

**Monthly Summary of Returns (%)<sup>1</sup>**

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	-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	-4.05	-0.41	-0.80	-3.58	-5.03	-0.60	0.55	-1.89	-1.78	-2.86	0.18	-22.73
2009	2.25												2.25

**Performance Summary**

	GCAGC	MSCI Golden Dragon	S&P 500
<b>Return Data<sup>1</sup>:</b>			
NAV per share (\$)	1,266.19	79.84	825.88
Monthly Return (%)	2.25	-6.74	-8.57
YTD Return (%)	2.25	-6.74	-8.57
Best Month (%)	8.22	13.74	4.75
Worst Month (%)	-7.34	-21.22	-16.94
Since Inception Return (%)	26.62	-13.91	-33.90
Annualized Since Inception	7.73	-4.62	-12.26
<b>Risk/Return:</b>			
Sharpe Ratio (x) <sup>2</sup>	0.64	-0.17	-0.80
Ann. Std Deviation (%)	11.67	28.24	15.53
Max Drawdown (%)	-28.44	-60.21	-46.70
% Positive Months	55.26	55.26	57.89
Market Correlation	1.00	0.55	0.41
<b>Exposure:</b>	(% NAV)		
Long	20.15	n/a	n/a
Short	-20.40	n/a	n/a
Gross	40.55	n/a	n/a
Net	-0.25	n/a	n/a
Cash	100.53	n/a	n/a
Gross Assets	141.08	n/a	n/a
<b>Risk Indicators:</b>	(% NAV)		
1 day 95% VAR <sup>6</sup>	-1.03	n/a	n/a
1 day 99% VAR	-1.47	n/a	n/a
30 day 95% VAR	-4.73	n/a	n/a
30 day 99% VAR	-6.76	n/a	n/a
Loss @ fire sale/avg. Days	-2.55%/3 day	n/a	n/a

**Summary Statistics<sup>4,5</sup>**

Allocation by Asset Class:	% NAV	Allocation by Region:	% NAV
Equity	1.10	China	1.81
FX	0.00	Hong Kong	-2.06
Options	-1.35	Taiwan	0.00
Cash	100.53	Other	0.00
Bonds	0.00		
Derivatives	0.00		
Commodities	0.00		
Allocation by Sector:	% NAV	Attribution of P&L:	% NAV
Basic Materials	0.46	Basic Materials	0.37
Communications	-0.18	Communications	-0.05
Consumer Cyclical	0.47	Consumer Cyclical	0.10
Consumer, Non-cyclical	0.00	Consumer, Non-cyclical	0.00
Energy	0.00	Energy	0.00
Financial	-4.59	Financial	1.03
Funds	-3.88	Funds	0.26
Healthcare	-0.13	Healthcare	0.00
Industrials	0.00	Industrials	0.00
Technology	5.63	Technology	0.26
Utilities	1.97	Utilities	0.28
Derivatives	0.00	Derivatives	0.00
Allocation by Market Cap:	% NAV	Cash	0.00
Small (<\$500m)	-2.85		
Mid(\$500m-\$2bn)	1.25	P&L by Long/Short	% NAV
Large (>\$2bn)	1.35	Long	0.18
Derivatives	0.00	Short	2.07

**Monthly Commentary**

**January Investments:** The fund was up 2.16% in January while the S&P 500, HSCEI and TWSE closed down -8.57%, -9.63% and -7.48% respectively. At the same time, the fund beat MSCI Golden Dragon by 8.99%. HSCEI was mainly driven down by a fall in cyclical banking and commodity sector stocks as investors began to doubt the effectiveness of the government intervention and were concerned about earnings-related risks.

In last month's Market Commentary, we questioned the sustainability and magnitude of the rally, considering it just a sharp rebound in a bear market. With that in mind, we added short positions, which made the main contribution to our out-performance during the month. We believe that this is still a trader's market with many uncertainties, mixed signals and no obvious direction. Therefore, we continue to act conservatively and give high priority to preservation of capital. Yet, we also believe that there are still opportunities and if we are nimble enough, we are still able to create absolute return for our shareholders. Right now, we are bullish to Chinese internet and health care sectors and keep our cautious view about financial and commodity stocks.

**Going Forward:** We expect the economic environment will continue to be challenging for the next 6-9 months. Our focus will be to add alpha without taking excessive risk. We expect to maintain low market

exposure until the equity market environment turns more favorable in a sustainable way. Short term market rallies are possible, but we do not expect a sustainable uptrend. The focus on the plethora of fiscal stimulus packages worldwide is mostly misplaced in our view. The only real cure from the effects of excessive leverage and poor quality assets is for the creative destruction of the weaker players and the formation of new leaders for the global capitalist system. The current governmental approach seeks to prop up the weaker companies and indulge in fiscal profligacy. This will only slow down the ultimate recovery of the global economic system.

There is a famous saying, "Good start is the half of the success". Hopefully 2009 will be a wonderful year for the fund. Finally, we want to say to our shareholders: Thank you for your trust and happy new year!

Attribution: The top positions which helped and hurt the portfolio were:

Top 4 Gains	% NAV	Top 4 Losses	% NAV
ICBC	0.76	Morgan Stanley A-Share	-0.18
Alu. Corp. China	0.59	Zijin Mining Group	-0.13
FTSE/XINHUA China 25	0.30	Ctrip.com International	-0.06
Huadian Power Int.	0.21	China Construction Bank	-0.05

**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 emerging markets, alternative asset fund manager. GCA presently manages/advises \$1.3 billion in AUM. The Fund is structured as a separate share class of BVI-domiciled Master Feeder GCA Funds Limited. Other hedge funds (share classes) currently offered and proposed include GCA Latam, Greater India and CEE. GCA also manages a vintage series of private equity fund of funds as well as separately managed accounts for clients requiring customized product. GCA is a Registered Investment Advisor. The firm has twelve investment professionals with twenty plus years of investment experience each and long term affiliation. For additional firm details please refer to [www.gerkencapital.com](http://www.gerkencapital.com).

Lou Gerken, founder and chairman has been active in the emerging markets since the mid-70s where he began his career as an analyst & portfolio manager with emerging markets pioneer GT Capital. Eswar Menon, a twenty-year emerging markets investment veteran with both Nicholas Applegate and Loomis Sayles is GCA’s Group Portfolio Manager. Oliver Chen, Portfolio Manager to the Fund, has been an active Greater China investment manager since 1993 having worked with US Global Investors in Texas, Dingtian Asset Management in Beijing and Nanfang Securities. He received his MBA from Vanderbilt University; earned masters degree in finance from Graduate School of People’s Bank of China and is a CFA III candidate.

As part of its institutional grade management approach, GCA has negotiated a long-term and exclusive investment agreement with a major Hong Kong-based investment firm with significant on the ground research presence in Hong Kong and China. As part of the negotiated agreement, the Research Affiliate will also invest in the Fund.

### GCA Manager Team:

Chief Investment Officer	Lou Gerken*
Group Portfolio Manager	Eswar Menon*
Portfolio Manager	Oliver Chen*
Investment Analyst	Klaus Johannsmeier
Finance, Compliance & Risk	Peter Britto
Marketing & Client Services	A. Moore, Valerie Rios, E. Barr
Back Office/Administration	Carla Boy

\*Investment Committee Member

## Differentiators

### Actively managed on the ground by institutional grade investment team

- Greater China footprint (China, HK & Taiwan)
- Emerging markets investment experience going back to mid 70s
- Multi-strategy skill-set and flexibility
- Risk-adjusted return profile for consistent returns and soft landings
- 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 research affiliation with recognized local partner
- Access to fastest 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
Investment Committee:	Lou Gerken, Eswar Menon, Oliver Chen,
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
San Francisco Address:	110 Tiburon Blvd., Suite 5 Mill Valley, CA 94941
B Share Class: Fund Manager:	GCA Greater China Fund Limited Gerken Capital Associates

## Fee and Redemption Structure<sup>1</sup>

Subscription Frequency:	Monthly
Redemption Frequency:	Monthly
Redemption Notification Period:	45 days
Redemption Fee:	None
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 indice correlation <40%. 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” AIMA compliant risk controls and 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):	\$1.3bn (managed/advised)
Inception Date:	December 1, 2005 (Actual)
Bloomberg Code:	GCAGRCH VI
Domicile:	BVI
Base Currency:	USD
Equalization/Share Class <sup>7</sup> :	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
AIMA Compliant:	Yes (Member)

## Service Providers

Prime Broker:	Merlin Securities, LLC
Custodian:	J.P. Morgan Clearing Corp.
Administrator:	Apex Fund Services Limited
Paying Bank:	VP Bank BVI
Auditor:	Deloitte & Touche LLP
BVI Counsel:	Walkers BVI

1/12/2009 2:40 PM

<sup>1</sup>Annual results for the Fund and NAV calculations are net of management fee of 1.5% and performance fee of 15% and expenses and net of estimated financing costs; <sup>2</sup>Manager and Advisor related and historical track records are available upon request; <sup>3</sup>Risk-free rate used for Sharpe-ratio is U.S. 90-day T-bills; <sup>4</sup>Annualized Standard Deviation uses data available since inception; <sup>5</sup>Net Allocation by asset class and region represent portfolio net exposure; <sup>6</sup>Exposure data represents Fund’s net exposure including adjustments for options delta. Note that Gross Assets=long+short+cash+gain/loss on derivatives; <sup>7</sup>Value at Risk (VAR) defined as quantitative market or event risk estimate of potential loss to fund; <sup>8</sup>Equalization refers to accounting method designed to ensure alignment of incentive fees amongst investors. Not applicable as Fund utilizes Series of Shares Method;

**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.