

Ceres Partners, LLC



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This brochure provides information about the qualifications and business practices of Ceres Partners, LLC. If you have any questions about the contents of this brochure, please contact Ceres Partners LLC's Chief Compliance Officer, Patrick Vieth, at (617) 959-4057 or by email at patrick.vieth@cerespartners.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("**SEC**") or by any state securities authority. Additional information about Ceres Partners LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Any reference to Ceres Partners LLC as a "registered investment adviser" or as being "registered" does not imply a certain level of skill or training.

Item 2 - Material Changes

Ceres Partners LLC is submitting this annual update as of March 2024.

Since the most recent ADV filing, certain risk factors have been updated to reflect additional risk to Clients (as defined below).

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Item 4 - Advisory Business

Ceres Partners LLC (“**Ceres**” or the “**Firm**”) is an Indiana Limited Liability Company that was formed on April 24th, 2009. Ceres is controlled by its Managing Member, Perry Vieth (the “**Managing Member**”). Ceres provides investment advisory services to private funds and a separate pooled investment vehicle. Ceres currently manages four private funds: Ceres Farmland Holdings, LP, Ceres Farmland, LLC, Ceres Sustainable Food & Agriculture Bridge Fund, LP, and Ceres Food & Agriculture Opportunity Fund, LP. (each a “**Fund**” and collectively, the “**Funds**”). Ceres additionally manages a separate pooled investment vehicle that invests its assets in farmland real estate. The separate pooled investment vehicle Ceres provides investment advisory advice, Ceres Farms LLC (the “**Pool**”), which together with the Funds, will be referred to herein as the “**Clients**.” The General Partner for Ceres Farmland Holdings, LP, and Ceres Farmland, LLC is Perry Vieth. The General Partner for Ceres Sustainable Food & Agriculture Bridge Fund, LP is Ceres Sustainable Food & Agriculture Partners LLC. The General Partner for Ceres Food & Agriculture Opportunity Fund, LP is Ceres Food & Agriculture Partners, LLC (collectively the “**General Partners**”) and each General Partner is an Indiana Limited Liability Company controlled by the Managing Member. The General Partner has ultimate responsibility for the management, operations, and investment decisions of the Funds.

Ceres provides investment management services to its Clients pursuant to investment guidelines within the relevant organizational documents, limited partnership agreements, investment management agreements, offering memorandums and/or subscription agreements, as the case may be (each an “**Offering Document**”, and collectively, the “**Offering Documents**”). Ceres does not tailor its services to the individual Fund investors or provide investors with the right to specify, restrict, or influence the Funds’ investment objectives or any investment or trading decisions. When and if applicable, the Firm will enter into agreements, commonly known as “side letters,” with any investors under which the Firm waives or modifies certain investment terms for those investors.

Ceres seeks to accomplish its Clients investment objectives through disciplined, research-intensive investment and risk-management processes focusing primarily acquiring and actively leasing farmland in the United States.

Ceres does not participate in wrap fee programs.

As of December 31, 2023, Ceres’ regulatory assets under management were \$1,601,250,305 all managed on a discretionary basis.

Item 5 - Fees and Compensation

Ceres receive a management fee and performance-based compensation from Clients. Such compensation arrangements are set forth in the relevant Offering Document with each Client.

The management fees paid by the Funds is generally equal to an annual rate of 1.00% of each Member’s capital account balance if such balance exceeds \$1 million and 2.00% of each Member’s capital account balance if such balance is less than \$1 million. The Firm may reduce, waive or calculate differently the management fee for certain investors or Clients, including members, employees and affiliates of the Firm.

Ceres expects that the Client will be responsible for investment-related expenses, as well as for their organizational and offering expenses.

Item 6 - Performance Fees and Side-by-Side Management

Ceres receives performance-based compensation from Clients, generally equal to 20% of the net profits (both realized and unrealized). Additional information regarding such compensation arrangements are set forth in the relevant Offering Document with each Client. The Firm or its affiliates may reduce, waive or calculate differently the performance-based compensation for certain investors or Clients, including members, employees and affiliates of the Firm.

The terms of the performance-based compensation may differ among the Clients. This may result in a conflict of interest when allocating opportunities among Clients, as Ceres may have an incentive to favor Clients that have higher performance-based compensation. To avoid such a conflict of interest, Ceres has developed documented procedures for allocating opportunities among Clients in a fair and equitable manner.

As management fees and performance-based compensation are based directly on Clients' net asset values, Ceres may have a conflict of interest in valuing the assets held in Client accounts. Ceres follows documented valuation policies and consults with third-party appraisers, as applicable, in order to mitigate this risk.

Item 7 - Types of Clients

Ceres provides discretionary investment advice to the Funds, which are private investment vehicles that are exempt from registration under the Investment Company Act.

Ceres also provides discretionary investment advice to a pooled investment vehicle that is excluded from the definition of a "private fund" due to the Pool's investment strictly in real estate.

The investors participating in the Funds come from a diversified base of institutional investors including leading university endowments, insurance companies, public pensions, corporate pensions, foundations, asset managers, family offices, and fund of funds. They also include Ceres employees, members of their families, and operating professionals.

Each investor is required to meet certain suitability requirements. Interests in Funds are sold only to investors who meet qualification requirements under applicable securities laws. An investment in one or more Fund's should be based on a prospective investor's careful analysis of its overall portfolio and its own objectives and needs in the areas of diversification, liquidity, return on investment and risk management.

Item 8 - Methods of Analysis, Investment Strategies, Risk of Loss

Investment Strategy

Ceres seeks to accomplish its Clients' investment objectives by purchasing, operating and holding real properties that produce income, and therefore Ceres considers the following when making investments:

- Cash flow;
- Appreciation prospects;
- Appraisal of value by Ceres;
- Appraisal of value by third parties;
- Condition and use of property; and

- Location.

The experienced team at Ceres performs acquisition research, analyses, and negotiations of potential property. Ceres conducts a detailed market study and reviews the property and its financial operating history.

Ceres REITs' principal investment objective is to maximize total returns to investors through cash distributions and appreciation in the value of REIT shares. A secondary investment objective is diversification, both geographically and in the number of tillable and non-tillable farm parcels acquired. In pursuit of these objectives, each REIT strategy is to acquire equity or equity-like interests in tillable and non-tillable farm parcels in targeted areas within North America. These properties will be managed with a view to current income and sold when the Investment Committee concludes that market conditions and property positioning will realize optimal value.

In all cases, Clients should review the applicable offering materials to understand the specific terms, features and risks of a specific REIT offering.

General Risk Factors

Investments in direct real-estate related assets are subject to various risks, including without limitation:

- the cyclical nature of the real estate market and changes in national or local economic or market conditions;
- the financial condition of the buyers and sellers of properties;
- Government regulation and increases in trade tariffs;
- changes in supply of, or demand for, properties in an area;
- various forms of competition;
- fluctuations in lease rates;
- changes in interest rates and in the availability, cost and terms of financing;
- promulgation and enforcement of governmental regulations, including rules relating to zoning, land use and environmental protection;
- changes in real estate tax rates, energy prices and other operating expenses;
- changes in applicable laws and increased governmental regulation; and
- various uninsured or uninsurable risks and losses.

The marketability and value of a Client's investments, and the revenues generated by such properties, will depend on factors beyond the control of the Client and Ceres. Investing, including investing in real estate related assets, involves risk of loss that Clients should be prepared to bear. Additionally, Clients that invest in specifically in REITs should be aware of the following.

- The REITs intend at all times to qualify as "real estate investment trusts" under the provisions of the Internal Revenue Service Tax Code of 1986. However, failure in any taxable year to distribute to stockholders at least 90% of their real estate investment trust taxable income will result in the REITs having to pay tax on their taxable income at regular corporate rates. The REIT cannot deduct distributions to stockholders in any non-qualifying year(s);
- Although each REIT's shares are freely transferable, subject to certain restrictions, an investment in each REIT is intended to be long term. No public or private market currently exists for the shares. The REITs may dispose of shares by redeeming them,

but depending on available liquidity and other restrictions, shares may have limited or no liquidity;

- Although the REITs will strive to acquire a diversified portfolio of tillable and non-tillable farm parcels, such diversification may not exist during each REIT's initial stages, and each REIT may not achieve its overall diversification goals;
- Unlike exchange-listed and other readily tradable securities, real estate assets generally cannot be marked to an established market. The periodic valuation of each REIT's assets will serve as the basis for determining the value of each share of such REIT prior to the time, if any, that a public trading market for the shares exists. Valuations of real properties are estimates of fair value and may not necessarily correspond to realizable value. Because the valuation of properties is inherently subjective, a REIT's net asset value may not accurately reflect the actual price at which its assets could be liquidated on any given day;
- Private real estate investments will generally be illiquid compared to traditional asset classes. The Client may be unable to realize its investment objectives by sale or other disposition at attractive prices within any given period of time; and
- In purchasing property, a buyer faces the risk that environmental statutes or regulations, which may be unpredictable, will result in obligations and/or liabilities beyond the buyer's control. For example, the current owner of a parcel of land may be liable for environmental problems at or emanating from the parcel of land that were caused by a past owner or current operator of the site;

Specific Risk Considerations

Real estate market risk. Investments in real estate related assets are subject to various risks, including, without limitation, the cyclical nature of the real estate market and changes in national or local economic or market conditions, the financial condition of tenants, buyers and sellers of properties, changes in supply of, or demand for, properties in an area, various forms of competition, fluctuations in lease rates, changes in interest rates and in the availability, cost and terms of financing, promulgation and enforcement of governmental regulations, including rules relating to zoning, land use and environmental protection, changes in real estate tax rates, energy prices and other operating expenses, changes in applicable laws and increased governmental regulation and various uninsured or uninsurable risks and losses. The marketability and value of a Client's investments, and the revenues generated by such properties, will depend on these and other factors, which are beyond the control of the Client and Ceres. Investing, including investing in real estate related assets, involves risk of loss that Clients should be prepared to bear.

Concentration risk – real estate. Any strategy that concentrates in a particular segment of the market will generally be more volatile than a strategy that invests more broadly. Given the cyclical nature of the real estate market, changes in national or local economic or market conditions could have an adverse effect on the strategy. In addition, changes in the financial condition of tenants, buyers and sellers of property, competition, fluctuations in lease rates, the length of leases, and in the availability of financing will have a significant impact on the strategy's performance and any applicable lock-up periods.

Side Letters. As noted in Item 4 above, in connection with or as a condition to an investor's agreement to invest in a Client, the Client or its general partner may from time to time enter into a "side letter" or similar agreement with an institutional or other investor pursuant to which the Client or its general partner grants the investor specific rights, benefits or privileges that are not generally made available to all investors. Such rights, benefits or privileges include waivers or discounts on management fees and/or carried interest, "most favored nation" clauses, preferential access to co-investment opportunities, the right to be excused from

participating in certain investments made by a Client, notice rights upon the occurrence of certain events, seats on a Client's limited partner advisory committee, specialized or additional reporting rights, rights related to tax treatment, rights related to regulatory matters, rights related to immunities or indemnification, rights related to the ability of the investor to transfer its interest in the Client, additional representations and warranties from the Client, its general partner and/or the Firm, modifications to the subscription agreement and other benefits. While the ability of a Client or its general partner to enter into a side letter or similar agreement affording preferential rights to certain investors is generally disclosed to other investors in the Client, the terms of such "side letters" or similar agreements are generally not disclosed to other investors in the Client, except to investors that have separately negotiated for the right to review such agreements.

Counterparty Risk. There are risks involved in dealing with the banks, custodians, and broker-dealers, as well as other securities intermediaries engaged by the Firm. Although the Firm monitors the banks, custodians, broker-dealers, and securities intermediaries, and believes that they are appropriate banks, custodians, broker-dealers, and securities intermediaries, there is no guarantee that the banks, custodians, broker-dealers, and securities intermediaries, or any other banks, custodians, broker-dealers, or securities intermediaries that the Clients may use from time to time, will not become bankrupt, insolvent, or otherwise cease to operate normally. While the U.S. Bankruptcy Code, the U.S. Securities Investor Protection Act of 1970, regulatory agencies including the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation, and applicable bank insolvency laws seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a bank or broker-dealer, there is no certainty that, in the event of a failure of a bank or broker-dealer that has custody of Client assets, the Clients would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

Custodial Risk. The Firm is required to maintain certain client assets at a qualified custodian. A custodian will have custody of Client assets, including securities, cash, distributions and rights accruing to a Client's securities accounts. The Clients may incur a loss on securities and funds held in custody in the event of a custodian's or sub-custodian's insolvency, negligence, fraud, poor administration or inadequate recordkeeping. If the custodian holds cash on behalf of a Client account, the Client may be an unsecured creditor in the event of the insolvency of the custodian. In addition, prior to acceptance by a Client, subscription amounts are subject to a variety of risks, including the risk of insolvency of any custodian that maintains an account for the deposit of such amounts. Establishing multiple custodial relationships could mitigate custodial risk in the event of a bank failure.

Uncertainty in the U.S. and Global Financial Markets. Similar to the upheavals in the United States and global financial markets that began in 2008, the recent banking crisis has the possibility of extraordinary and unprecedented uncertainty and instability in such markets. There can be no assurances that conditions in the global financial markets will not adversely affect one or more of a Client's portfolio companies or other investments, its access to capital or leverage, or its overall performance.

Bank Deposits Risk. Deposits maintained at an FDIC-insured bank are covered up to \$250,000 per depositor, per insured bank, for each account ownership category, in the event of a bank failure. Any deposits over \$250,000 in cash at a single bank may be lost in the event the bank fails. Any deposit in excess of the maximum amount insured by the FDIC is an uninsured deposit. Diversifying banking relationships could serve to minimize the potential uncertainty and destabilizing effect on the Firm's operations because of concern regarding the financial viability of a single banking institution. In addition, valuation of companies may

experience significant price declines, volatility, and liquidity concerns as a result of short- and long-term financing to continue operations at normal levels.

Business Continuity and Disaster Recovery. Ceres business operations could become vulnerable to disruption in the case of catastrophic events such as fires, natural disaster (e.g., tornadoes, floods, hurricanes and earthquakes), epidemics and pandemics (as further detailed below), terrorist attacks or other circumstances resulting in property damage, network interruption and / or prolonged power outages. Although Ceres has implemented various measures to manage risks relating to these types of events, there can be no assurances that all contingencies are planned for. If such business operations are disrupted or suspended for extended periods of time, the Clients may be adversely affected.

Public Health Emergency. Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on investments held by the Clients and could adversely affect the Firm's ability to fulfil such Client's investment objectives. The extent of the impact of any public health emergency on a Client's investments and operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, unemployment levels, consumer confidence and spending levels, and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency could materially and adversely impact the value and performance of a Client's investments, the Firm's ability to source, manage and divest investments on behalf of a Client, and the ability to achieve investment objectives, all of which could result in significant losses to the investors. In addition, the operations of a Client and the Firm could be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers.

Farmland Revenues Tied to Agriculture Industry. The value of and revenues from farmlands in which the Pool invests will be largely dependent on the performance of the agricultural industry which is historically cyclical. Crop yields can be affected by numerous factors beyond the control of the Pool, including adverse weather and growing conditions, pest and disease problems, and new government regulations regarding farming and the marketing of agricultural products.

Risks of Default under Farmland Leases. The Pool's financial performance would be adversely affected if its tenants were to become unable to meet their obligations under their leases. The ability of tenants to meet their lease obligations, and the Pool's financial results to the extent that it operates any farmlands directly or enters into a crop share lease, will be dependent on the crop yields on the farmlands owned by the Pool which can be affected beyond the control of the tenant. A default of a tenant on its lease payments to the Pool could cause the Pool to lose the revenue from the property for a period of time and, theoretically, force the Pool to find an alternative source of revenue to meet any mortgage payment and prevent a foreclosure if the property is subject to a mortgage. In the event of a default, the Pool may experience delays in enforcing its rights as landlord and may incur substantial costs in protecting its investment and re-letting the property. If a lease is terminated, there is no assurance that the Pool will be able to lease the property for the rent previously received or sell the property without incurring a loss. A default by a tenant, the failure of a guarantor to fulfill its obligations or other premature termination of a lease,

or the bankruptcy or insolvency of a tenant, could have an adverse effect on the Pool's financial condition.

Concentration of Leases with Family Group. Events adversely affecting the business or financial condition of a farmer group or a termination of a relationship between the Pool and a farmer group could have a material impact on the performance of the Pool as a result of this concentration. The Manager believes that over time as the Pool grows and expands its properties and farmer relationships, this concentration and the associated risk will diminish.

Item 9 - Disciplinary Information

There have been no legal or disciplinary events that are material to a Client's or prospective Client's evaluation of Ceres' advisory business or the integrity of Ceres' management.

Item 10 - Other Financial Industry Activities and Affiliations

The management of multiple Clients may result in conflicts of interests when Ceres or its related persons allocate their time and investment opportunities among Clients. In addition, the compensation earned by Ceres and its related persons from each Client may differ from one another.

The Manager may provide advice to other funds and managed accounts that may follow an investment program substantially similar to that of the Client. The Manager may give advice and recommend transactions to other managed accounts or investment funds which may differ from advice given to, or transactions recommended or bought for, the Client, even though their investment objectives may be the same as or similar to the Fund's objectives.

Ceres has adopted a Fair Allocation Policy, to provide an objective basis for resolving these conflicts.

The Fund has engaged an affiliate of the Manager, Ceres Securities, LLC ("**Ceres Securities**"), as a placement agent in connection with soliciting prospective investors in the Fund and determining their suitability for an investment in the Fund. Ceres Securities is a registered broker-dealer (CRD # 269903) and a wholly owned subsidiary of the Manager. Under the terms of a placement agency agreement dated January 9, 2017, the Manager will pay Ceres Securities a placement fee based on the successful sale of Interests in the Fund by the Manager to an investor that Ceres Securities has introduced to the Fund. Ceres Securities will not offer or sell securities of the Fund.

Item 11 - Code of Ethics, Participation/Interest in Client Transactions, Personal Trading

Code of Ethics

Ceres has adopted a Code of Ethics (the "**Code of Ethics**"), which is designed to ensure that it conducts its business in accordance with all applicable laws and regulations and in an ethical and professional manner. The Code of Ethics applies to all Ceres employees. In addition, Ceres recognizes that it has a fiduciary duty to its Clients, and that all of its employees need to conduct their business on Ceres' behalf in a manner that enables Ceres to fulfill this fiduciary duty. In this regard, Ceres has developed policies and procedures in the Code of Ethics that are premised on the fundamental principles of openness, integrity, honesty and trust.

Employees are provided with a copy of the Code of Ethics and are annually required to sign and acknowledge that they will comply with its provisions. Ceres will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

Personal Trading

Under the Code of Ethics, Ceres employees (and members of their immediate households) must obtain written pre-approval from Ceres' Chief Compliance Officer (the "CCO") prior to executing a purchase or sale order in any Personal Trading Account.

In addition, employees are prohibited from participating in any initial public offering and must obtain written pre-approval from the CCO to buy or sell securities in a private placement. Employees must also obtain written pre-approval from the CCO before engaging in any outside business activities. When the activities of the CCO require pre-approval, that written pre-approval must be obtained from the Principal Owner.

All employees must provide duplicate copies of brokerage statements to the CCO. These records are used to monitor compliance with the foregoing policies.

Participation and Interest in Client Transactions

Subject to applicable law, Ceres may effect transactions between Client accounts whereby one Client account will purchase securities from or sell securities to another account. Ceres does not currently intend to engage in such activity. Nonetheless, if it plans on effecting such transactions in the future, it will develop documented procedures for doing so, including requiring pre-approval from the CCO.

Item 12 - Brokerage Practices

Ceres does not use securities brokers in connection with its real estate advisory activities. However, the Firm may invest (i) Clients' funds held but not yet invested in real estate, (ii) funds generated from the management of properties, or (iii) sale proceeds of a real estate investment pending distribution to the Client. Such funds are invested primarily in Treasury money market funds and U.S. Government obligations, repurchase agreements and other instruments guaranteed by the United States or U.S. agencies. These investments are strictly incidental to the Firm's real estate advisory activities. In connection with making these investments, the Firm uses the services of large commercial banks to invest in money market funds that invest primarily in the securities investments previously described. The Firm receives no research or soft dollar benefits from such brokerage and believes the commissions or mark ups are competitive with those that other brokers or dealers charge. On occasion, the Firm also uses unaffiliated real estate brokers that the Firm selects on the basis of (i) the reasonableness of their commissions as compared to other brokers offering similar services and (ii) the ability of such brokers to obtain best execution of the transaction.

Item 13 - Review of Accounts

The Managing Partner reviews Client accounts continually for overall adherence to the investment strategy and investment guidelines. The Firm engages in active management of the Client accounts and accordingly reviews positions and cash balances on a daily basis.

Ceres will provide Fund investors with annual audited financial statements and additional periodic reporting (see item 15).

Item 14 - Client Referrals and Other Compensation

Ceres does not currently and does not expect to receive any economic benefits from third parties in connection with the provision of investment advice to Clients. Ceres may compensate their affiliate, Ceres Securities, for investor referrals. Ceres Securities shall be compensated pursuant to the terms set forth in a written agreement.

Item 15 - Custody

Ceres will comply with the requirements of the Rule 206(4)-2 of the Advisers Act with regards to Ceres' custody of the Clients' assets. Ceres is deemed to have custody of Client funds and securities because it has the authority to obtain Client funds or securities, for example, by deducting advisory fees from a Clients account or otherwise withdrawing funds from a Client's account.

Ceres annually requires each Fund be subject to audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. Each Fund's audited financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP), and each Fund distributes its audited financial statements to all investors within 120 days of the end of its fiscal year.

Item 16 - Investment Discretion

Ceres has discretionary authority to manage accounts on behalf of the Clients, which includes the authority to determine, without obtaining specific consent, the assets to be bought or sold, the amount of assets to be bought or sold, the real estate broker to be used and the commission rates to be paid. The investors in the Funds generally will not have the ability to place any limits on Ceres' authority beyond the limitations set forth in the Offering Documents of the applicable Fund.

Item 17 - Voting Client Securities

Ceres investment strategy does not generally involve the acquisition of public securities with voting authority, making it unlikely that a Client will be placed in a position of proxy voting authority. However, if a Client does come into possession of securities with voting rights, the Firm will implement the appropriate policies and procedures and seek to vote proxies in the best interests of its Clients.

Item 18 - Financial Information

Ceres has no financial commitment that impairs the Firm's ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.