GERKEN CAPITAL ASSOCIATES
ALTERNATIVE ASSET FUNDS & ADVISORY

GCA Greater China Fund – January 2008 -5.02%[1] (Month 26)

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
2008	-5.02												-5.02

Performance Summary – January 2008

Return Data[1]:	GCAGC	MSCI Golden Dragon	S&P 500
NAV per share ($)	1552.01	147.45	1,378.55
Monthly Return (%)	-5.02	-15.82	-6.12
YTD Return (%)	-5.02	-15.82	-6.12
Best Month (%)	8.22	13.74	4.33
Worst Month (%)	-7.34	-15.82	-6.12
Since Inception Return (%)	52.2	58.99	10.33
Annualized Since Inception Return (%)	21.39	23.86	4.64
Risk/Return:			
Sharpe Ratio (x)[2]	1.56	1.08	0.22
Ann. Std Deviation (%)	11.75	22.23	8.88
Max Drawdown (%)	-11.89	-26.52	-11.03
% Positive Months	69.23	69.23	69.23
Market Correlation	1.0	0.68	0.39
Exposure:	**(% NAV)**		
Long	28.73	n/a	n/a
Short	-14.29	n/a	n/a
Gross	43.02	n/a	n/a
Net	14.43	n/a	n/a
Cash	50.06	n/a	n/a
Gross Assets	93.07	n/a	n/a
Risk Indicators:	**(% NAV)**		
1 day 95% VAR[5]	0.11	n/a	n/a
1 day 99% VAR	0.16	n/a	n/a
30 day 95% VAR	0.62	n/a	n/a
30 day 99% VAR	0.88	n/a	n/a
Loss @ fire sale/avg. Days[7]	-0.09/1day	n/a	n/a

Summary Statistics[3,4] – January 2008

Allocation by Asset Class:	% NAV	Allocation by Region:	% NAV
Equity	28.73	China[8]	11.98
FX	n/a	Hong Kong	0.00
Options	n/a	Taiwan	2.46
Cash	50.06	Other	n/a
Bonds	n/a	Cash	50.06
Derivatives	-14.29		
Commodities	n/a		
Allocation by Sector:	**% NAV**	**Attribution:**	**P&L (% NAV)**
Cash	50.06	Cash	0.34
Oil & Gas	1.05	Oil & Gas	-1.93
Metals & Mining	0.46	Metals & Mining	0.18
Banking & Finance	n/a	Banking & Finance	0.16
Consumer Cyclical	14.00	Consumer Cyclical	-3.61
Telecom	n/a	Telecom	0.11
Technology	1.13	Technology	-0.23
Other	12.08	Other	-3.20
Derivatives	-14.29	Derivatives	3.16
Allocation by Market Cap:	**% NAV**		
Small (<$500m)	6.11		
Mid($500m-$2bn)	4.81		
Large (>$2bn)	17.81		
Derivatives	-14.29		

Monthly Commentary

Market Environment: The Hong Kong market continued to decline in January. The HSI (Hang Seng Index) dropped 15.7% for the month, the largest decline since Sep. 11th, 2001. The HSCEI (Hang Seng China Enterprise Index) lost 22.6%, almost retreating to its level of last August, before the "through-train" plan (allowing direct investments in Hong Kong by mainland Chinese) was proposed.

In 2008, continuing subprime worries and a poor economic forecast in the US became the catalyst for disappointing markets worldwide. The S&P 500 Index was down 6.1% for the month. The market pullback following the Federal Reserve's expected rate cut was exacerbated by investors who feared the worst was still to come. In China, the government continued its efforts to curb the overheating economy and inflation (7.1% CPI at the end of January). A tighter monetary policy from PBoC was expected to lead to slower export and economic expansion and slower money supply growth thus raising concerns that the 13-year economic expansion might have come to an end. On January 19th Chinese banks announced $860B Yuan ($119B USD) of "bank irregularities" which equaled three times the profits from major commercial banks in China (combined profit was $299B Yuan or $41.5B USD). This announcement combined with a concern of a complete write-down for the subprime investment made by some Chinese Banks caused the Hong Kong market to tumble again on January 21st and 22nd. The 22nd witnessed the biggest one-day loss in Hong Kong since the 9/11 attack. Although the market rebounded somewhat in the days following, a rare snow storm which covered most of the provinces in southern China caused so much damage (water and power outages, transportation challenges) that inflation has again become a top concern.

In Taiwan, TAIEX was down by 11.6% in January. As the Technology sector has the strongest positive correlation with the U.S., this sector fell by 16.9% for the month. Sub-sectors within Tech continued to show weakness as IC design, solar energy, TFT-LCD, and LED companies continued their declines. The Plastic sector also performed poorly (-21.6%), continuing its downward trend from the previous two months of 9%. Construction, Transportation and Cement pulled back by -10.5%, -10.0%, and -5.4% respectively. Financial, Paper and Steel were the lone bright spots in the market, gaining 6.4%, 2.2%, and 1.3% respectively as the market sought shelter in more domestic market oriented sectors.

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

Top 4 Gains	% NAV	Top 4 losses	% NAV
HSCEI Index Fut	3.16%	China National Bldg	-1.61%
Shenhua Energy	0.25%	Belle	-1.31%
I-Shares FTSE	0.23%	Li Ning Co.	-0.86%
Uni-President China Holdings	0.17%	PetroChina	-0.77%

Outlook: The market has been short of credible drivers which should continue for another month or two. But we expect that the Chinese government will adjust its monetary policy again in spring which should serve as a market stimulus. With the current low valuations in Hong Kong, we are finding good entry points for positions. These prices may prove to be slightly premature as the Chinese markets still trades in sync with the U.S. markets and as such the continuing pessimism in the U.S will forestall a quick global rebound. However, we believe the valuations are compelling and as such are willing to invest now and be patient. The growth story in China appears far from ending. Even with the damage of the recent storms and a longer-than-expected period of high inflation, the real GDP growth rate is still expected to be close to 10% which is far higher than most of other countries in the world. The rebuilding after the snowstorm on the mainland will create further opportunities for the transportation and electricity sectors. We have also continued our positive view on the Consumer sector. In Taiwan, the presidential election will be held on March 22nd, which means increasing political noise from now on. Therefore, we'll keep our exposure low and wait for attractive entry opportunities to position the fund for a post-election rally.

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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	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, Sean Tseng, Mary Lu
Directors:	Lou Gerken, Dakshesh Patel
Contact Person:	Lou Gerken, Founder, CIO Lou@gerkencapital.com Valerie Rios, Client Services Valerie@gerkencapital.com +1 415 383 1464

Fee and Redemption Structure[1]

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 indice 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

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