

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	-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							-17.55

Performance Summary

	GCAGC	MSCI Golden Dragon	S&P 500
Return Data¹:			
NAV per share (\$)	1,321.28	139.61	1,280.00
Monthly Return (%)	-5.03	-11.80	-8.60
YTD Return (%)	-17.55	-20.29	-12.83
Best Month (%)	8.22	13.74	4.75
Worst Month (%)	-7.34	-15.82	-8.60
Since Inception Return (%)	32.13	50.54	2.44
Annualized Since Inception	11.39	17.16	0.94
Risk/Return:			
Sharpe Ratio (x) ²	0.69	0.61	-0.17
Ann. Std Deviation (%)	12.46	23.76	10.55
Max Drawdown (%)	-23.51	-30.42	-17.39
% Positive Months	58.06	64.52	64.52
Market Correlation	1.00	0.60	0.45
Exposure:	(% NAV)		
Long	13.38	n/a	n/a
Short	0.00	n/a	n/a
Gross	13.38	n/a	n/a
Net	13.38	n/a	n/a
Cash	86.62	n/a	n/a
Gross Assets	100.00	n/a	n/a
Risk Indicators:	(% NAV)		
1 day 95% VAR ³	-1.14	n/a	n/a
1 day 99% VAR	-1.51	n/a	n/a
30 day 95% VAR	-5.21	n/a	n/a
30 day 99% VAR	-6.90	n/a	n/a
Loss @ fire sale/avg. Days	-2.84%/1day	n/a	n/a

Summary Statistics^{4,5}

Allocation by Asset Class:	% NAV	Allocation by Region:	% NAV
Equity	13.38	China	13.38
FX	0.00	Hong Kong	0.00
Options	0.00	Taiwan	0.00
Cash	86.62	Other	n/a
Bonds	0.00	Cash	86.62
Derivatives	0.00		
Commodities	0.00		
Allocation by Sector:	% NAV	Attribution:	P&L (% NAV)
Cash	86.62	Cash	-0.22
Oil & Gas	0.00	Oil & Gas	-0.05
Banking & Finance	1.81	Banking & Finance	-0.97
Metals & Mining	5.47	Metals & Mining	-0.88
Consumer Cyclical	1.87	Consumer Cyclical	-0.57
Industrials	0.00	Industrials	0.00
Technology	0.00	Technology	-1.17
Other	4.23	Other	-1.60
Derivatives	0.00	Derivatives	0.43
Allocation by Market Cap:	% NAV		
Small (<\$500m)	0.30		
Mid(\$500m-\$2bn)	3.38		
Large (>\$2bn)	9.70		
Derivatives	0.00		

Monthly Commentary

Market Environment: June was clearly a tough month for the world equity markets. The S&P 500 fell 8.6% and the Greater China markets followed suit with the HSCFI down 13.51%, the SHCOMP down 20.3% and the TWSE down 12.71%.

There are always numerous reasons and factors that contribute to market movements. In June, the worsening growth/inflation paradigm together with domestic policy and earnings risks continued to weigh on investor sentiment. In the A-share market, rumors abounded regarding potential favorable changes to government policies such as allowing additional foreign and domestic liquidity access to the markets, reducing commission rates below their current 1% level, and restricting sales of non-floating stock. In Hong Kong, stocks fell back towards March lows, driven primarily by high correlation with the dramatic declines in the US and China A-share markets. While the oft-mentioned decoupling with the worldwide equity markets appears thoroughly debunked with many markets down more than 20%, the economic decoupling of the emerging markets remains a contention that only time will prove. The Baltic Dry Index fell from the all-time highs reached in May by 18.69%, indicative of substantial uncertainty in the demand expectations for the sea-borne raw materials supplying worldwide growth.

June Investment: Fortunately, we closed all positions in Taiwan and limited the Fund to a small net long position to better manage downside risk, although a further short-bias would have been appropriate in the current market environment. Given our lowered exposure, the NAV of our fund fell by only -5.67% as compared to -11.80% for the MSCI Golden Dragon. While this fell short of our absolute performance goals, we have performed better from a relative standpoint, as well as preserved capital against the difficult backdrop of volatile markets and uncertainty in near-term economic conditions.

Outlook: After experiencing a correction of such magnitude, current H-share and A-share markets seem to have priced in a fair amount of cyclical and earnings risk. At this point, we perceive investor sentiment is becoming fairly negative, if not already at an extreme.

We consider the utility sector a good case-in-point, since their profit margins are being squeezed severely due to the effect of unsustainably high fuel prices and government price-controls. We believe that many Chinese independent power-producers are currently suffering losses, while Chinese coal extractors are making record profits. As a result, IPP stock prices have fallen below book value, usually a good entry point for this sector. Considering the projected shortage of generating capacity in the near future, the government will likely take action to ensure long-term stability. We tend towards a slight bullish bias, since we have seen some sectors and stocks becoming more attractive to long-term investors on a fundamental basis. Timing the bottom is difficult, if not impossible and always ill-advised. Unfortunately, stock synchronicity in the Greater China region remains a significant problem in that equities tend to follow the direction of the indices nearly unanimously. We stress caution in making new entry points and the importance of long term value oriented portfolio management.

Attribution: GCA's portfolio closed June with a 5.03% loss. The top positions which helped and hurt the portfolio were:

Top 4 Gains	% NAV	Top 4 Losses	% NAV
H-Share Index Futures	1.01%	Foxconn	-0.62%
China High Speed	0.15%	Ishares FTSE	-0.55%
Sinopec	0.02%	Taix Futures Index Jun 08	-0.53%
China Comm. Services	0.01%	Angang Steel Co Ltd	-0.51%

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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. The Firm currently manages/advises \$1.4 billion in AUM. The Fund is structured as a separate share classes of BVI-domiciled GCA Funds Limited. Other Share Classes currently offered and proposed include GCA Latam, Greater India, Greater Russia and MENA. GCA is a Registered Investment Advisor. For additional firm details please refer to www.gerkencapital.com.

As part of its institutional grade management team approach, GCA has entered into a long-term and exclusive affiliate relationship with the Polaris Group (“PG”) which provides the Fund with enhanced on the ground research, mid-office, execution platforms and risk management infrastructure. Taiwan based 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, China and Singapore. PG has a customer base of over one million with international partnerships with State Street Global Advisors, Merrill Lynch and Schroders. PG manages AUM of USD\$3.8 billion and 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*
Portfolio Manager	Oliver Chen*
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	Greg Madding*, Peter Britto
Finance & Accounting	Greg Madding, Peter Britto
Marketing & Client Services	A. Moore, Valerie Rios
Legal/Compliance	Greg Madding, Peter Britto
Back Office/Administration	Angela Chen, 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 70’s
- 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 affiliation 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
Investment Committee:	Lou Gerken, Gary Tan, Greg Madding, Sean Tseng
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
Hong Kong Address:	Room 1003-4 10F Tower 1 18 Harcourt Road Admiralty Center, Central, Hong Kong
San Francisco Address:	110 Tiburon Blvd., Suite 5 Mill Valley, CA 94941
B Share Class:	GCA Greater China Fund Limited
Fund Manager:	Gerken Capital Associates

Fee and Redemption Structure¹

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 index 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 it’s 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):	\$1.4bn (managed/advised)
Inception Date:	December 1, 2005 (Actual)
Bloomberg Code:	GCAGRCH VI
Domicile:	BVI
Base Currency:	USD
Equalization/Share Class ⁷ :	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:	Apex Fund Services Limited
Paying Bank:	VP Bank BVI
Auditor:	Deloitte & Touche LLP
BVI Counsel:	Walkers BVI

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¹Annual 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; 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; ³Annualized Standard Deviation uses data available since inception. ⁴Net Allocation by asset class and region represent portfolio net exposure; ⁵Exposure data represents Fund’s net exposure including adjustments for options delta. Note that Gross Assets=long+short+cash+gain/loss on derivatives; ⁶Value at Risk (VAR) defined as quantitative market or event risk estimate of potential loss to fund; ⁷Equalization refers to accounting method designed to insure alignment of incentive fees amongst investors. Not applicable as Fund utilizes Series of Shares Method;

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