ACCUMULUS
CAPITAL MANAGEMENT, LLC

4 August 2008

Demetra Commodities Fund - 2nd Quarter 2008 Update

Dear Investor,

Fund Performance Review

For the second quarter of 2008 the Demetra Commodities Fund returned 8.4% net in the USD Class, and 8.6% in the EUR hedged Class. Please see the table below for a performance overview[1]:

	Apr-08	May-08	Jun-08	QTD	YTD	12M	LTD[2]	StDev
Demetra Commodities Fund USD	1.1%	4.3%	2.8%	8.4%	13.6%	12.6%	20.2%	10.7%
Demetra Commodities Fund EUR	1.2%	4.4%	2.8%	8.6%	13.9%	11.9%	16.0%	10.8%
Goldman Sachs Commodities Index	8.0%	9.1%	9.2%	28.7%	41.4%	76.2%	56.3%	20.1%
Rogers Commodities Index	4.7%	3.9%	8.7%	18.3%	29.3%	57.0%	56.4%	16.3%
Dow Jones-AIG Commodities Index	3.6%	2.7%	9.1%	16.1%	27.2%	41.0%	39.9%	16.4%

1 Please see the last page of this letter for important disclosure notes related to performance and applicable risks.
2 Beginning at Demetra Commodities Fund inception, May 1, 2006.

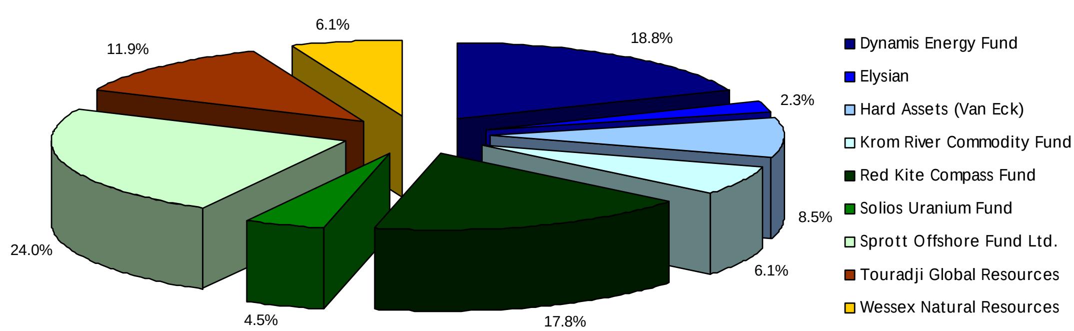
Demetra posted respectable performance for the quarter but again lags the indices, which have had gross returns ranging from +18.3% (Rogers) to +28.7% (GSCI). In the 25 months since inception, Demetra's net return of +20.2% trails all three indices.

The second quarter was mixed for commodities markets. Physical commodities generally gained, but producer stocks fell on the supposition that profits would be hurt by increasing energy costs.

We go into the third quarter with the portfolio essentially unchanged. We trimmed exposure to one of our best performing funds as growth caused it to be overweight in the portfolio.

Manager Selection

Our portfolio currently consists of 9 commodity specialists. Below is our current allocation:



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Update and Outlook

Demetra enters the third quarter of 2008 on in the midst of a general market correction, facing one of our largest down months as commodities across the board declined.

Oil prices have fallen significantly as demand fundamentals show signs of deterioration. Higher prices and economic slowdown, especially in western markets, have brought about marked demand destruction. Additionally the increasing calls for new drilling in the US have been a sign of a major policy shift which could increase supply, albeit in the longer term.

Mining stocks have continued to suffer from the double hit of high input costs (ie: energy) and declining physical commodity prices. Base metal demand is unusually subdued due to the suspension of activity in China prior to the Olympics and slower growth globally. Precious metals gained slightly on inflation worries but this was short lived and was almost entirely erased by strength in the US dollar.

One bright spot in the portfolio was a fund that mainly holds physical uranium. Uranium prices ticked up for the first time in several months as new spot transactions signaled that utilities may have returned to the markets to fulfill late 2008 and 2009 fuel requirements.

While this summer has seen a large move in commodities and related industries, we believe this is a correction and not the end of the current super-cycle. We expect continued strength in commodities in the coming years; however, continued uncertainty about the global economy, political tensions, and US election year posturing will likely cause increased market volatility in the short term. We continue to believe the best way to navigate the ups and downs of such a market is by investing with experienced managers who have the ability to take both long and short positions to mitigate risk.

Thank you for your continued trust and confidence in Accumulus Capital Management. If you have any questions, please do not hesitate to contact us at (212) 490-7570.

Yours sincerely,

Benjamin Schliemann

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