



**GLOBAL MASTERS FUND LIMITED**

ACN 109 047 618

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 December 2020**

## Directors' Report

The Directors of Global Masters Fund Limited (the "Company") submit herewith their report together with the Interim Financial Report for the half-year ended 31 December 2020 and the Auditor's Independent Review Report thereon.

### DIRECTORS

The following persons were Directors of the Company since 30 June 2020 and up to the date of this report, unless stated otherwise.

- Mr Murray d'Almeida (Chairman)
- Dr Emmanuel Clive Pohl AM (Managing Director)
- Mr Patrick Corrigan AM
- Mr Jonathan Lancelot Addison (retired 30 October 2020)
- Mr Jason Pohl (Alternate Director to Dr Pohl)

### PRINCIPAL ACTIVITY

The principal activity of the Company is holding an investment in Berkshire Hathaway Inc on NYSE. In addition to Berkshire Hathaway, the Company has invested in a diversified global portfolio of investments.

### REVIEW OF OPERATIONS

During the last six months, Global Masters Fund Limited recorded portfolio gains of 17.0% (see graph below). The primary investment in Berkshire Hathaway increased by 30.1% in US dollar terms, however the Australian dollar strengthened by 11.5% through the period impacting the final asset valuation. The actively managed UK portfolio performed well achieving gains of 16.0% in the six months to 31 December 2020 versus the FTSE which increased 4.7%, the Australian dollar strengthened marginally against the pound by 1.1%.

Portfolio Performance:

	6 mths to Dec 20	12 Mths to Dec 20	5 Years p.a.	10 Years p.a.	Since Inception p.a.
Global Masters Portfolio	17.0%	-1.2%	10.8%	12.4%	7.6%
ASX All Ordinaries	14.2%	0.7%	5.1%	3.5%	1.9%
MSCI Index (AUD)	9.6%	4.0%	8.9%	10.8%	4.6%
MSCI Index (USD)	22.2%	14.1%	10.1%	7.7%	4.7%

In the first six months of the financial year, dividends in the amount of \$141,009 were received. This was a \$24,501 year-on-year increase, delivered from the inaugural ATY interim dividend, the BIP BCI Worldwide Flexible Fund distribution and an increase in dividends received from the UK portfolio. Revenue overall was down due to a decrease in realised gains recognised in the P&L of \$49,202 and the impact of the AUD/GBP exchange rate on the unrealised valuation of the UK portfolio. The increase in value of Berkshire Hathaway (mentioned above) was the key driver in growing Total Comprehensive Income for the six months to December 2020, which was up by \$979,649 on last year.

### NET TANGIBLE ASSETS

The NTA per share (tax on realised gains only) at 31 December 2020 was 254.4 cents compared with 219.0 cents at 30 June 2020 an increase of 16.1%. Portfolio performance equating to 37.6 cents per share has contributed to the increase after subtracting 2.2 cents per share for the operating costs of the business.

## MARKET COMMENTARY

At the end of December 2020, the Australian economy was in a better position than was anticipated in the middle of the year. In simple terms, the COVID-19 support measures of Jobkeeper and Jobseeker have stimulated private consumption expenditure leading to a recovery in the economy and the recession caused by COVID-19 lockdowns.

In Australia, it appears that policy makers will continue to support the economic recovery, with any health-related set-back to be met with further government spending, a positive sign for the year ahead. Globally, the outlook for 2021 is still uncertain. The US and Europe are seeing rising infections, with these economies losing momentum in their recovery.

In the US, a US\$900 billion stimulus package was announced in late December followed by a proposal of a US\$1.9 trillion dollar package in January, with the Federal Reserve continuing its ultra-accommodative policies seeing a continuation of the current levels of quantitative easing. Equity markets responded well to vaccine news, with several vaccines to be made available throughout 2021. With this news, the markets have seen a rotation away from technology-heavy stocks towards more cyclical, defensive, and economically sensitive sectors.

In Europe, the pandemic continues to wreak havoc as rising infections sweep across many European countries. EU leaders approved the €1.8 trillion budget package, and by the end of the December quarter, equity markets rebounded strongly on the back of vaccine effectiveness. In a long-awaited development, the EU and the UK have agreed on a Brexit trade deal which defined their future relationship. Broadly, the deal allows for similar trading conditions, with both sides agreeing to some shared rules and standards on workers' rights, and many social and environmental regulations.

## DIVIDEND

The Company has historically not paid dividends due to the major investment, Berkshire Hathaway, not yielding a dividend. For the Half-year ending 31 December 2020 a dividend has not been declared.

## AUDITORS' INDEPENDENCE DECLARATION

The Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* is set out on page 3 and forms part of the Directors' Report for the half-year ended 31 December 2020.

Signed on behalf of the Board in accordance with a Resolution of the Directors.



**Murray d'Almeida**  
Chairman

19 February 2021



GLOBAL MASTERS FUND LIMITED  
ABN 84 109 047 618

**AUDITOR'S INDEPENDENCE DECLARATION UNDER  
SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS GLOBAL MASTERS FUND LIMITED**

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

**Connect National Audit Pty Ltd**  
Authorised Audit Company No. 521888

A handwritten signature in black ink, appearing to read 'Lee-Ann Dippenaar'.

**LEE-ANN DIPPENAAR** BCom CA RCA

**Dated this 19th day of February 2021.**

## Condensed Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2020

	Note	31 Dec 2020 \$	31 Dec 2019 \$
<b>Statement of Profit/(Loss)</b>			
Revenue	2	153,201	177,915
Unrealised gains/(losses) on investments through profit or loss		615,678	812,343
Other expenses		(235,544)	(251,396)
<b>Profit/(Loss) before income tax</b>		<b>533,335</b>	<b>738,862</b>
Income tax benefit/(expense)		(205,306)	(88,527)
<b>Net Profit/(Loss) attributable to members of the Company</b>		<b>328,029</b>	<b>650,335</b>
<b>Other Comprehensive Income</b>			
Realised and Unrealised gains on Financial Assets taken to equity		3,259,263	1,655,966
Income tax benefit/(expense) relating to components of Other Comprehensive Income		(912,990)	(611,648)
<b>Net Other Comprehensive Income</b>		<b>2,346,273</b>	<b>1,044,318</b>
<b>Total Comprehensive Income for the period</b>		<b>2,674,302</b>	<b>1,694,653</b>
<b>Earnings per share:</b>			
		<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per share		3.06	6.06
Diluted earnings/(loss) per share		3.06	6.06
<b>Comprehensive income:</b>			
Comprehensive earnings per share		24.94	15.80

*The above Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Condensed Financial Statements.*

## Condensed Statement of Financial Position

As at 31 December 2020

	Note	31 Dec 2020 \$	30 June 2020 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and Cash Equivalents		38,964	133,283
Trade and Other Receivables		30,839	14,109
Other Assets		11,221	21,422
<b>TOTAL CURRENT ASSETS</b>		<b>81,024</b>	<b>168,814</b>
NON-CURRENT ASSETS			
Financial Assets	3	27,266,893	23,634,995
<b>TOTAL NON-CURRENT ASSETS</b>		<b>27,266,893</b>	<b>23,634,995</b>
<b>TOTAL ASSETS</b>		<b>27,347,917</b>	<b>23,803,809</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and Other Payables		66,985	315,476
<b>TOTAL CURRENT LIABILITIES</b>		<b>66,985</b>	<b>315,476</b>
NON-CURRENT LIABILITIES			
Deferred Tax Liability		3,760,134	2,641,837
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,760,134</b>	<b>2,641,837</b>
<b>TOTAL LIABILITIES</b>		<b>3,827,119</b>	<b>2,957,313</b>
<b>NET ASSETS</b>		<b>23,520,798</b>	<b>20,846,496</b>
<b>EQUITY</b>			
Issued Capital	4	12,871,873	12,871,873
Reserves		10,383,552	8,037,279
Retained Earnings/(Accumulated losses)		265,373	(62,656)
<b>TOTAL EQUITY</b>		<b>23,520,798</b>	<b>20,846,496</b>

*The above Condensed Statement of Financial Position should be read in conjunction with the Notes to the Condensed Financial Statements.*

## Condensed Statement of Changes in Equity

For the half-year ended 31 December 2020

	Issued Share Capital \$	Retained Profits/ (Accumulated Losses) \$	Asset Revaluation Reserve \$	Asset Realisation Reserve \$	Total Equity \$
<b>2019</b>					
Balance at 1 July 2019	12,871,873	(131,237)	9,788,334	-	22,528,970
<b>Total Comprehensive Income</b>					
Profit/(Loss) for the half-year	-	650,335	-	-	650,335
Other Comprehensive Income	-	-	1,044,318	-	1,044,318
<b>Total Comprehensive Income</b>	-	650,335	1,044,318	-	1,694,653
<b>Other</b>					
Transfer to realisation reserve	-	-	(312,303)	312,303	-
<b>Balance at 31 December 2019</b>	<b>12,871,873</b>	<b>519,098</b>	<b>10,520,349</b>	<b>312,303</b>	<b>24,223,623</b>
	Issued Share Capital \$	Retained Profits/ (Accumulated Losses) \$	Asset Revaluation Reserve \$	Asset Realisation Reserve \$	Total Equity \$
<b>2020</b>					
Balance at 1 July 2020	12,871,873	(62,656)	7,712,153	325,126	20,846,496
<b>Total Comprehensive Income</b>					
Profit/(Loss) for the half-year	-	328,029	-	-	328,029
Other Comprehensive Income	-	-	2,346,273	-	2,346,273
<b>Total Comprehensive Income</b>	-	328,029	2,346,273	-	2,674,302
<b>Other</b>					
Transfer to realisation reserve	-	-	86,155	(86,155)	-
<b>Balance at 31 December 2020</b>	<b>12,871,873</b>	<b>265,373</b>	<b>10,144,581</b>	<b>238,971</b>	<b>23,520,798</b>

*The above Condensed Statement of Change in Equity should be read in conjunction with the Notes to the Condensed Financial Statements.*

## Condensed Statement of Cash Flows

For the half-year ended 31 December 2020

	31 Dec 2020 \$	31 Dec 2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Distributions and Dividends received	122,827	116,067
Interest received	9	21
Payments to suppliers and employees	(472,381)	(270,235)
Net cash provided by/(used in) operating activities	(349,545)	(154,147)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of Investments	982,341	1,879,867
Payments for Investments	(727,405)	(2,219,218)
Net cash provided by/(used in) investing activities	254,936	(339,351)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net cash provided by financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(94,609)	(493,498)
Effects of foreign currency exchange rate changes on cash and cash equivalents	291	23,126
Cash and cash equivalents at beginning of the financial period	133,282	632,741
Cash and cash equivalents at the end of the financial period	38,964	162,369

*The above Condensed Statement of Cash Flows should be read in conjunction with the Notes to the Condensed Financial Statements.*



## Notes to the Condensed Financial Statements

For the half-year ended 31 December 2020

### NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of preparation

These general purpose Interim Financial Statements for the half-year reporting period ended 31 December 2020 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Global Masters Fund Limited is a for-profit Company for financial reporting purposes under Australian Accounting Standards.

This Interim Financial Report is intended to provide users with an update on the latest annual financial statements of Global Masters Fund Limited. As such it does not include all the notes of the type normally included in an Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial statements for the year ended 30 June 2020, together with any public announcements made by Global Masters Fund Limited during the half-year ended 31 December 2020 in accordance with the continuous disclosure requirements of the ASX listing rules.

These Interim Financial Statements were authorised for issue on 19 February 2021.

#### b) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

#### c) Changes in Accounting Policy

There are no changes in accounting policy that apply for the half-year ended 31 December 2020. The same accounting policies have been followed as were applied in the most recent annual financial statements.

#### d) New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

#### e) Investments

Investments are classified as either "financial assets at fair value through profit or loss (FVPL) or "financial assets at fair value through other comprehensive income" (FVOCI). The election is made on the basis of the contractual cashflows characteristics and the business model for managing financial assets.

Investments are valued continuously. Unrealised and realised net gains of FVPL are recognised in the profit or loss while unrealised and realised net gains of FVOCI are recognised in other comprehensive income.

Dividends and distributions are brought to account on the date that the shares or units are traded "ex-dividend". Interest income is brought to account on an accruals basis.

#### f) Foreign Currency

Both the functional and presentation currency of the Company is Australian dollars (\$).

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the financial report are taken to the profit and loss with the exception of differences on assets classified as FVOCI, these are taken directly to equity.

## Notes to the Condensed Financial Statements

For the half-year ended 31 December 2020

	31 Dec 2020	31 Dec 2019
	\$	\$
<b>NOTE 2 REVENUE AND OTHER INCOME</b>		
Realised gain on sale of investments	12,183	61,386
Interest received	9	21
Dividends received	141,009	116,508
	<b>153,201</b>	<b>177,915</b>

## NOTE 3 FAIR VALUE MEASUREMENTS

The following assets and liabilities are recognised and measured at fair value on a recurring basis:

- Financial Assets at fair value through Other Comprehensive Income (FVTOCI).
- Financial Assets at fair value through Profit or Loss (FVTPL).

In accordance with AASB13 *Fair Value Measurement* all assets and liabilities measured at fair value are assigned to a level in the fair value hierarchy as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 Inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), and

Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets out the Company's assets and liabilities that are measured and recognised at fair value in the financial statements:

Assets – 30 June 2020	Level 1	Level 2	Level 3	TOTAL
	\$	\$	\$	\$
<b>Recurring fair value measurements.</b>				
<i>Financial Assets</i>				
- FVTPL	5,001,752	-	-	5,001,752
- FVTOCI	18,633,243	-	-	18,633,243
<b>Total Financial Assets</b>	<b>23,633,995</b>	<b>-</b>	<b>-</b>	<b>23,633,995</b>

Assets – 31 December 2020	Level 1	Level 2	Level 3	TOTAL
	\$	\$	\$	\$
<b>Recurring fair value measurements.</b>				
<i>Financial Assets</i>				
- FVTPL	5,326,724	-	-	5,326,724
- FVTOCI	21,940,169	-	-	21,940,169
<b>Total Financial Assets</b>	<b>27,266,893</b>	<b>-</b>	<b>-</b>	<b>27,266,893</b>

There were no transfers during the period between Level 1 and Level 2 for recurring fair value measurements.

The Company's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

Due to their short-term nature, the carrying amount of trade receivables and payables are assumed to approximate their fair values.

The carrying amount of current trade and other payables are assumed to approximate their fair values because the impact of discounting is not significant.

## Notes to the Condensed Financial Statements

For the half-year ended 31 December 2020

### NOTE 4 MOVEMENTS IN ISSUED CAPITAL

Date	Details	Number of shares	Price	\$
30 June 2019	Balance	10,723,159		12,871,873
	Nil Movement	-		-
30 June 2020	Balance	10,723,159		12,871,873
	Nil Movement	-		-
31 December 2020	Balance	10,723,159		12,871,873

#### (a) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

### NOTE 5 OPERATING SEGMENTS

#### Segment Information

The Company operates solely in the Investment Industry. Its core business focuses on investing in listed international equities to achieve medium to long-term capital growth and income.

Operating segments have been determined on the basis of the reports reviewed by the Managing Director. The Managing Director is considered to be the chief operating decision maker of the Company. The Managing Director considers the business from both a product and geographic perspective and assesses performance and allocates resources on this basis. The Managing Director considers the business to consist of just one reportable segment.

### NOTE 6 EVENTS OCCURRING AFTER REPORTING DATE

The Directors are not aware of any matter or circumstance which has arisen since balance date that has significantly affected or may significantly affect the operations of the Company.

### NOTE 7 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company has no known contingent liabilities or contingent assets.

## DIRECTORS' DECLARATION

The Directors of the Company declare that:

The Financial Statements and Notes set out on pages 4 to 10 are in accordance with the *Corporations Act 2001*, including:

- (a) comply with Accounting Standard AASB134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Company's financial position as at 31 December 2020 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the Directors' opinion, there are reasonable grounds to believe that Global Masters Fund Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

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**Murray d'Almeida**  
*Chairman*

GOLD COAST  
19 February 2021



**GLOBAL MASTERS FUND LIMITED**  
**ABN 84 109 047 618**

**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**TO THE MEMBERS OF GLOBAL MASTERS FUND LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Global Masters Fund Limited, which comprises the Condensed Statement of Financial Position as at 31 December 2020, the Condensed Statement of Profit or Loss and Other Comprehensive Income, the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

**Directors' Responsibility for the Half-Year Financial Report**

The Directors of Global Masters Fund Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Global Masters Fund Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

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**GLOBAL MASTERS FUND LIMITED  
ABN 84 109 047 618**

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF GLOBAL MASTERS FUND LIMITED**

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Global Masters Fund Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of Global Masters Fund Limited's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

**Connect National Audit Pty Ltd**  
Authorised Audit Company No. 521888

A handwritten signature in black ink, appearing to read 'Lee-Ann Dippenaar'.

**LEE-ANN DIPPENAAR** BCOM CA RCA

**Dated this 19<sup>th</sup> day of February 2021**

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## **GLOBAL MASTERS FUND LIMITED**

### **REGISTERED OFFICE**

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