

GCA Greater China Fund / March 2008 -0.41%¹

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	-4.05	-0.41										-9.24

Performance Summary – March 2008

	GCAGC	MSCI Golden Dragon	S&P 500
Return Data¹:			
NAV per share (\$)	1,454.50	150.02	1,322.70
Monthly Return (%)	-0.41	-6.13	-0.60
YTD Return (%)	-9.24	-14.35	-9.92
Best Month (%)	8.22	13.74	4.33
Worst Month (%)	-7.34	-15.82	-6.12
Since Inception Return (%)	45.45	61.76	5.86
Annualized Since Inception Return (%)	17.42	22.89	2.47
Risk/Return:			
Sharpe Ratio (x) ²	1.23	0.91	-0.02
Ann. Std Deviation (%)	11.98	22.47	8.93
Max Drawdown (%)	-15.80	-26.52	-14.63
% Positive Months	64.29	68.86	64.29
Market Correlation	1.0	0.58	0.44
Exposure:	(% NAV)		
Long	50.08	n/a	n/a
Short	-26.11	n/a	n/a
Gross	76.19	n/a	n/a
Net	23.97	n/a	n/a
Cash	42.46	n/a	n/a
Gross Assets	118.65	n/a	n/a
Risk Indicators:	(% NAV)		
1 day 95% VAR ³	0.24	n/a	n/a
1 day 99% VAR	0.33	n/a	n/a
30 day 95% VAR	1.30	n/a	n/a
30 day 99% VAR	1.83	n/a	n/a
Loss @ fire sale/avg. Days ⁷	-0.08/1day	n/a	n/a

Monthly Commentary

Market Environment: After a short recovery in February, the Hong Kong market headed down again in March. The HSI (Hang Seng Index) lost 6.1% and closed at 22,849; the HSCFI (Hang Seng China Enterprise Index) was down 13.27% and gave back all the gains from February.

Industrial production in China has been growing at the slowest pace for more than a year. Exports cooled due primarily to the slowing US demand and the aftermath of the severe snow storm in southern China at the end of January. According to the China Statistics Bureau, output rose 15.4% in January and February from a year earlier, compared to the 17.4% gain last December. The negative message to the stock market was that this didn't seem to concern the Chinese government – a speech from Chinese premier Wen Jiabao during the month confirmed that the government's top priority is curbing inflation (8.3% at the end of March) rather than fostering growth. A subsequent speech from Zhou, the PBoC bank official, indicated that China would raise interest rates again this year. This has diminished the expectation that the Chinese government will take measures to boost its slumping stock market soon. Also a concern in March was the RMB 1.6 trillion previously non-tradable Chinese company shares will become tradable during next year, in addition to a 2007 backlog of shares totaling RMB 1.1 trillion that remains unsold. Outside China, the record oil price (above \$110 USD) continued to worry investors worldwide and concerns about the extent of the US slowdown. The good news is that Chinese companies are still reporting healthy earnings (especially the consumer and financials sectors). We have seen investors looking to take advantage of the down market - foreign direct investments into China were up almost 40% in February.

In Taiwan, the KMT party (until recently, the opposition party, and more favorably disposed toward normalizing relations with Mainland China) took back the Presidency in Taiwan by a 58% margin of victory in the March 20th presidential election. In anticipation

Summary Statistics^{3,4} – March 2008

Allocation by Asset Class:	% NAV	Allocation by Region:	% NAV
Equity	50.08	China ⁸	5.65
FX	n/a	Hong Kong	n/a
Options	n/a	Taiwan	18.31
Cash	42.46	Other	n/a
Bonds	n/a	Cash	42.46
Derivatives	-26.11		
Commodities	n/a		
Allocation by Sector:	% NAV	Attribution:	P&L (% NAV)
Cash	42.46	Cash	0.22
Oil & Gas	3.83	Oil & Gas	-0.21
Metals & Mining	4.76	Metals & Mining	-0.33
Banking & Finance	10.68	Banking & Finance	-1.15
Consumer Cyclical	12.97	Consumer Cyclical	-1.06
Telecom	4.43	Telecom	-0.93
Technology	2.41	Technology	-0.14
Other	11.01	Other	-1.79
Derivatives	-26.11	Derivatives	4.98
Allocation by Market Cap:	% NAV		
Small (<\$500m)	3.15		
Mid(\$500m-\$2bn)	2.80		
Large (>\$2bn)	44.12		
Derivatives	-26.11		

of Ma's victory the market rallied the entire week up to Election Day. After the election, most stocks retreated due to profit-taking. TAIEX closed at 1.9% gain at the end of March.

Attribution: GCA's portfolio closed March with a 41 bps loss. We outperformed the index due primarily to the derivative positions, the exposure in Taiwan and the appreciating Taiwan Dollar. The top positions which helped and hurt the portfolio include:

Top 4 Gains	% NAV	Top 4 losses	% NAV
H-Shr Index Fut	4.98%	China Telecom	-0.70%
Taiwan Fertilizer Co.	0.34%	Xiwang Sugar	-0.66%
IShare FTSE A50 China	0.26%	China Communication Construction Co.	-0.64%
Taiwan Cement Corp.	0.18%	China State Construction Int	-0.44%

Outlook: High inflation remains a headache for the Chinese government. The marginal good news is that we have seen the rate stabilizing and hopefully signaling positive effects of government actions. Until we see the expected gradual decrease, we would still expect a volatile market, as mentioned in previous commentaries. Some positive notes: we have already seen some healthy earnings reports from companies and a strong pipeline of IPOs in both Hong Kong and mainland China. In Taiwan, the short-term momentum has diminished after the election ended in March, but we are still bullish for the year and have been increasing the exposure there since March. KMT has promised a series of measures designed to boost the economy; in particular, it will likely provide more flexibility for businesses across the strait. We expect that the improving macro environment will offset the impact from the slowing US market. The recently released earnings reports for tech companies were unimpressive partly due to foreign exchange losses. We are expecting more releases in late April with similar results. However, we are bullish on the property and financials sectors in Taiwan.

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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 management team approach, GCA has entered into a long-term and exclusive affiliate relationship with the Polaris Group (“PG”) which enhances the Fund’s on the ground research, mid-office 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*
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 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, 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
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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
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. ⁸Region includes China H-shares and Red Chips.

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