

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	5.98	-0.35	-7.34	0.47	25.24

Performance Summary – December 2007

	GCAGC	MSCI Golden Dragon	S&P 500
Return Data¹:			
NAV per share (\$)	1602.57	175.15	1,468.36
Monthly Return (%)	0.47	-2.39	-0.86
YTD Return (%)	25.24	34.29	3.53
Best Month (%)	8.22	13.74	4.33
Worst Month (%)	-7.34	-10.58	-4.40
Since Inception Return (%)	60.26	88.86	17.52
Annualized Since Inception Return (%)	25.40	35.69	8.06
Risk/Return:			
Sharpe Ratio (x) ²	1.98	1.81	0.48
Ann. Std Deviation (%)	10.98	18.70	7.74
Max Drawdown (%)	-7.66	-12.71	-5.23
% Positive Months	72.00	72.00	72.00
Market Correlation	1.0	0.61	0.23
Exposure:	(% NAV)		
Long	46.93	n/a	n/a
Short	0	n/a	n/a
Gross	46.93	n/a	n/a
Net	46.93	n/a	n/a
Cash	51.31	n/a	n/a
Gross Assets	98.24	n/a	n/a
Risk Indicators:	(% NAV)		
1 day 95% VAR ³	0.20	n/a	n/a
1 day 99% VAR	0.28	n/a	n/a
30 day 95% VAR	1.07	n/a	n/a
30 day 99% VAR	1.52	n/a	n/a
Loss @ fire sale/avg. Days ⁷	-0.02/1day	n/a	n/a

Summary Statistics^{3,4} – December 2007

Allocation by Asset Class:	% NAV	Allocation by Region:	% NAV
Equity	46.93	China ⁵	35.25
FX	n/a	Hong Kong	11.11
Options	n/a	Taiwan	0.57
Cash	51.31	Other	n/a
Bonds	n/a	Cash	51.31
Derivatives	0.00		
Commodities	n/a		
Allocation by Sector:	% NAV	Attributables:	P&L (% NAV)
Cash	51.31	Cash	0.00
Oil & Gas	13.91	Oil & Gas	-1.00
Metals & Mining	n/a	Metals & Mining	n/a
Banking & Finance	n/a	Banking & Finance	n/a
Consumer Cyclical	10.58	Consumer Cyclical	1.19
Telecom	n/a	Telecom	n/a
Technology	0.57	Technology	0.06
Other	21.87	Other	-0.78
Derivatives	0.00	Derivatives	1.00
Allocation by Market Cap:	% NAV		
Small (<\$500m)	1.98		
Mid(\$500m-\$2bn)	4.97		
Large (>\$2bn)	39.98		
Derivatives	0.00		

Monthly Commentary

Market Environment: The Hong Kong market continued its correction in December. The HSI (Hang Seng Index) dropped 2.9% for the month and 12.1% from its high of 31,638 in October. The HSCEI (Hang Seng China Enterprise Index) retreated another 6.3% from the end of November. However, for the year, the HSI was up 42.5% and the HSCEI gained 55.7%, the best performance since 1999.

The 10% GDP growth forecast from the Chinese Bureau of Statistics and strong corporate profit growth (31% YoY by the end of November) were not able to support the market. Towards the end of another year of a bull market, investors in China were more concerned about rising inflation, continuously tightened fiscal policy from the government to cool down the “heat”, and signals of a slow down in the global economy. The CPI in mainland China went up 6.9% at the end of November from 6.5% a month earlier due primarily to soaring food prices. Pork prices in China, the largest producer and consumer of pork, have been up for an 11th week driven by demand and higher livestock farming costs. The government has taken measures such as selling corn and vegetable oil from State Reserves, eliminating export tax rebates on major grains and subsidizing insurance against pork diseases to curb the inflation but the effect remains to be seen. PBOC has raised the bank reserve ratio to 14.5%, the highest in at least 20 years, to address the excess liquidity in the market. It's expected that the central bank will tighten loan growth more aggressively in 2008. The soft US economic data primarily on housing has raised concerns about the export and technologies industries in China. For the month of December, IT and Financials were the worst performing sectors; investors in China turned their focus to more consumer driven and smaller size stocks. PetroChina, 10.5% of the HSCEI Index, was down 30% from its high of HKD \$20 at the end of October. The Consumer Discretionary and Consumer Staples sectors collected most of the gains in the Hong Kong H-Share market during the month.

In Taiwan, after the market dropped by 11.6% or 1,124 index points in November, TAIEX was down by another 0.93% or 80 points last month at close to 30% of volatility, continually hurt by worries on US slow down and subsequently the IT industries in Taiwan and on the chaos of the political elections. For the year, the TAIEX was up by 13.2%.

Sector wise, Paper was the biggest loser, down by 5.9%, followed by Financials (-3.8%), Steels (-1.5%), IT (-1.4%), Transportation (-1.4%), Cement (-0.32%), and Construction (-0.28%). Turnover for the month shrank 24.7% MoM to NT\$2,214.2B. With the U.S. economy inching towards recession, it would be hard for electronics to perform, as the sector relies heavily on exporting to the U.S. The market has been holding its breath waiting for U.S. tech companies to start disclosing 4Q07 financial results in the week of Jan 14.

Attributions: The top positions which helped and hurt the portfolio include:

Top 4 Gains	% NAV	Biggest 4 losses	% NAV
HSCEI Index Fut	1.00%	PetroChina	-0.42%
Belle	0.48%	China Petroleum&Chemical	-0.33%
Natural Beauty	0.39%	China National Building	-0.25%
Li Ning	0.28%	Sinopec	-0.22%

Outlook: We are optimistic about China equities in 2008 and believe that healthy fundamentals and ample liquidity will continue to push up the market, though at high volatility (the 1 year vol for the HSCEI – Hang Seng China Enterprise Index was 31.7% in 2007). The recent corrections have made a great entry point for investing in the China market. After a couple of great years in the stock markets, the consumers in China are ready to spend; the government is expected to significantly expand its budget on green technology, opening up more opportunities for alternative energy companies. Agriculture related stocks would benefit from a stronger pricing power. We have only minimum positions in banks at the moment but still feel positive about this sector for the year. In Taiwan, the congressional elections still took place in early January and the Kuomintang (“KMT”) Party had a huge victory (72.5%), which has been blessed by the market. In January, we have started building up positions on Domestic Demand stocks and China plays, which we believe will benefit from KMT's open policy to China. We are expecting to increase our weighting in Taiwan in the first quarter based on attractive valuations, in hope that the KMT will win the presidential election in March. We continue to avoid the IT sector in Taiwan.

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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 pioneer GT Capital. Since inception, GCA and its Principals have managed/advised \$4.7 billion in AUM representing 22 managers. The Firm currently manages/advises \$1.4 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*
Associate PM	Mary Lu*
Chief Strategist	Gary Tan*
Taiwan Investment Desk	Nancy Chen, Kenner Wang
China Investment Desk	Yanbo Tian, Michael Li
HK Investment Desk	Albert Lai, Dapin Liou
Greater China Research	K.Y. Liang
Risk Management	Thomas Huang, Greg Madding*, Peter Britto
Finance & Accounting	Greg Madding, Peter Britto
Marketing & Client Services	Valerie Rios
Legal/Compliance	Greg Madding, Peter Britto, L. Jian
Back Office/Administration	Angela Chen, Carla Boy

*Investment Committee

Differentiators

- Greater China footprint (China, HK & Taiwan)
- 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, Central, Hong Kong

Investment Committee:

Lou Gerken, Gary Tan, Greg Madding,
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Directors:

Contact Person:

Fee and Redemption Structure¹

Subscription Frequency:	Monthly
Redemption Frequency:	Monthly
Redemption Notification Period:	45 days
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:	150% & 100%
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.