

GCA Greater China Fund – November 2007 -7.34%¹ (Month 24)

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		24.65

Performance Summary – November 2007

	GCAGC	MSCI Golden Dragon	S&P 500
Return Data¹:			
NAV per share (\$)	1595.00	179.43	1,481.14
Monthly Return (%)	-7.34	-10.58	-4.40
YTD Return (%)	24.65	37.57	4.43
Best Month (%)	8.22	13.74	4.33
Worst Month (%)	-7.34	-10.58	-4.40
Since Inception Return (%)	59.50	93.48	18.54
Annualized Since Inception Return (%)	26.29	39.10	8.88
Risk/Return:			
Sharpe Ratio (x) ²	1.99	1.97	0.52
Ann. Std Deviation (%)	11.16	18.72	7.83
Max Drawdown (%)	-7.66	-10.58	-4.92
% Positive Months	70.83	75.00	75.00
Market Correlation	1.0	0.60	0.22
Exposure:	(% NAV)		
Long	22.09	n/a	n/a
Short	0	n/a	n/a
Gross	22.09	n/a	n/a
Net	22.09	n/a	n/a
Cash	83.68	n/a	n/a
Gross Assets	105.77	n/a	n/a
Risk Indicators:	(% NAV)		
1 day 95% VAR ³	0.28	n/a	n/a
1 day 99% VAR	0.40	n/a	n/a
30 day 95% VAR	1.55	n/a	n/a
30 day 99% VAR	2.19	n/a	n/a
Loss @ fire sale/avg. Days ⁴	-0.02/1day	n/a	n/a

Summary Statistics^{3,4} – November 2007

Allocation by Asset Class:	% NAV	Allocation by Region:	% NAV
Equity	14.53	China ⁵	17.39
FX	n/a	Hong Kong	4.19
Options	n/a	Taiwan	0.51
Cash	83.68	Other	n/a
Bonds	n/a	Cash	83.68
Derivatives	7.56		
Commodities	n/a		
Allocation by Sector:	% NAV	Attributables:	P&I. (% NAV)
Cash	83.68	Cash	0.13
Oil & Gas	5.82	Oil & Gas	-2.16
Metals & Mining	n/a	Metals & Mining	-1.33
Banking & Finance	n/a	Banking & Finance	-4.17
Consumer Cyclical	4.35	Consumer Cyclical	-0.22
Telecom	n/a	Telecom	n/a
Technology	0.51	Technology	-0.87
Other	3.85	Other	-0.65
Derivatives	7.56	Derivatives	1.93
Allocation by Market Cap:	% NAV		
Small (<\$500m)	1.60		
Mid(\$500m-\$2bn)	3.05		
Large (>\$2bn)	9.88		
Derivatives	7.56		

Monthly Commentary

Market Environment: The Hong Kong market went through the steepest monthly slump in the last ten years in November. HSI (Hang Seng Index) dropped 8.6% from over 30,000, and the HSCEI (Hang Seng China Enterprise Index) retreated 14.5% from the high above 20,000 on November 1 to 17,178 by the end of the month with a 30-Day volatility of 53%.

HSI and HSCEI started to fall from the second trading day of the month, triggered by the continuing subprime woes in the US and the comment from a China NDRC (National Development and Reform Commission) official that China needs to foster stronger economic controls. Then on November 5, the weekend speech by Wen Jiabao, the Chinese Prime Minister which signaled an indefinite delay on "through-train" (allowing mainland Chinese investors to invest directly in Hong Kong), has diminished the hope on more liquidity in Hong Kong, the main factor which had driven the HSI up by 40% since August; as a result, HSI was pulled back to below 29,000 (5% drop) in one day. Alibaba's successful IPO on November 6 (price doubled) didn't support the market for long; on the 11th, PBOC required banks to set aside highest reserves (13%) in at least the last 15 years to cool the economy; HSI dropped another 4% on Monday, the 12th. The market continued to drop, making a bottom on the 22nd. Among major concerns were slower US growth forecast, subprime issues, and Chinese government raising interest rates while restricting bank lending.

In Taiwan, after an impressive rally of 8.0% in the previous two months, the market fell 11.6% or 1,124 index points in November on the U.S. subprime woes and weak performance of tech companies. China-related plays have been hit as the sector went through profit-taking from the earlier gains and as China tightened its liquidity policy during the month. Turnover for the month shrank 16.8% m/m to NT\$2,942B. All sectors posted losses, led by Construction (-14.8%), Cement (-12.6%), Electronics (-12.1%), and Transport (-12.0%). GCA has decreased its exposure on Taiwan from 5.3% to 0.5% during the month of November.

Attribution: GCA's portfolio was 21.6% in HK/China and 0.5% in Taiwan by the end of November. As the month went on, we felt unclear on the scope of the impact of government moves and of the US subprime issues. The objective of our Fund (to deliver risk-adjusted performance with a target volatility of less than 15%) doesn't encourage us to ride with a market of over 50% VOL and of no clear directional bias; therefore we lowered our net exposure from 82% to 22% on November 30, with a low of 1.8% in the middle of the month. All stock sectors retreated while derivative trades made 2% gain during the month.

The top positions which helped and hurt the portfolio include:

Top 4 Gains	% NAV	Biggest 4 losses	% NAV
HSCEI Index Fut	1.93%	PetroChina	-1.76%
Cash	0.13%	ICBC	-1.33%
Amvig	0.05%	China Construction Bank	-1.28%
Natural Beauty	0.03%	China Life	-1.16%

Outlook: We are still positive on fundamentals in China but believe that the market will go through more near-term corrections in addition to the typical window dressing activities at the end of the year. Up until now, we have increased our exposure primarily in SME (small to mid-cap equities) and will continue to watch closely and react cautiously on the market move in Hong Kong/China. We expect to maintain low exposure in Taiwan for the following reasons: 1) unstable political environment; 2) the risk of lower consumer sales during the holiday season; 3) the upcoming accounting change (price employee bonus at market value) which may adversely impact tech company stock performance.

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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	Albert Lai, 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

Investment Committee:

Admiralty Center, Central, Hong Kong
Lou Gerken, Gary Tan, Greg Madding,
Sean Tseng, Mary Lu
Lou Gerken, Dakshesh Patel
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+1 415 383 1464

Directors:

Contact Person:

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 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

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.