

GCA Greater China Fund – October 2006 +3.10%¹

Monthly Summary of Returns (%)¹

GCAGC S&P 500	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 -0.10	2.62 -0.10
2006	3.61 2.55	3.72 0.05	6.25 1.11	1.96 1.22	-0.58 -3.09	-2.56 0.01	-0.39 0.51	-0.20 2.13	2.13 2.46	3.10 3.15			18.07 10.39

Performance Summary – October 2006

Return Data ¹ :	GCAGC	MSCI Golden Dragon	S&P 500
NAV per share (\$)	1,211.70	111.74	1,377.94
Monthly Return (%)	3.10	2.87	3.15
YTD Return (%)	18.07	15.67	10.39
Best Month (%)	+6.25	7.16	3.15
Worst Month (%)	-2.56	-6.51	-3.09
Since Inception Return (%)	21.17	20.49	10.28
Annualized Return (%)	23.30	23.71	11.50
Risk/Return:			
Sharpe Ratio (x) ²	2.17	n/a	n/a
Ann. Std Deviation (%)	8.68	n/a	n/a
Max Drawdown (%)	-3.70	n/a	n/a
% Positive Months	63.64	n/a	n/a
Market Correlation:	1.0	0.55	0.52
Exposure:	(% NAV)		
Long	79.45	n/a	n/a
Short	-46.62	n/a	n/a
Gross	+126.07	n/a	n/a
Net	+32.83	n/a	n/a
Cash	12.16	n/a	n/a
Gross Assets	138.23	n/a	n/a
Risk Indicators:	(% NAV)		
1 day 95% VAR ³	0.454	n/a	n/a
1 day 99% VAR	0.963	n/a	n/a
30 day 95% VAR	2.49	n/a	n/a
30 day 99% VAR	5.27	n/a	n/a
Loss @ fire sale/avg. days	-0.15/1day		

Summary Statistics^{3,4} – October 2006

Allocation by Asset Class:	% NAV	Allocation by Region:	% NAV
Equity	79.45	China	2.38
FX	n/a	Hong Kong	25.97
Options	n/a	Taiwan	4.48
Cash	12.16	Other	n/a
Bonds	n/a	Cash	12.16
Derivatives	-46.62		
Commodities	n/a		
Allocation by Sector:	% NAV	Attributables:	P&L (% NAV)
Cash	12.16	Cash	-0.07
Oil & Gas	n/a	Oil & Gas	-0.38
Metals & Mining	n/a	Metals & Mining	0.16
Banking & Finance	22.15	Banking & Finance	1.67
Consumer Cyclical	22.11	Consumer Cyclical	1.84
Telecom	7.50	Telecom	0.79
Technology	19.07	Technology	0.42
Other	8.62	Other	0.23
Derivatives	-46.62	Derivatives	-0.85

Monthly Commentary

Markets increased in October 2006. The HSI index was up 4.45%, the HSCI index was up 10.38% and the HSCEI index was up 5.45%. MSCI Golden Dragon (MXGD) which is a free float index with weighting of 40% Taiwan, 30% China and 30% Hong Kong was up 2.87%. On the China side, we outperformed the MSCI Golden Dragon index.

China stocks climbed throughout the month. The newly listed ICBC was the main contributor for the gain in the Shanghai Composite Index. Hong Kong equities continued to move up. China Mobile, the world largest cellular phone company, climbed to its highest price in more than six years on expectations that it will continue to report strong profit growth. Chinese financial plays extended their rallies. China Mobile is largest weighting stock in HSCI. Most other sectors in the HSI also performed well.

The Bank of China and China Petroleum & Chemical (Sinopec) will be added to the Hang Seng Index. The Bank of China and Sinopec are HSCEI companies incorporated in mainland China but traded in Hong Kong. The addition reflects the growing presence of mainland companies on the Hong Kong stock market. HSCEI shares at the end of October 2006 accounted for 21% of the value of the main board, up from 1.5% at the end of 1997. China Construction Bank, the fourth largest Chinese lender, was the first HSCEI share to join the Hang Seng benchmark in August 2006. Shares of Bank of China have climbed 16% since they were sold in an initial public offering at the end of May 2006 and Sinopec, the largest oil refiner in Asia, has surged 47% this year.

At the end of the month, the China side ended up with a gross exposure of 123.75% and net exposure of 38.18%. At the end of October we held 21 China related stocks with most holdings in large caps. Our China focus remains large caps stocks so we can liquidate our positions within several minutes. Out of 22 trading days in October, we were positive 17 days, and negative 5 days with the largest drawdown being .40 on October 9. We increased our net exposure throughout the month thereby taking advantage of up China market trend.

The TAIEX climbed 2% in October with the index closing at 7021.32. Turnover for the month was NT \$1665 billion, an increase of 5.5% month on month. Concern over political turmoil took a backseat as the market focused on earnings releases. Scanning the technology sector, third quarter results were mixed, consequently price performance varied tremendously. Although the market still expected decent consumer demand to carry technology stocks into fourth quarter, performance discrepancies have negatively impacted investor sentiment. All sectors performed well, led by Construction with +11%, cement +9%, steel +5.9%, Paper +5.09% and Plastic +3.02%. Electronics gained 1.39% where most of our stocks are concentrated and Financials up +1.4%. The Index has reached our target of 7000 after a 13 week rebound; as a result we expect volatility to increase with the index ranging from 7000 +/- 200 pts. Out of 22 trading days in October, we were negative 12 and positive 10 with the largest drawdown being .97 on October 17. At the end of the month, the Taiwan side ended up with a gross exposure of 115.71% and a net exposure of 15.16% and showed a positive return for the month.

The Eurekahedge Asian hedge index was up 2.38% in October and was 9.29% for the year. Another relevant Eurekahedge index is the small hedge fund index of funds less than USD \$100 million, where index was up 2.18% in October and was up 8.80% for the year.

Our general strategy has been to be one of the top risk adjusted Greater China focused funds. We define risk adjusted as annual return divided by annual standard deviation. Out of 48 Greater China funds, we remain in the top ten on a risk adjusted basis in the most recent report from Eurekahedge (September 2006). We manage risk on a daily basis adjusting our net exposure to given market conditions on real time basis. We can record profit and loss on real time basis.

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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 investment affiliation 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.

•A 21-person institutional grade investment team:

Investment:

Chair, Investment Committee	Lou Gerken*
Fund Portfolio Manager	Hugh McClung*
Chief Investment Officer	Gary Tan*
Chief Strategist	Sean Tseng*
Risk Management	Thomas Huang
Taiwan Investment Desk	Nancy Chen, Kenner Wang, K.Y. Liang
China Investment Desk	Albert Lai, Max Lee, Leo Zhang
HK Investment Desk	Nicole Chien, James Sa, Changer Ho

Administration:

President & COO	Greg Madding
Chief Financial Officer	Bashir Wada
Dir. Marketing & Sales	Bonnie George, Valerie Rios
Legal, Compliance & B/O	Lawrence Jian, Angela Chen, Carla Boy

*Investment Committee Members

Differentiators

- Benefits of dedicated “Greater China” footprint (China, HK & Taiwan)
- Target top decile risk adjusted performance
- Absolute return, multi-asset fund with low volatility & correlation targets
- Equity long/short, broad value, global macro overlay
- Four-dimensional strategy (capital preservation; alpha; beta and gamma)
- Managed on the ground by institutional grade investment team
- Established research, trading and risk management presence
- Scalable operations with ample investment capacity
- Significant investment by Manager and investor alignment
- Long-term partner affiliation and economic alignment
- Access to mid-cap fastest growing GDP sector
- 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
Sponsor:	Gerken Capital Associates
Fund Manager:	Gerken Capital Associates Louis C. Gerken, CEO lou@gerkencapital.com Greg Madding, President greg@gerkencapital.com Hugh B.L. McClung, MD Greater China hugh@gerkencapital.com 110 Tiburon Blvd., Suite 5 Mill Valley, CA 94941

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. Not applicable as Fund utilizes Series of Shares Method.

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Investment Committee:	Lou Gerken, Hugh McClung, Gary Tan, Sean Tseng
Directors:	Lou Gerken, Hunter Ashby Financial Services Ltd., Salinger Holdings
Contact Person:	Bonnie George, Director of Marketing Valerie Rios
Email Address:	Bonnie@gerkencapital.com Valerie@gerkencapital.com
Telephone Number:	+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.

Strategy

The Fund’s investment objective is to achieve absolute returns greater than 15% per annum, average annual volatility less than 15% whilst only showing a correlation to public indices of less than 40%. Fund to adhere to best of breed risk control and fund governance practices. Fund will utilize all asset classes (equities, fixed income, derivatives & options and foreign exchange). Assets will be dynamically managed across Greater China. At inception, 70% allocated to the Hong Kong and China markets and 30% to Taiwan. The Fund may also invest in other assets and/or international companies headquartered outside of Greater China where Greater China derived turnover exceeds 40%.

Fund Details

Investment Style:	Absolute return, market neutral, macro overlay
Investment Geography:	Greater China (Hong Kong, Taiwan, China)
Fund Size (\$mn):	Not disclosed
Fund Capacity (\$mn):	300
Firm’s Total Assets (\$bn):	\$1.5bn (managed/advised)
Inception Date:	December 1, 2005 (Actual)
Bloomberg Code:	GCAGRCH VI
Domicile:	BVI
Base Currency:	USD
Equalization/Share Class ⁶ :	N/A
Dividend Policy:	None
Hurdle Rate:	No
High Water Mark:	Yes
Maximum Leverage:	2.5:1
Long & Short Maximum (%):	150 / 100
Listed on Exchange:	No
Minimum Investment Size:	US\$250,000
Manager Investment:	Yes from inception; no withdrawals
Tax Reporting:	U.S. PFIC, QEF Election

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

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