

GCA Greater China Fund – February 2007 +3.49%¹

Monthly Summary of Returns (%)¹

GCAGC	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	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											6.18

Performance Summary – February, 2007

Return Data ¹ :	GCAGC	MSCI Golden Dragon	S&P 500
NAV per share (\$)	1,358.65	126.84	1,406.82
Monthly Return (%)	3.49	-0.71	-2.19
YTD Return (%)	6.18	-2.75	-0.81
Best Month (%)	+6.25	9.09	3.15
Worst Month (%)	-2.56	-6.51	-3.09
Since Inception Return (%)	35.86	36.77	12.59
Annualized Return (%)	27.79	28.47	9.96
Risk/Return:			
Sharpe Ratio (x) ²	3.06	1.72	0.83
Ann. Std Deviation (%)	7.59	14.38	5.91
Max Drawdown (%)	-3.70	-7.91	-3.09
% Positive Months	73.33	66.67	80.00
Market Correlation	1.0	0.052	-0.349
Exposure:	(% NAV)		
Long	66.62	n/a	n/a
Short	-22.16	n/a	n/a
Gross	+88.78	n/a	n/a
Net	+44.46	n/a	n/a
Cash	18.24	n/a	n/a
Gross Assets	107.02	n/a	n/a
Risk Indicators:	(% NAV)		
1 day 95% VAR ⁵	0.68	n/a	n/a
1 day 99% VAR	0.96	n/a	n/a
30 day 95% VAR	3.19	n/a	n/a
30 day 99% VAR	4.51	n/a	n/a
Loss @ fire sale/avg. Days ⁷	-0.0314/1day	n/a	n/a

Summary Statistics^{3,4} – February, 2007

Allocation by Asset Class:	% NAV	Allocation by Region:	% NAV
Equity	66.62	China	33.44
FX	n/a	Hong Kong	2.69
Options	n/a	Taiwan	8.33
Cash	18.24	Other	n/a
Bonds	n/a	Cash	18.24
Derivatives	-22.16		
Commodities	n/a		
Allocation by Sector:	% NAV	Attributables:	P&L (% NAV)
Cash	18.24	Cash	-0.15
Oil & Gas	n/a	Oil & Gas	n/a
Metals & Mining	n/a	Metals & Mining	n/a
Banking & Finance	9.67	Banking & Finance	-1.23
Consumer Cyclical	19.15	Consumer Cyclical	0.92
Telecom	9.31	Telecom	-0.01
Technology	12.16	Technology	0.56
Other	16.32	Other	1.68
Derivatives	-22.16	Derivatives	2.30
Allocation by Market Cap:	% NAV		
Small (<\$500m)	5.80		
Mid(\$500m-\$2bn)	11.16		
Large (>\$2bn)	49.65		
Derivatives	-22.16		

Monthly Commentary

Overview: Markets were down in February 2007. The HSI index was down 3.7%; the HSCEI index was down 3.3%; and MSCI Golden Dragon (MXGD) was down 0.7%. The HSI, HSCEI and MSCI are negative year to date.

After a valuation adjustment in January, the China market was still in a consolidation stage. Big caps, including financial and energy stocks moved sideways on most trading days of February; except for the sell-off in the last two days of February. The H-share index left the trading range area (9560-10000 level) and moved downward to the 9000 point level in early March. After the major sell-off that occurred, a stock bargain hunting opportunity may appear over the next month.

After the market pulled back by 1.59% in January, TAIEX rallied 2.62% to close at 7901.96 in February. However, turnover shrunk 58% to NT \$1103.5 billion, as investors prepared for the Chinese New Year holiday and the uncertainty that comes with the long layoff. All sectors saw substantial gains led by Construction +11.5%, Transportation +8.0%, Steel +6.9%, Plastic +4.4%, Paper +4.1%, Electronics +2.4% and Cement +2.3%. The financial sector was the only sector to see a loss, -5% for the month. Because of the long Chinese New Year, earnings momentum for companies should decline; consequently, the market has turned more conservative.

Politics: China's stock market saw the worst daily slump in 10 years on February 27 (one day draw down of 8.8%) which was followed by a domino effect fall in other global markets. Some industry observers said the shock was a clear sign that China's stock market has become an important barometer for the world financial community. Notwithstanding, China's top economic planner Ma Kai stated that the Chinese stock market is not powerful enough to exert strong influence on world markets. Ma Kai said, "China stock market is relatively small and the country has not yet given a green light to the full convertibility of the Yuan under capital accounts, it is impossible for the fledgling market to have a strong worldwide impact."

The sudden change in direction of the Chinese stock market was caused by local Chinese investors and local Chinese funds which reacted to rumors related to new government policy to cool down the stock market. The fear created by these rumors was the most likely cause of the large draw down. However, cooling of the Chinese stock market is a positive step for the market's long term development.

Attributes: The China side's average net exposure was 27% while gross exposure was 104% in February. Regarding cap size, 59% of our portfolio was large caps which provided great liquidity. The largest drawdown was -1.18%. There were 24 stocks in our portfolio at the end of the month.

In Taiwan, we ended the month with a long exposure of 8.33% and short exposure of 00%. We ended with 8 stocks, all large caps in the technology sector. The Taiwan portfolio was a slight positive in February and has not changed much from January.

Strategy: Our strategy is to deliver a smooth NAV performance with relatively low risk. We managed this strategy through daily hedging in view of changing market conditions. We delivered a gross return of over +5% on our China portfolio against major downturns in the HSI and HSCEI indexes in February and year to date.

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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 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 investment affiliation 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:

Investment:

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, Kenner Wang, K.Y. Liang
China Investment Desk	Albert Lai, Max Lee, Leo Zhang
HK Investment Desk	James Sa, Changer Ho

Administration:

President & COO	Greg Madding
Chief Financial Officer	Bashir Wada
Dir. Marketing & Sales	Bonnie George, Valerie Rios
Legal, Compliance & B/O	Lawrence Jian, Angela Chen, Carla Boy

Differentiators

- Actively managed by on the ground, institutional grade, investment team
- Manager majority owned by principals with significant investment in fund
- Emerging markets investment experience spanning five business cycles and eight market corrections
- Long term, exclusive JV with recognized regional investment partner
- Established research, trading, and risk management infrastructure
- Greater China and cross-BRIC geographic footprint
- Multi-asset investment capability
- Access to fastest growing GDP sector (SME)
- Top decile, risk adjusted performance with low market correlation
- Scalable operations with ample investment capacity
- BRIC Master Feeder investor flexibility

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
Fund Manager:	Gerken Capital Associates
San Francisco Address:	110 Tiburon Blvd., Suite 5 Mill Valley, CA 94941 +1 415 383 1464

Hong Kong Address:	Room 1003-4 10F Tower 1 18 Harcourt Road Admiralty Center, HK
Investment Committee:	Lou Gerken, Hugh McClung, 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:	3% 1 st year; 1% 2 nd year, 0% afterwards
Management Fees:	2% p.a.
Performance Fees:	20% p.a.

Strategy

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):	\$1.5bn (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
Manager Investment:	Yes from inception; no withdrawals
Tax Reporting:	U.S. PFIC

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.

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