

GLOBAL MASTERS FUND LIMITED

SHAREHOLDERS' QUARTERLY REPORT

SEPTEMBER 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⁺¹

DIRECTORS

Murray d'Almeida
Non-Executive Chairman

Jason Pohl
Executive

Angela Obree
Non-Executive

INVESTMENT MANAGER

Dr Emmanuel (Manny) C Pohl AM
Managing Director

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 374.1 cents per share, a 4.1% increase from 30 June 2023.

INVESTMENT PERFORMANCE (as at 30 September 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 [^]	4.1%	26.7%	15.6%	10.3%	13.2%	8.8%
ASX All Ordinaries Index (All Ords)	-2.1%	8.5%	6.5%	2.8%	3.3%	1.9%
MSCI Index (AUD)	-0.4%	19.3%	10.3%	8.0%	10.3%	7.5%
MSCI Index (USD)	-3.8%	20.0%	6.4%	5.5%	6.3%	4.3%

[^] 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 +2.6% for the quarter. The GFL share price has posted +16.5%, with the underlying portfolio delivering +6.2% above the ASX All Ordinaries Index.

ECONOMIC COMMENTARY

In September, markets echoed 2022's challenges when fixed income didn't shield investors. While 2023's economic indicators hint at a shift from last year's inflation-driven concerns, bond yields reflect fears of sustained high central bank rates. Although commodity prices, especially oil, showed promise, they also introduced risks like potential short-term inflation. With the U.S. economy's trajectory uncertain, active investors find opportunities in the current global growth and valuation divergences.

In the US, despite the optimism that the Federal Reserve had orchestrated an economic soft landing, US equities faced a challenging Q3. Enthusiasm over the end of the policy tightening rates waned as the reality of a prolonged period of higher rates set in. The US labour market showed strength, rising incrementally to 3.8%, while the manufacturing indicators highlighted a cooling US economy. The S&P500 posted -3.7%, while the Nasdaq posted -4.1% over the quarter.

In Europe, Eurozone equities navigated rough waters in Q3, primarily due to concerns about the adverse effects of interest rate hikes on economic growth. However, late-quarter data brought a silver lining, revealing a drop in Eurozone inflation to a two-year low of 4.3%. Contrary to the trends seen in the US and Eurozone, UK equities experienced a positive trajectory in Q3 aided by the falling currency. Further, signs of heightened UK consumer confidence and speculation around peak base interest rates contributed to this revival. The FTSE increased by +1.0%, the CAC by -3.6%, and the DAX by -4.7%.

In Asia, Japan's equity market demonstrated resilience, buoyed by a weakened yen and robust domestic demand. However, a clear split emerged between growth and value stock performances, signaling a significant market shift. Meanwhile, broader Asian markets struggled in Q3, with heightened concerns over China's economic stability and broader global growth uncertainties. The Shanghai Composite posted -2.9%, the Hang Seng -5.9%, and the Nikkei -4.0%.

In Australia, equities outperformed several global indices. Australia's inflation rose to 5.2% (year on year) in August, influenced by surging energy and food prices, though core inflation, excluding these volatile categories, dipped to 5.5%. The unemployment rate remained at 3.7%, with an impressive addition of 65,000 jobs and a slightly higher participation rate of 67.0%. House prices surged by 6.6% since January 2023, nearing their peak.

The ASX All Ordinaries posted -2.0% for the quarter, ASX 200 -2.1%, and the Small Ordinaries -2.9%, respectively. The AUD struggled during the quarter, posting -3.5 % against the US Dollar (64.3 US cents), +0.5% against the Pound (52.7 pence), and -0.4% against the Euro (60.9 cents).

PORTFOLIO CHARACTERISTICS (as at 30 September 2023)

NTA (before tax on unrealised gains) – total	\$40,117,371
NTA (before tax on unrealised gains) – per share	374.1 cents

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SEPTEMBER 2023

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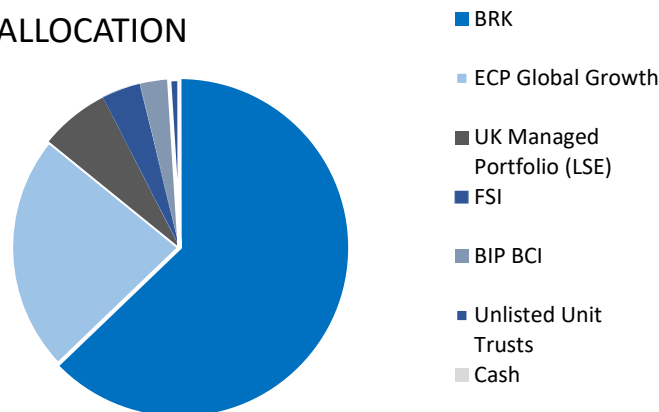


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PORTFOLIO ALLOCATION – as at 30 September 2023

GFL Investment Portfolio	%
Berkshire Hathaway (NYSE) (BRK)	62.83 %
ECP Global Growth Fund	23.02 %
UK Managed Portfolio (LSE)	6.63 %
Flagship Investments Limited (ASX) (FSI)	3.76 %
BIP BCI Worldwide Flexible Fund Class B	2.77 %
Unlisted Unit Trusts	0.97 %
Cash	0.02 %

ALLOCATION



NTA* BACKING LAST 5 YEARS

NTA Backing* as at	Cents per share
30 September 2023	374.1 cents
30 September 2022	288.8 cents
30 September 2021	308.3 cents
30 September 2020	244.9 cents
30 September 2019	248.2 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 articles and interviews can be found on the Company website, YouTube and other social media pages. For further information including about other upcoming events the Company is participating in, please contact the Company at 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 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	0.14%
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 2023.