

GCA Greater China Fund – August 2007 +1.54%¹ (Month 21)

Monthly Summary of Net Returns (%)¹

GCAGC	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2005	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2.62	2.62
2006	3.61	3.72	6.25	1.96	-0.58	-2.56	-0.39	-0.20	2.13	3.10	3.22	2.31	24.69
2007	2.60	3.49	-0.98	2.28	1.83	5.86	8.22	1.54					27.38

Performance Summary – August 2007

Return Data ¹ :	GCAGC	MSCI Golden Dragon	S&P 500
NAV per share (\$)	1,629.86	157.9	1,473.99
Monthly Return (%)	1.54	1.65	1.29
YTD Return (%)	27.38	21.06	3.93
Best Month (%)	8.22	9.09	4.33
Worst Month (%)	-2.56	-6.51	-3.20
Since Inception Return (%)	62.99	70.26	17.97
Annualized Since Inception Return (%)	32.20	35.54	9.90
Risk/Return:			
Sharpe Ratio (x) ²	3.14	2.37	0.64
Ann. Std Deviation (%)	8.73	13.27	7.02
Max Drawdown (%)	-3.70	-7.91	-4.92
% Positive Months	76.19	76.19	76.19
Market Correlation	1.0	0.888	0.497
Exposure:	(% NAV)		
Long	38.99	n/a	n/a
Short	0	n/a	n/a
Gross	38.99	n/a	n/a
Net	38.99	n/a	n/a
Cash	76.74	n/a	n/a
Gross Assets	115.74	n/a	n/a
Risk Indicators:	(% NAV)		
1 day 95% VAR ³	0.72	n/a	n/a
1 day 99% VAR	1.02	n/a	n/a
30 day 95% VAR	3.36	n/a	n/a
30 day 99% VAR	4.76	n/a	n/a
Loss @ fire sale/avg. Days ⁷	-0.01/1day	n/a	n/a

Summary Statistics^{3,4} – August 2007

Allocation by Asset Class:	% NAV	Allocation by Region:	% NAV
Equity	21.32	China ⁸	27.77
FX	n/a	Hong Kong	4.99
Options	n/a	Taiwan	6.24
Cash	76.74	Other	n/a
Bonds	n/a	Cash	76.74
Derivatives	17.68		
Commodities	n/a		
Allocation by Sector:	% NAV	Attributables:	P&L (% NAV)
Cash	76.74	Cash	-0.26
Oil & Gas	n/a	Oil & Gas	-0.07
Metals & Mining	n/a	Metals & Mining	-0.30
Banking & Finance	2.20	Banking & Finance	0.85
Consumer Cyclical	6.74	Consumer Cyclical	-0.14
Telecom	2.14	Telecom	-0.37
Technology	5.74	Technology	-0.22
Other	4.49	Other	-0.81
Derivatives	17.68	Derivatives	2.89
Allocation by Market Cap:	% NAV		
Small (<\$500m)	8.32		
Mid(\$500m-\$2bn)	4.74		
Large (>\$2bn)	8.25		
Derivatives	17.68		

Monthly Commentary

August Overview: The announcement that Chinese investors can invest in the Hong Kong market was one reason the Hong Kong market set new highs before dropping in mid-August. At the current index level there is little investment opportunity and a speculative environment. To expect that China retail investors will push up Hong Kong dual listed stocks is a risky bet. August 2007 was a highly volatile month with no clear direction positively or negatively with which to formulate any directional market strategy. We started the month very conservatively, operating with a net exposure of 28.1%. We maintained a net exposure average of 30.5% in August with a relatively small number of stocks in our portfolio and moved into cash before a heavy drawdown toward August 16th. Our largest gain occurred on August 21st when the Hang Seng index experienced its biggest two day gain in six years. Notwithstanding the August 16th decline we remained cautious throughout the remaining period in the month consistent with our view that the Hong Kong market's behavior was predicated on exogenous events and not fundamentally based leaving no clarity as to its future movements. The Taiwan market regressed 3.3% in August. The index hit a low of 7987.61, an 18% pullback from the high of 9807.91 set in July. Trading volume dropped to NT\$3589.9b, a decline of 28% month over month. The drastic pullback can be attributed to U.S. sub prime concerns and the fact that the Taixi had already made a substantial gain of 25% from the beginning of the year to mid-July. Sector-wise, Cement, Plastic and Steel performed well with gains of 8.6%, 5.2% and 1.1%. Electronics dropped 3.5% despite generally upbeat 2Q results and positive guidance issued by the companies. Strategy-wise, since we have already lowered our exposure prior to the sub prime woes, we believe it is time to bottom fish.

Politics: The China Securities Regulatory Commission ("CSRC") has reported its regulatory framework for financial futures. The regulator announced that it would implement a series of agreements on how the stock index futures market will be supervised which will include five China exchanges. The index futures contracts will be based on the CSI 300 index that tracks the top 300 mainland listed firms. Most of the contracts will only be accessible to institutional investors. According to the CSRC, the futures market agreements will benefit both brokers and investors and reduce cross

market manipulation. On August 20th, the China capital markets took a significant step toward integration with the rest of the world, when the Chinese government announced it would allow individuals to directly buy securities offshore for the first time. Investors will be able to open accounts at Bank of China to trade securities listed in Hong Kong. It is hoped this opening would relieve upward pressure on the renminbi while giving Chinese investors more investment options. This will allow Chinese investors to invest directly in all Hong Kong traded securities. Investors are expected to focus on Chinese companies which trade at an average 50% discount to its mainland equivalent. "The impact of Chinese money on the Hong Kong market could increase dramatically as it will fundamentally change the dynamics of the Hong Kong market. This announcement paves the way for China's US \$2.2 trillion in household savings to enter the Hong Kong stock market. The Hong Kong stock market is benefiting from increased linkage to China's economy. Shares of Chinese companies accounted for about 59% of the value of shares traded on the Hong Kong exchange this year up from 38% in 1977.

Attributes: In China, we ended the month with a long exposure of 25.36% and no short exposure. We held 8 stocks at the end of the month reflecting the move into cash as a result of a sharp correction in the markets in August. The largest daily drawdown was -1.18% on August 28th; the biggest daily gain was +2.51% on August 20th. Within the 8 stocks, the best performing stocks were JIAODA HIGHTECH (0300), AMVIG HILDGS LTD (2300) and LINING CO ORD (2331) in that order. In Taiwan, we ended the month with a long exposure of 6.24% and no short exposure. We ended with 13 stocks, all large caps in the technology sector. The largest daily drawdown was -0.37% on August 16th; the best daily gain was +.50 on August 20th. Within the 13 stocks, the best performing stocks were SAS (5483), AMTRAN (2489) and MEDIATECK (2454) in that order. Notwithstanding, the major correction in August, we ended the month up 1.6% on a gross basis and counter to the hedge fund averages reported above.

DISCLAIMER: The information and summaries contained herein appear as a matter of record only and are provided for information purposes only. This information does not, and should not be construed to, constitute an offer to sell or a solicitation of an offer to buy any of the shares, or any other interest, in any fund or form the basis of any contract or commitment whatsoever. This summary is based on information and data received from the subjects of each and from other third party sources and no guarantee of completeness or accuracy can be made nor is any representation or warranty made in this regard. We understand that many of the funds may not be sold into, or that their sales may be restricted in, particular jurisdictions (including the United States). Accordingly you are advised to seek independent professional advice before taking any action in relation to any fund mentioned herein. We accept no liability whatsoever for any direct or indirect loss arising out of the use of this directory or reliance on anything found in this directory.

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. As part of its institutional grade manager approach, GCA has entered into a long-term and exclusive investment agreement with the Polaris Group. 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.

Institutional Grade Investment Team:

Chief Investment Officer	Lou Gerken
Portfolio Manager	Sean Tseng
Chief Strategist	Gary Tan
Taiwan Investment Desk	Nancy Chen, Kenner Wang
China Investment Desk	A Lai, M. Lee, L. Zhang, Y. Tian, M. Li
HK Investment Desk	James Sa, Changer Ho
Greater China Research	Prof. K.Y. Liang
Risk Management	T. Huang, G. Madding, P. Britto
Finance & Accounting	G. Madding, P. Britto
Marketing & Client Services	Bonnie George, Valerie Rios
Legal/Compliance	G. Madding, P. Britto, L. Jian,
Back Office/Administration	Angela Chen, Carla Boy

Differentiators

- Greater China footprint (China, HK & Taiwan)
- Top decile, risk adjusted performance with low market correlation
- Emerging markets investment experience spanning five business cycles
- Multi-asset investment strategy and capability
- Four-dimensional strategy (capital preservation, alpha, beta and gamma)
- Actively managed on the ground by institutional grade investment team
- Established research, trading and risk management infrastructure
- Scalable operations with ample investment capacity
- Majority owned by principals with significant investment in fund
- Long term, exclusive JV with recognized regional investment partner
- Access to fasted growing GDP sector (SME)
- Part of GCA “BRIC” Master Fund providing flexibility and alpha

Manager Details

Fund:	GCA Funds Limited BVI International Business Company Regulated under the BVI MF Act 1996
B Share Class:	GCA Greater China Fund Limited
Fund Manager:	Gerken Capital Associates
San Francisco Address:	110 Tiburon Blvd., Suite 5 Mill Valley, CA 94941 415-383-1464
Hong Kong Address:	Room 1003-4 10F Tower 1 18 Harcourt Road Admiralty Center, HK Room

Investment Committee:	Lou Gerken, Gary Tan, Sean Tseng
Directors:	Lou Gerken, Dakshesh Patel
Contact Person:	Bonnie George, Director of Marketing Bonnie@gerkencapital.com Valerie Rios, Client Services Valerie@gerkencapital.com +1 415 383 1464

Fee and Redemption Structure¹

Subscription Frequency:	Monthly
Redemption Frequency:	Monthly
Redemption Notification Period:	45 days
Redemption Fee:	None
Management Fees:	2% p.a.
Performance Fees:	20% p.a.

Investment Objective & Approach

Investment objective is to achieve optimal, risk adjusted, absolute returns (ann. target return >15% and ann. target volatility <15%) while maintaining a public index correlation <40%. Fund utilizes a four-dimensional trading strategy consisting of capital preservation, alpha, beta and gamma. Fund combines bottom-up sector/company analysis (alpha generation) and top-down macro derivatives overlay (beta risk management). Additional alpha derived from cross-BRIC trading emanating from GCA’s BRIC fund platform. Fund utilizes all asset classes (equities, fixed income, derivatives & options and foreign exchange) and assets are dynamically managed across Greater China markets (China, Hong Kong and Taiwan). Fund also invests in company securities listed on other international exchanges and accesses China’s fastest growing mid-cap sector by way of its on the ground investment team. Fund adheres to “best of breed” risk controls and fund governance practices.

Fund Details

Investment Style:	Absolute return, multi-asset/macro overlay
Investment Geography:	Greater China (Hong Kong, Taiwan, China)
Fund Size (\$mn):	Not disclosed
Fund Capacity (\$mn):	500
Firm’s Total Assets (\$bn):	\$1.4bn (managed/advised)
Inception Date:	December 1, 2005 (Actual)
Bloomberg Code:	GCAGRCH VI
Domicile:	BVI
Base Currency:	USD
Equalization/Share Class ⁶ :	Series shares; Master Feeder Structure
Dividend Policy:	None
Hurdle Rate:	No
High Water Mark:	Yes
Ann. Target Return:	>15%
Ann. Target Volatility:	<15%
Maximum Leverage:	2.5:1 (not currently utilized)
Long & Short Maximum:	250% & 150%
Listed on Exchange:	No
Minimum Investment Size:	US\$1,000,000 (unless waived)
Manager Investment:	Yes from inception; no withdrawals
Tax Reporting:	U.S. PFIC
AIMA Compliant:	Yes (Member)

Service Providers

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

¹Annual results for the Fund and NAV calculations are net of management fee of 1.5% and performance fee of 15% and expenses; Manager and Advisor related and historical track records are available upon request; ²Risk free rate used for Sharpe-ratio is U.S. 90-day T-bills; ³Net Allocation by asset class and region represent portfolio net exposure; ⁴Exposure data represents Fund’s net exposure including adjustments for options delta. Note that Gross Assets=long+short+cash+gain/loss on derivatives; ⁵Value at Risk (VAR) defined as quantitative market or event risk estimate of potential loss to fund. ⁶Equalization refers to accounting method designed to insure alignment of incentive fees amongst investors. ⁷Percentage daily loss based on the trailing trading volume of the securities within the portfolio. ⁸The regions of China include H-shares and Red Chips.