

GCA Greater China Fund – June 2007 +5.86%¹ (Month 19)

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							15.91

Performance Summary – June 2007

Return Data ¹ :	GCAGC	MSCI Golden Dragon	S&P 500
NAV per share (\$)	1,483.16	146.12	1,503.35
Monthly Return (%)	5.86	7.96	-1.78
YTD Return (%)	15.91	12.03	6.00
Best Month (%)	+6.25	9.09	4.33
Worst Month (%)	-2.56	-6.51	-3.09
Since Inception Return (%)	48.32	57.56	20.32
Annualized Return (%)	28.27	33.26	12.39
Risk/Return:			
Sharpe Ratio (x) ²	3.03	2.17	1.11
Ann. Std Deviation (%)	7.79	13.63	6.60
Max Drawdown (%)	-3.70	-7.91	-3.09
% Positive Months	73.68	73.68	78.95
Market Correlation	1.0	0.965	-0.272
Exposure:	(% NAV)		
Long	75.78	n/a	n/a
Short	-3.31	n/a	n/a
Gross	+79.09	n/a	n/a
Net	+72.47	n/a	n/a
Cash	22.22	n/a	n/a
Gross Assets	101.31	n/a	n/a
Risk Indicators:	(% NAV)		
1 day 95% VAR ³	1.23	n/a	n/a
1 day 99% VAR	1.73	n/a	n/a
30 day 95% VAR	5.60	n/a	n/a
30 day 99% VAR	7.91	n/a	n/a
Loss @ fire sale/avg. Days ⁷	-0.07/1day	n/a	n/a

Summary Statistics^{3,4} – June 2007

Allocation by Asset Class:	% NAV	Allocation by Region:	% NAV
Equity	75.78	China ⁸	41.3
FX	n/a	Hong Kong	15.15
Options	n/a	Taiwan	16.02
Cash	22.22	Other	n/a
Bonds	n/a	Cash	22.22
Derivatives	-3.31		
Commodities	n/a		
Allocation by Sector:	% NAV	Attributables:	P&L (% NAV)
Cash	22.22	Cash	0.04
Oil & Gas	3.82	Oil & Gas	0.66
Metals & Mining	n/a	Metals & Mining	0.16
Banking & Finance	14.33	Banking & Finance	2.59
Consumer Cyclical	9.74	Consumer Cyclical	-0.01
Telecom	6.99	Telecom	0.92
Technology	23.50	Technology	1.49
Other	17.4	Other	1.92
Derivatives	-3.31	Derivatives	-1.17
Allocation by Market Cap:	% NAV		
Small (<\$500m)	12.41		
Mid(\$500m-\$2bn)	16.26		
Large (>\$2bn)	47.11		
Derivatives	-3.31		

Monthly Commentary

Overview: The key indices were up in June. The Hang Seng index was +9.9% YTD; the HSCEI index was +16.5% YTD. We performed well on a gross basis with our China portfolio at +16.33% YTD and our Taiwan portfolio at +2.75% YTD. All major index component stocks reached new highs in June. By the end of June, the financial sector became market leaders and pushed the HSCEI into a new high territory. The China A share index was hit by negative events such as the expanded QDII program, increasing interest on bank deposits and the government issuing a special USD \$200 billion bond program all of which have the effect of draining liquidity out of the China stock market. A 25% gap existed between the highest and lowest point in the China A Share index in June. We increased our exposure in the financial sector and our net exposure remained high throughout June to take advantage of the up market, our second highest monthly return since we started the GCA Greater China fund. We expect capital inflow to continue into the Hong Kong market with the QDII program. This along with re-rating opportunity from mid year announcements will cause us to keep our net exposure high in July. We have operated with our highest net exposure since the inception of the fund.

Our top three China performers in June were:

China Communications Construction, +1%

AMVIG HLDGS, +.9%

Ping AN, +.6%

At the end of the month our top three sector allocations were:

Technology, 11.6%

Life Insurance, 6.7%

Construction & Materials, 5.0%

In Taiwan, the market made a strong rally of 9.06% in June to close at 8883.21. Turnover for the month increased substantially by 41.3% to NT \$2990.8 billion. TAIEX performed well behind strong performance from the Cement sector which rose 19.5%; the Plastic and Financial sectors followed with 10.7% and 10.2%. Electronics rose 8.8%, Transportation and Paper followed with 7.1% and 6.3%. Finally, Construction gained

3.6% and Steel rose 3.5%. After the strong performance in June, our view has turned more cautious and we will start to take profits and rotate out of the sectors that have already made substantial gains.

Politics: China stocks plunged in June after Central Bank Governor Zhou Xiaochuan said shares might be over valued. The Shanghai index was down -4.7%; the Shenzhen index down -6.4%. Zhou remarks damped sentiment and reinforced fear that government would raise interest rates to curb the stock market boom and cool the economy. Since January investors have ignored repeated warnings of the government on a run away stock market and even wide swings in the stock market have recovered quickly. Capital is being diverted from domestic equities as the QDII program takes effect. The QDII program allows domestic brokerage firms and fund houses to invest into equities, government and corporate bonds and asset and mortgaged backed investment outside China, with Hong Kong being the primary beneficiary.

Attributes: In China, we ended the month with a long exposure of 60% and a short exposure of 3.3%. With regard to market cap, 65% of our portfolio was large caps which provided excellent liquidity with the balance in mid caps. We held 25 stocks at the end of the month. The largest daily drawdown was -1.54% during the month; the biggest daily gain was +4.07%. In Taiwan, we ended the month with a long exposure of 16% and no short exposure. We ended with 22 stocks, all large caps in the technology sector. The largest daily drawdown was -9.2% during the month; the best daily gain was +1.14%.

Strategy: Our strategy is to deliver a smooth NAV with relatively low risk measured by standard deviation (i.e. risk adjusted return). We manage this strategy through active daily hedging. For example, when you compare our performance through the middle of June in 2007 to two China related benchmarks, our return was 11.9% with a volatility of 8.5%, compared to the MSCI Golden Dragon return of 4.8% with a volatility of 16.5% and HSCEI return of 5.3% and volatility of 25.8%. Our risk return profile produces a smooth NAV as compared to these other China benchmarks.

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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 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
Regional MD/Senior Advisor	Hugh McClung
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, B. Wada
Finance & Accounting	G. Madding, B. Wada
Marketing & Client Services	Bonnie George, Valerie Rios
Legal/Compliance	G. Madding, B. Wada, 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 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.

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.