

# GLOBAL MASTERS FUND LIMITED

## SHAREHOLDERS' QUARTERLY REPORT

MARCH 2023

### 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+<sup>1</sup>

### DIRECTORS

Murray d'Almeida  
*Non-Executive Chairman*

Dr Emmanuel (Manny) C Pohl AM  
*Managing Director*

Jason Pohl  
*Executive*

Angela Obree  
*Non-Executive*

### COMPANY SECRETARY

Scott Barrett

### COMPANY DETAILS

Global Masters Fund Limited  
ABN 84 109 047 618  
Level 12, Corporate Centre One  
2 Corporate Court  
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AUSTRALIA

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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 326.7 cents per share, a 3.6% increase from 31 December 2022.

### INVESTMENT PERFORMANCE (as at 31 March 2023)

#### 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 <sup>^</sup>	3.5%	-1.9%	13.2%	9.9%	13.5%	8.2%
ASX All Ordinaries Index (All Ords)	2.1%	-5.3%	13.0%	4.7%	4.0%	2.1%
MSCI Index (AUD)	9.3%	2.3%	11.4%	9.2%	11.7%	5.1%
MSCI Index (USD)	7.3%	-8.6%	14.6%	6.2%	6.9%	4.3%

<sup>^</sup> Source: EC Pohl & Co Pty Ltd

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

During the quarter, our largest investment Berkshire Hathaway (NYSE: BRK) posted -0.7% for the quarter. The UK managed portfolio posted +8.6%, which is +6.2% above the FTSE, as growth stocks became in favour once again. Since inception, the UK portfolio has posted +8.2% above the FTSE in local currency terms.

### ECONOMIC COMMENTARY

Despite the collapse of Silicon Valley Bank (SVB) and the subsequent bailout of Credit Suisse by UBS, global equity markets saw gains in the first quarter of the year. While these events caused a dip in market sentiment in March, the global economy continued to pick up momentum due to the fading of supply side drags and falling energy prices. Growth stocks outperformed value stocks during this period. In fixed income, government bond yields decreased as a result of reduced inflationary pressures across most regions.

In the US, the Federal Reserve raised the policy rate by 25 basis points in both February and March in an environment where inflation was cooling, potentially indicating the end of the increasing cycle. The brief market turbulence that came after the SVB fiasco did not impede the optimism of investors, who drove stocks higher for the quarter with the tech sector having some of the strongest gains. The Fed also reassured investors of their confidence in the US banking system which resulted in the S&P500 increasing by 7.0% and the Nasdaq +16.8% over the quarter.

In Europe, the Eurozone experienced strong gains, headlined by the information technology, consumer discretionary, and communication services sectors. The financial sector faced a period of instability after the collapse of SVB, and a week later the Swiss authorities were forced to broker a deal for UBS to acquire troubled Credit Suisse. Despite these challenges, the eurozone financial industry recorded positive growth for the quarter, with Credit Suisse's issues considered to be under control. The FTSE increased by +2.4%, the CAC 13.1%, and the DAX by 12.3%.

In Asia, Japanese quarterly earnings were mixed, with exporters having a difficult time due to yen appreciation, with the slowdown in production mainly affecting the technology sectors. Asia ex Japan equities were positive, with Taiwan, Singapore, and South Korea leading the way. China saw strong gains due to loosened Covid restrictions, with other countries rebounding later in the quarter. The Shanghai Composite posted +5.9%, the Hang Seng +3.1%, and the Nikkei +7.5%.

In Australia, recent evidence has indicated that inflation has peaked in Australia, with the year-on-year inflation rate for February dropping to 6.8%. The housing market remains a key factor in inflationary pressures, which appears to have reached a state of stabilization with house prices increasing by only 0.6% in March. The labour market remains tight and is robust with the participation rate high and the unemployment rate sitting at 3.5%. Retail sales in February were up by 0.2%, however the overall trend is one of deceleration.

The ASX All Ordinaries posted +2.1% for the quarter, ASX 200 +2.0%, the Midcap 50 -1.2%, and the Small Ordinaries was +0.9%, respectively. The AUD struggled during the quarter, posting -1.9% against the US Dollar (66.9 US cents), -3.8% against the Pound (54.2 pence), and -3.2% against the Euro (61.7 cents).

### PORTFOLIO CHARACTERISTICS (as at 31 March 2023)

NTA (before tax on unrealised gains) – total	\$35,031,986
NTA (before tax on unrealised gains) – per share	326.7 cents

# GLOBAL MASTERS FUND LIMITED

MARCH 2023

## FUND MANAGER

EC Pohl & Co Pty Ltd  
ABN 68 154 399 916  
Level 12, Corporate Centre One  
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AUSTRALIA

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[www.ecpohl.com](http://www.ecpohl.com)

## 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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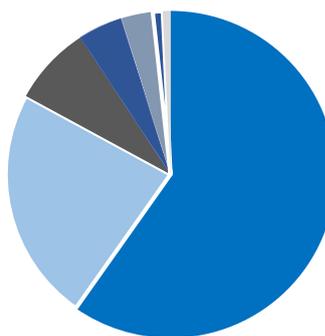


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## PORTFOLIO ALLOCATION – as at 31 March 2023

GFL Investment Portfolio	%
Berkshire Hathaway (NYSE) (BRK)	59.74%
ECP Global Growth Fund	23.22%
UK Managed Portfolio (LSE)	7.83%
Flagship Investments Limited (ASX) (FSI)	4.41%
BIP BCI Worldwide Flexible Fund Class B	3.08%
Unlisted Unit Trusts	0.97%
Cash	0.75%

## ALLOCATION



- BRK
- ECP Global Growth
- UK Managed Portfolio (LSE)
- FSI
- BIP BCI
- Unlisted Unit Trusts
- Cash

## NTA\* BACKING LAST 5 YEARS

NTA Backing* as at	Cents per share
31 March 2023	326.7 cents
31 March 2022	331.5 cents
31 March 2021	277.1 cents
31 March 2020	233.8 cents
31 March 2019	231.6 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. New interviews with the Company and stockbrokers can be found on the Company website, youtube and social media pages.

For further information including about other upcoming events please contact the Company at [info@globalmastersfund.com.au](mailto:info@globalmastersfund.com.au) or call +61 7 5644 4400 or 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](http://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 <sup>2</sup>	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 <a href="http://www.asx.com.au">www.asx.com.au</a> and Quarterly Reports, Half-Yearly and Annual Reports on <a href="http://www.globalmastersfund.com.au">www.globalmastersfund.com.au</a>
Auditor	Connect National Audit Pty Ltd
Registry	Boardroom Pty Limited 1300 737 760 OR <a href="mailto:enquiries@boardroomlimited.com.au">enquiries@boardroomlimited.com.au</a>

Share price and NTA [www.asx.com.au](http://www.asx.com.au) and [www.globalmastersfund.com.au](http://www.globalmastersfund.com.au)

<sup>1</sup> 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](http://www.independentresearch.com.au)

<sup>2</sup> Calculated in accordance with ASX defined terms as at 30 June 2022.