

## “Consistent Results & Soft Landings”

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Suffice it to say that we have been and remain bullish on the Greater China markets medium to long term. Notwithstanding, we have also stated that we always maintain a very healthy respect for the possibility of a near term correction. As such, one of our primary investment tenets has been to deliver consistent and smooth investment gains, while ensuring “softer landings” on the downside. To accomplish this we manage the portfolio with the objective of optimizing our Sharpe Ratio (risk adjusted return) given our stated investment parameters (>15% net return and <15% volatility).

A closer observation of our investment results reveals the following (details below):

1. The broader based Greater China Market as measured by the MSCI Golden Dragon MXGD Index (HK, China & Taiwan Markets) has had six down months of performance since inception of the GCA Greater China Fund (GCAGC). In 4 of the 5 MXGD down periods, the GCA Greater China Fund (GCAGC) investment results were materially better (less than 1% decline for 2 of 5 periods and positive for 2 of 5 periods).
2. When compared to the narrower HIS Index (HK listed and China companies listed on the HK market), GCAGC performed better for 5 of 5 downturn period and positive for 3 of 5 periods.
3. Although not a direct comparable, when compared to the S&P 500, GCAGC performed better 5 of the 6 downturn periods and was positive for 4 of the 6 periods.

In summary, GCAGC has consistently delivered positive investment gains for 17 of 24 monthly reporting periods. Noteworthy, is that for 5 of the 7 down periods, GCAGC performance was down less than 1.0%. The largest period decline was Nov. '07 (-7.47% est.), compared to the MXGD Index (-10.58%) and the HSI Index (-8.64%). The “smoothness” of investment returns can be measured by GCAGC’s standard deviation, 11.22% vs. 18.72% for the MXGD and 17.29% for the HIS.

	<u>GCAGC</u>	<u>MXGD Index</u>	<u>HSI Index</u>	<u>SPX Index</u>
11/30/2007	-7.47%	-10.58%	-8.64%	-4.40%
10/31/2007	-0.35%	11.73%	15.51%	1.48%
28-Sep-07	5.98%	13.74%	13.17%	3.58%
31-Aug-07	1.54%	1.65%	3.45%	1.29%
31-Jul-07	8.22%	6.30%	6.49%	-3.20%
29-Jun-07	5.86%	7.96%	5.52%	-1.78%
31-May-07	1.83%	4.13%	1.55%	3.25%
30-Apr-07	2.28%	1.66%	2.62%	4.33%
30-Mar-07	-0.98%	0.80%	0.76%	1.00%
28-Feb-07	3.49%	-0.70%	-2.26%	-2.18%
31-Jan-07	2.60%	-2.06%	0.71%	1.41%
29-Dec-06	2.31%	7.00%	5.30%	1.26%
30-Nov-06	3.22%	9.09%	3.47%	1.65%
31-Oct-06	3.10%	2.87%	4.45%	3.15%
29-Sep-06	2.13%	2.62%	0.87%	2.46%
31-Aug-06	-0.20%	2.49%	2.48%	2.13%
31-Jul-06	-0.39%	-1.10%	4.33%	0.51%
30-Jun-06	-2.56%	-0.40%	2.58%	0.01%
31-May-06	-0.58%	-6.51%	-4.82%	-3.09%
28-Apr-06	1.96%	7.16%	5.42%	1.22%
31-Mar-06	6.25%	1.20%	-0.71%	1.11%
28-Feb-06	3.72%	0.60%	1.05%	0.05%
31-Jan-06	3.61%	6.42%	5.89%	2.55%
30-Dec-05	2.62%	4.16%	-0.41%	-0.10%