

GCA Greater China Fund Limited – April 2006 (+1.96%)

Fund Manager Profile

•**Manager.** Founded in 1989, Gerken Capital Associates (“GCA”) is a San Francisco based alternative asset fund manager. The firm is a recognized emerging market and emerging manager specialist. The firm has nine investment professionals with twenty plus years of investment experience each and long term affiliation. Lou Gerken, founder and chairman has been active in the emerging markets since the mid-70’s where he began his career as an analyst & portfolio manager with emerging markets leader GT Capital. Since inception, GCA and its Principals have managed/advised \$4.7 billion in AUM representing 22 managers. The Firm currently manages/advises \$1.5 Billion in AUM. Funds are structured as separate share classes of BVI-domiciled GCA Funds Limited. GCA is a Registered Investment Advisor. For additional firm details please refer to www.gerkencapital.com.

•**Advisor:** GCA has been professionally affiliated with the Polaris Group for nearly a decade and has appointed it as Greater China Advisor. Taiwan based Polaris Group (“PG”) is a recognized Greater China’s listed financial services conglomerate offering financial services from banking, stock broking, futures, investment banking, mutual funds and asset management. PG employs over 2,000 employees, has presence through 48 branches in Taiwan and offices in Hong Kong and China. PG has a customer base of over one million with international partnerships with State Street Global Advisors, Merrill Lynch and Schroders. PG has managed AUM of USD \$ 3.8 billion. Since 2002, it has managed an in house proprietary hedge fund portfolio with current AUM of USD \$51 million. PG received Fund House of the Year Award from Asian Investor in 2004.

•**Fund Management:** The Fund management team consists of sixteen investment professionals. Team members include:

Investments:

Chair, Investment Committee	Lou Gerken*
Fund Portfolio Manager	Hugh McClung*
Chief Investment Officer	Gary Tan*
Chief Strategist	Sean Tseng*
Risk Management	Thomas Huang
Taiwan Investment Desk	Nancy Chen
China Investment Desk	Chen Chu Hsu, Yong Li, Leo Zhang
HK Investment Desk	Nicole Chien, James Sa, Derek Ho

Administration & Client Relations:

President & COO	Greg Madding
Chief Financial Officer	Bashir Wada
Dir. Marketing & Sales	Rusty Nagarwalla
Legal & Compliance	Lawrence Jian

*Investment Committee Members

Differentiators

- Dedicated “Greater China” footprint (China, HK & Taiwan)
- Absolute return, low volatility, multi-asset strategy
- Equity long/short focus for 2006
- Four-dimensional strategy (capital preservation; alpha; beta and gamma)
- Managed on the ground by established team of investment professionals
- Significant research, trading and risk management commitment
- \$300M in capacity and scalable
- Seasoned team with established track record
- Significant investment by Manager and investor alignment
- Long-term partner affiliation and economic alignment
- Part of the GCA “BRIC” Master Share Class Fund structure

Summary Data

Actual: Dec 1, 2005 to date

Model: May 18 thru Nov 2005

Return Data:	Actual	Model + Actual
Monthly Return (%)	+ 1.96%	+ 1.96%
YTD Return (%)	+16.42	+16.42
Best Month (%)	+ 6.25	+ 6.25
Worst Month (%)	+ 1.96	- 1.75
Since Inception Return (%)	+19.46	+26.62
Av Ann Return (%)	NM	+27.19
Risk/Return:		
Gross Exposure (%)	+56.49	+56.49
Net Exposure (%)	+20.77	+20.77
Sharpe Ratio (@ 4.61%)	8.81	3.23
Av Ann S.D. (%)	5.66	6.94
Max Drawdown (%)	0	- 1.75
% Positive Months	100	92

Manager Details

Fund:	GCA Funds Limited BVI International Business Company Regulated under the BVI Mutual Funds Act 1996
B Share Class:	GCA Greater China Fund Limited
Sponsor:	Gerken Capital Associates
Fund Manager:	Gerken Capital Associates Louis C. Gerken, CEO lou@gerkencapital.com Greg Madding, President greg@gerkencapital.com Hugh B.L. McClung, MD Greater China hugh@gerkencapital.com 110 Tiburon Blvd., Suite 5 Mill Valley, CA 94941 +1 415 383 1464 www.gerkencapital.com
Advisor:	Polaris Investment Management Group www.polaris.com.tw Gary Tan, President Equity Derivatives Sean Tseng, EVP Research Nancy Chen, Taiwan Portfolio Manager
Investment Committee:	Lou Gerken, Hugh McClung, Gary Tan, Sean Tseng
Directors of Fund:	Lou Gerken, Hunter Ashby Financial Services Ltd., Salinger Holdings
Contact Person(s):	Valerie Rios, Client Services
Email Address:	Valerie@gerkencapital.com
Telephone Number:	+1 415 383 1464

Fee and Redemption Structure

Subscription Frequency:	Monthly
Redemption Frequency:	Monthly
Redemption Notification Period:	45 days
Redemption Fee:	3% 1 st year; 1% 2 nd year, 0% afterwards
Management Fees:	2% p.a.
Performance Fees:	20% p.a.

Strategy

The Fund’s investment objective is to achieve absolute returns >15% per annum, average annual volatility <15% and a correlation to public indices <40%. Fund to adhere to best of breed risk control and fund governance practices. Fund will utilize all asset classes (equities, fixed income, derivatives & options and foreign exchange). Assets will be dynamically managed across Greater China. At inception, 70% allocated to the Hong Kong and China markets and 30% to Taiwan. The Fund may also invest in other assets and/or international companies headquartered outside of Greater China where Greater China derived turnover exceeds 40%.

Fund Details

Investment Style:	Absolute return, low volatility, multi-asset
Investment Geography:	Greater China (Hong Kong, Taiwan, China)
Fund Size (\$mn):	150 (current target)
Fund Capacity (\$mn):	300
Firm’s Total Assets (\$bn):	\$1.5mn (managed/advised)
Inception Date:	December 1, 2005 (Actual)
Bloomberg Code:	GCAGRCH VI
Domicile:	BVI
Base Currency:	USD
Equalization/Share Class:	N/A
Dividend Policy:	None
Hurdle Rate:	No
High Water Mark:	Yes
Maximum Leverage:	2.5:1
Listed on Exchange:	No
Minimum Investment Size:	US\$250,000
Manager Investment	Yes

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Service Providers

Prime Broker:	Morgan Stanley
Administrator:	Fortis Prime Fund Solutions (BVI) Limited
Paying Bank:	VP Bank BVI
Auditor:	Deloitte & Touche LLP
BVI Counsel:	Walkers BVI

Overview and Outlook

Hong Kong / China Markets: April stood out to be another good month for China equity markets. The GCA Greater China Fund posted a return of +1.96% (net of fees) for the month. The Hang Seng Index gained 5.4%, while the H-Share Index gained 2% and the Red Chip Index gained 8.4% in April. Anticipation of RMB revaluation after President Hu's visit to US, together with ample liquidity and in-line companies' results supported the rally. However, it was a volatile month as PBOC announced that qualified financial institutions (banks, insurers, fund management companies) will be allowed to invest overseas and this QDII launch drove the H shares index to reach its highest level since 1997. In addition, the PBOC raised interest rates unexpectedly, hiking the one-year lending rate by 27 bps to 5.85% while leaving the one-year deposit rate unchanged at 2.25%. Raising lending rates as the first move of monetary tightening was not what the market expected. On the portfolio side, out of the 19 trading days in April we only had 5 down days and the majority of the returns came from small/mid cap names. Returns were tempered by shorts on individual stocks which hurt us in the month.

Taiwan: The Taiwan market continued its up trend with the TAIEX moving up 8.43% in April. The tech, financial and asset sectors performed well in April. We remain positive on the TAIEX. Attractive valuations supported by strong earnings growth and good dividend payouts pushed stocks up. The recent strong funds inflows has brought the year-to-date foreign net buying to a high of USD \$ 8.53 billion, which is nearly double the USD \$ 4.38 billion

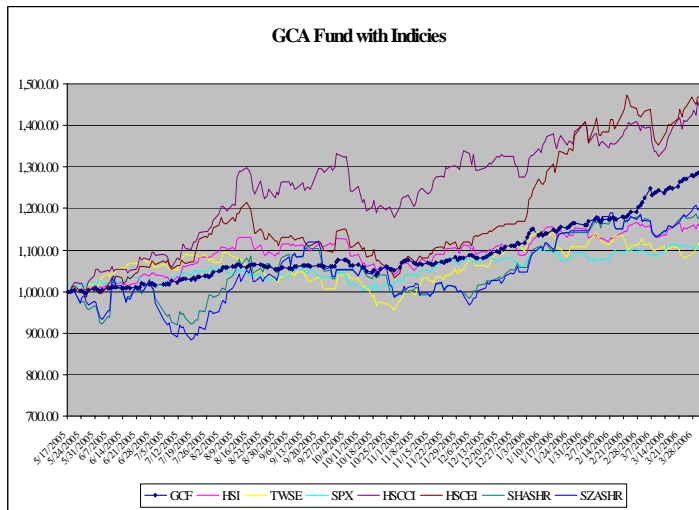
Track Record – Monthly

Please note that historical restated performance going back to 2002 was used for illustrative purposes and is available upon request.

GCAGC/ S&P 500	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2005					0.59 3.00	0.95 -0.01	2.31 3.60	0.35 -1.12	1.82 0.69	-1.75 -1.77	1.62 3.52	2.62 -0.10	8.76 7.92
2006	3.61 2.55	3.72 0.05	6.25 1.11	1.96 1.22									16.42 4.99

Model Portfolio in Green
Actual Results in Yellow

Note: May 18, 2005 thru Nov. '05 figures reflect results for the Fund's \$25mn model portfolio. Dec. 1 results onward reflect actual results (net of fees and expenses).



on inflows experienced during the same month last year. With global and domestic liquidity still robust and the second half growth outlook positive, we expect foreign interest to remain biased on the upside. Of 19 trading days, we were down 9 days in Taiwan in part caused by hedging positions taken early in the month. Toward the end of the month we closed out these hedged positions and the Taiwan portfolio is now well positioned to take advantage of the current market environment.

Performance vs. Key Indices – April '06

Indices	MTD	YTD (Actual)	Inception (Model + Actual)
GCA Greater China	+1.96%	+16.42%	+26.62%
MSCI World	+2.87%	+9.19%	+22.12%
MSCI Emerging Market	+6.83%	+19.12%	+57.07%
S&P 500	+1.22%	+4.99%	+11.66%

Portfolio – Key Sector Breakdown

Sector	% Portfolio
Basic Materials	3.07
Banking & Finance	3.98
Energy	5.91
Consumer Cyclical	2.06
Consumer Staple	3.30
ETF	5.65
Properties	(5.65)
Technology	11.61
Index Futures	(9.25)

HSI – Hang Seng Index (all companies on HK main exchange)

TWSE – Taiwan Stock Exchange Weighted Index

SPX – US S&P 500 Index

HSCCI – Hang Seng China-Aff Corp Index (Red Chip) – China controlled companies with >30% mainland Chinese shareholders.

HSCFI – Hang Seng China Enterprise Index (H – Share) – mainly Chinese registered and/or State Owned Enterprises listed in HK.

SHASHR – China Shanghai A Share Index – mainland Chinese companies primarily for investment by local investors.

SZASHR – China Shenzhen A Share Index – mainland Chinese companies primarily for investment by local investors.

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