across Russia and Kazakhstan, is looking for a strategic investor. Analysts estimate the Co's value at £500m-£1b. We would like to point out that farming is the least capitalized subsector of the agriculture industry, despite its strategic place in the food

chain. To further illustrate this point we paste a chart sourced from The World Bank (Figure 2). This chart shows that in 2010 farming represents less than 1% of the group capitalization yet it accounts for 22% of the global agri value chain!

The GWAFF is a unique fund in the sense that a diverse mix of relatively liquid, quoted farming companies, represents nearly 50% of fund's NAV. The main focus of this strategy is on large-scale commercial farms in emerging regions where both valuations and costs are lower yet growth is far superior to that which can be found in mature markets. Strong operating track record, vertical integration and sustainability (social, agronomic) are just some of the many criteria by which these shares are selected. We believe the fund is well positioned to play the under-owned farming sector and the future growth that it will bring.

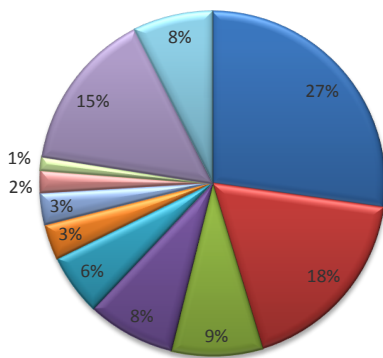
Please contact us for any questions or comments. We appreciate your support!

The GAIA Capital Team

Fund Breakdown

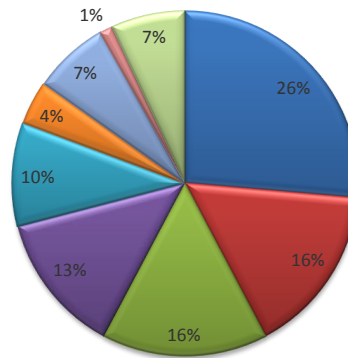
Largest Position	6%	Top 10 Positions	41%
Total Positions	40	Av Mkt Cap (m)	\$ 1,733

Market Segment



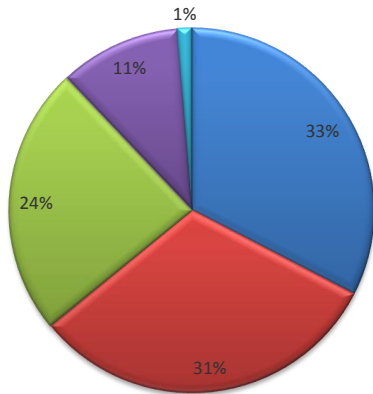
- Farming / Integrated
- Fertilizer
- Timber
- Vegetables
- Bio fuels
- Starch
- Poultry
- Fruit Farming
- Crop Protection
- Other
- Cash

Geography



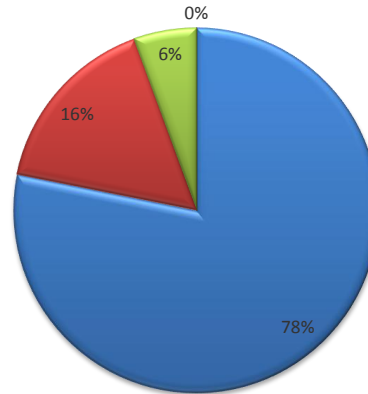
- China
- Ukraine
- Latam
- Canada
- Russia
- Global
- Other
- UK
- Cash

Currency



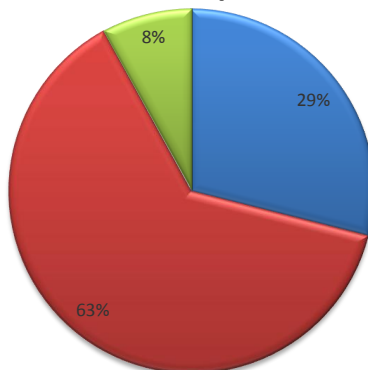
- usd curncy
- cad curncy
- eur curncy
- hkd curncy
- sek curncy

Positioning



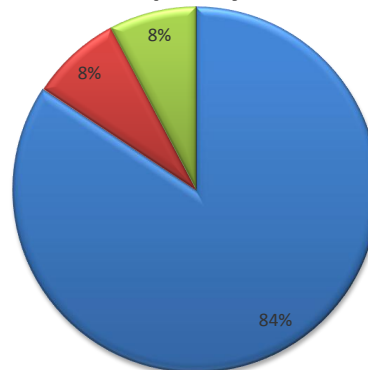
- Upstream
- Integrated
- Midstream
- Downstream

Market Cap USD



- Small (<250m)
- Mid (250m-5bn)
- Large (>5bn)

Liquidity



- Free Trading
- Pre IPO
- Cash