"Market Update – January 22, 2008"
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Equity markets worldwide have been subject to material liquidation since the beginning of the year. All told, the US S&P 500 is off some 16% from its recent peak where it was trading at a 19.1x P/E (Est.). Investors are in a "panic" mode reflecting ongoing concerns about the U.S. sub-prime calamity, the credit market impact, deterioration of the U.S. banking system, the "R - recession" word, the "I- inflation" word, the contagion impact of a US slowdown on the emerging markets, the pros and cons of the proposed US Government led $145+ billion tax rebate program, and all the political and press rhetoric associated with the US '08 political primaries and ultimate election outcome. This panic stricken mode has also included in the foray of negativism concerns about global warming impact, and the US writers' guild strike and most recently environmentalist concerns that we are losing 1% of our farmable land every year due to excessive tilling of the soil – oh, and not to forget a recently discovered Michel de Nostradame book revealing a 2012 Armageddon!

Our view is that the current market sell-off has primarily been a fear driven, indiscriminate liquidation. Japan, for example is being liquidated in a totally indiscriminate way. Domestic investors are on the sidelines and the sell-off comes primarily from foreigners and hedge funds selling. The NIKKEI 225 has lost close to 30 % from its peak and its now trading at 15.75 x current earnings with a dividend yield of 1.57%. Japanese equities have never been this cheap in the last twenty years, nor have they been this oversold. This is of course the flip side to the greed factor that in large part has led to heretofore lofty valuations. Notwithstanding, in such an investment climate it is obviously extremely difficult to assess when the spiral ends and at what level one should go back into the markets. We are moving back into the markets with the view that the worst of the remaining panic will be digested by the markets over next few months. Nevertheless, timing the end of a sell-off is difficult and we are trading at exposure levels where our indicators are flashing BUY.

Outlined below is what we believe to be a balanced fundamental overview of the current situation which is what is driving our investment outlook. In summary, GCA Funds as indicated by PTD (peak to date performance) have delivered softer landings than the respective market indexes and with much less accompanying volatility. Valuations, particularly Px/BV which we believe to be a far more reliable measure, are increasingly attractive given the low interest rate environment and strong corporate earnings expectations. Moreover, the China and Latam economies are in very strong financial condition allowing the respective FRB's great flexibility to manage and contain inflationary pressures.

GCA Greater China Fund Estimated Performance

As of January 22, 2008	**GCA Greater China**	**MSCI Golden Dragon**	**S&P 500**	**US Equity L/S**	**10-yr. UST**
Daily change	-1.19%	-8.20%	-1.11%	N/A	1.38%
MTD	-4.72%	-19.82%	-10.75%	-5.80%	4.61%
YTD	-4.72%	-19.82%	-10.75%	-5.80%	4.61%
PTD	-7.66%	-30.8%	-15.8%	-6.2%	N/A
Since Inception (Dec. 1, 2005)	52.20%	51.43%	4.88%	23.43%	19.84%
Indicative NAV (Base 1000 @ Dec. 1, 2005)	1522.00	1514.34	1048.84	1234.28	1198.39
Avg. Ann. Vol. (Inception)	10.98%	18.38%	7.74%	7.51%	4.49%
Valuation : P/E (Est.) Px/BV (Est.)	N/A	15.1 2.23	14.2 2.38	N/A	N/A
3-month Interest Rate 10-yr Govt. Bond	N/A	4.48 4.62	3.74 3.71	N/A	N/A
Inflation (Est.)	N/A	+3.5	+2.8%	N/A	N/A
GDP Growth (Est.)	N/A	+10.1	+1.8	N/.A	N/A
Corporate Earnings (Est.)	N/.A	30%	12-15%	N/A	N/A
Exposure: Long	39.43%	N/A	N/A	N/A	N/A
Exposure: Short	-24.62%	N/A	N/A	N/A	N/A
Exposure: Net	14.81%	N/A	N/A	N/A	N/A
Exposure: Gross	64.05%	N/A	N/A	N/A	N/A

GCA Latam Fund Estimated Performance

As of January 22, 2008	GCA Latam	MSCI Latam	S&P 500	US Equity L/S	10-yr. UST
Daily change	0.86%	6.86%	-1.11%	N/A	1.38%
MTD	-3.71%	-14.32%	-10.75	-5.80%	4.61%
YTD	-3.71%	-14.32%	-10.75	-5.80%	4.61%
PTD	-7.98%	-17.7	-15.8	-6.2	N/A
Since Inception (Sept. 3, 2007) Since Inception (Oct. 1, 2007)	-3.81%	2.36%	-11.09	1.87%	10.14%
Indicative NAV (Base 1000 @ Sept. 3, 2007)	961.90	1023.64	889.08	1018.69	1101.41
Avg. Ann. Vol. (Inception)	8.20%	30.2%	11.86%	10.66%	5.76%
Valuation : P/E (Est.) Px/BV (Est.)	N/A	12.8 2.71	14.2 2.38	N/A	N/A
3-month Interest Rate 10-yr Govt. Bond	N/A	11.18 (BZ) 6.16 (BZ)	3.74 3.71	N/A	N/A
Inflation (Est.)	N/A	+4.0 (BZ)	+2.8%	N/A	N/A
GDP Growth (Est.)	N/A	+4.5 (BZ)	+1.8	N/.A	N/A
Corporate Earnings (Est.)	N/.A	16%	12-15%	N/A	N/A
Exposure: Long	101.04%	N/A	N/A	N/A	N/A
Exposure: Short	-35.75%	N/A	N/A	N/A	N/A
Exposure: Net	65.29%	N/A	N/A	N/A	N/A
Exposure: Gross	136.79%	N/A	N/A	N/A	N/A

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