

GLOBAL MASTERS FUND LIMITED

SHAREHOLDERS' QUARTERLY REPORT

SEPTEMBER 2022

OBJECTIVE

Long-term capital growth by investing in UK & US markets

COUNTRY WHERE LISTED

Australian Securities Exchange:
May 2006

STOCK EXCHANGE CODE

ASX: GFL

RATINGS

- Independent Investment Research – Recommended+¹

DIRECTORS

Murray d'Almeida
Non-Executive Chairman

Dr Emmanuel (Manny) C Pohl AM
Managing Director

Angela Obree
Non-Executive

COMPANY SECRETARY

Scott Barrett

COMPANY DETAILS

Global Masters Fund Limited
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GLOBAL MASTERS FUND LIMITED

OVERVIEW

During the quarter, Global Masters Fund Limited's (ASX: GFL) Net Tangible Asset (NTA) value (before estimated tax on unrealised gains), increased to 288.8 cents per share, a 2.9% increase from 30 June 2022.

INVESTMENT PERFORMANCE (as at 30 September 2022)

UNDERLYING PORTFOLIO PERFORMANCE

	3 months	1 year	3 years p.a.	5 years p.a.	10 years p.a.	Since Inception (1 May 2006) p.a.
Portfolio [^]	2.2%	-5.8%	7.0%	9.1%	13.8%	7.7%
ASX All Ordinaries Index (All Ords)	-1.0%	-12.5%	-0.6%	3.1%	4.3%	1.5%
MSCI Index (AUD)	-0.7%	-12.0%	4.3%	7.5%	11.2%	4.4%
MSCI Index (USD)	-6.6%	-20.9%	3.0%	3.5%	6.1%	3.4%

[^] Source: EC Pohl & Co Pty Ltd

Gross performance before impact of fees, taxes and charges. Past performance no predictor of future

During the quarter, Berkshire Hathaway (NYSE: BRK) outperformed the market, posting -0.6% for the quarter. The remainder of the GFL portfolio has remained under pressure from rising inflation and interest rate movements by central banks as noted below. Since inception, the UK portfolio has posted +6.8% above the FTSE in local currency terms.

ECONOMIC COMMENTARY

Equity markets were under pressure over the quarter ending 30 September 2022 as inflation continued to move higher in the major economies. Fear of a global recession plagued investors, as central banks reaffirmed their hard stance to combat these inflationary pressures. In the US, the Fed raised their indicative rate by 75 bps to 3.25%. The US is in a technical recession, with inflation rising to 4.9% and GDP falling -0.6% YoY. The S&P500 posted -5.3%, while the Nasdaq posted -4.1% over the quarter.

In Europe, the ongoing Russia/Ukraine conflict has continued to drive steep declines in Eurozone equities as the expectation of gas shortages on the back of the Nord Stream gas pipeline closing for maintenance in July and Russia temporarily ceasing to supply at quarter-end renewed concerns of declining future economic growth. The ECB twice raised rates during the quarter, with deposit rates increasing to 0.75% while the refinancing rate rose to 1.25%. Inflation reached 10.0%, with energy being the primary contributor. The newly appointed UK Prime Minister, Liz Truss, released the Tory's fiscal package which was received very negatively by the market with the Sterling devaluing as a result. The FTSE declined by 3.8%, the CAC -2.7%, and the DAX was -5.2%.

In Asia, China reversed the previous quarter's performance with the index being the weakest in the region despite positive Chinese factory activity. Not only have concerns regarding global inflationary fears impacted the regions outlook, but China continues to battle Covid-related issues of infection and lockdowns. In Japan, markets were overshadowed by the shocking assassination of former Prime Minister Abe, Japan's longest serving PM. The Japanese central bank kept interest rate increases on hold which caused the Yen to slide against the US dollar, in spite of an increase in GDP, albeit slightly less than expected. The Shanghai Composite posted -11.0%, the Hang Seng -21.2%, and the Nikkei was -1.7%.

In Australia, equities ended slightly lower, with investors still wondering if the worst was yet to come. Domestically, the labour market remains strong and the participation rate at near all-time highs with unemployment sitting at 3.5%. Business conditions appear robust, business confidence indicators prove resilient while retail spending remained strong despite higher mortgage rates. Inflation was tracking at 6.9% in August, with tighter monetary measures having an adverse effect on house prices, with drawdown from the peak of 5.5%.

The ASX All Ordinaries posted -1.0% for the quarter, ASX 200 -1.4%, the Midcap 50 +3.9%, and the Small Ordinaries was -1.5%, respectively. The AUD depreciated during the quarter, posting a decline of 7.3% against the US Dollar (64.0 US cents), +1.1% against the Pound (57.3 pence), and -0.9% against the Euro (65.3 cents).

PORTFOLIO CHARACTERISTICS (as at 30 September 2022)

NTA (before tax on unrealised gains) – total	\$30,966,777
NTA (before tax on unrealised gains) – per share	288.8 cents

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SEPTEMBER 2022

FUND MANAGER

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INVESTMENT PHILOSOPHY

- Investments should outperform the risk-free rate
- The price one pays determines the ultimate long-term return
- High quality growth companies outperform over the longer term

INVESTMENT PROCESS

INITIAL SCREENING PROCESS

- ROE
- Revenue Growth
- Interest cover
- IPOs
- Broker Ideas
- Internal Ideas

FUNDAMENTAL ANALYSIS

- Understanding the Business Model
- Sustainable Competitive Advantage
- Organic Growth Opportunities
- Assessing Management
- Assessing the Operating Environment


PORTFOLIO WEIGHTING

- 5 Year Risk Adjusted Total Return
- Market Risk Analysis

HIGH CONVICTION PORTFOLIO OF COMPANIES

This process is the basis for all our equities investment decisions.

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 www.globalmastersfund.com.au

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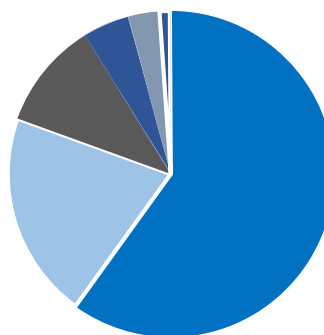
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GLOBAL MASTERS FUND LIMITED

PORTFOLIO ALLOCATION – as at 30 September 2022

GFL Investment Portfolio	%
Berkshire Hathaway (NYSE) (BRK)	59.9%
MSCI Index Fund	20.6%
UK Managed Portfolio (LSE)	10.7%
Flagship Investments Limited (ASX) (FSI)	4.6%
BIP BCI Worldwide Flexible Fund Class B	3.1%
Unlisted Unit Trusts	1.0%
Cash	0.1%

ALLOCATION



- BRK
- MSCI
- UK Managed Portfolio (LSE)
- FSI
- BIP BCI
- Unlisted Unit Trusts
- Cash

NTA* BACKING LAST 5 YEARS

NTA Backing* as at	Cents per share
30 September 2022	288.8 cents
30 September 2021	308.3 cents
30 September 2020	244.9 cents
30 September 2019	248.2 cents
30 September 2018	242.6 cents

*NTA is after all fees, expenses and tax on realised gains, but before tax payable on unrealised gains

ACTIVELY PROMOTING THE COMPANY

Global Masters Fund Limited remains visible in the digital spectrum and through multiple mediums with industry participants, Investor Associations and its Shareholders. During the quarter the Company met with and presented to various Brokers, Researchers and Financial Advisers and also participated in the SMSF Trustee Empowerment Day held in Sydney in September. New interviews with the Company and stockbrokers can be found on the Company website.

For further information including about other upcoming events please contact the Company at info@globalmastersfund.com.au or call 1800 352 474 including if you would like a representative to present to you, at an investor function or your office.

VISIT THE WEBSITE AND SUBSCRIBE TO OUR MONTHLY NEWSLETTER

The Company website www.globalmastersfund.com.au has information about Global Masters Fund and links to articles, videos, announcements, reports and more. A monthly email is sent to subscribers and Shareholders and interested parties who can subscribe through the website or by emailing the Company asking to be added to the mailing list. Information about the Company on Social Media platforms can be found at the bottom left of this page.

STRUCTURE AND TERMS

Fees	Management Fee: Passive Investments – Nil, Active Investments – 1.0% p.a. Performance Fee: Applicable to Active Investments only – 20% of the annual outperformance over the FTSE 100 index.
MER ²	0.22%
Dividend Reinvestment Plan	Nil
Legal Domicile	Australian Securities Exchange (ASX) Listed Investment Company (LIC)
Reporting and Correspondence	Monthly Net Tangible Asset Values on www.asx.com.au and Quarterly Reports, Half-Yearly and Annual Reports on www.globalmastersfund.com.au
Auditor	Connect National Audit Pty Ltd
Registry	Boardroom Pty Limited 1300 737 760 OR enquiries@boardroomlimited.com.au

Share price and NTA www.asx.com.au and www.globalmastersfund.com.au

¹ This opinion is provided by Independent Investment Research and must be read together with whole report including the disclaimer and relevant legal notices which can be found at www.independentresearch.com.au

² Calculated in accordance with ASX defined terms as at 30 June 2022.