

#### **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

### **COMPANY SECRETARY**

Scott Barrett

# **COMPANY DETAILS**

Global Masters Fund Limited ABN 84 109 047 618 Level 12, Corporate Centre One 2 Corporate Court BUNDALL QLD 4217 AUSTRALIA

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# **GLOBAL MASTERS FUND LIMITED**

# SHAREHOLDERS' QUARTERLY REPORT

**MARCH 2024** 

#### **OVERVIEW**

During the quarter, Global Masters Fund Limited's (ASX: GFL) Net Tangible Asset (NTA) value (before estimated tax on unrealised gains), increased to 454.6 cents per share, a 21.8% increase from 31 December 2023.

## **INVESTMENT PERFORMANCE** (as at 31 March 2024)

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^	16.3%	32.5%	16.5%	14.6%	13.5%	9.5%
ASX All Ordinaries Index (All Ords)	4.1%	10.6%	5.1%	5.4%	4.2%	2.5%
MSCI Index (AUD)	13.3%	26.3%	12.5%	12.2%	11.3%	8.3%
MSCI Index (USD)	8.5%	23.2%	6.9%	10.3%	7.5%	5.3%

<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, Berkshire Hathaway (NYSE: BRK), posted +16.9%. The GFL share price has posted +3.8%, with the underlying portfolio posting +16.3% for the quarter. Notably, the ECP Global Growth Fund posted +10.0%, while the UK-managed portfolio posted +0.5% in AUD.

### **ECONOMIC COMMENTARY**

In 2024, global stock markets demonstrated robust gains, buoyed by a resilient US economy and expectations of interest rate cuts, though the pace of cuts may be slower than initially anticipated. Central banks moved closer to initiating rate cuts, contributing to declining government bond yields. Despite this backdrop of a "steady as she goes" seeking a soft landing, concerns persist regarding current valuations across equities and credit markets, where the focus remains on corporate profitability and investment resilience through these economic cycles.

In the US, equities experienced robust gains in Q1, supported by strong corporate earnings across various sectors, particularly in communication services, energy, information technology, and financials. While the Federal Reserve exercised caution regarding rate adjustments, data releases showcased the economy's resilience, with solid GDP growth and indicators pointing to expansion. Further, Presidential primaries during the quarter solidified Donald Trump's position as the presumptive nominee of the Republican Party. The S&P 500 posted +10.2%, while the Nasdaq posted +9.1% over the quarter.

In Europe, equities surged, buoyed by signs of improving business activity in the Eurozone, despite cautious remarks from ECB President Christine Lagarde reflecting concerns over continued inflation. In the UK, market sentiment leaned towards anticipating earlier interest rate cuts despite the Bank of England maintaining its policy rate at 5.25%. Annual inflation moderated, and the economy navigated a technical recession, with the UK economy attracting notable overseas inbound bid activity, especially among smaller and mid-sized companies. The FTSE increased by +2.8%, the CAC by +8.8%, and the DAX by +10.39%.

In Asia, equities displayed mixed performance in the first quarter. Japanese equities witnessed a remarkable surge during the first quarter, with foreign investors playing a pivotal role in propelling this rally, driven by growing optimism surrounding Japan's economic cycle marked by modest inflation and wage growth. The Nikkei reached a historic high, surpassing 40,000 yen. In contrast, concerns over China's economic growth and the real estate crisis weighed on Chinese markets, resulting in modest losses. The Shanghai Composite posted +2.23%, the Hang Seng -3.0%, and the Nikkei +20.6%.

In Australia, equities performed robustly across all sectors in the first quarter, supported by gains in real estate, healthcare, materials, and IT. Despite sluggish economic growth, the Reserve Bank of Australia (RBA) opted to maintain its interest rate at 4.35%, citing persistent inflation worries amidst weakening business conditions. The housing market remained resilient, with prices rising, supported by positive net migration and supply dynamics.

The ASX All Ordinaries posted +4.1% for the quarter, ASX 200 +4.0%, and the Small Ordinaries +6.6%, respectively. The AUD depreciated during the quarter, posting -4.4% against the US Dollar (65.1 US cents), -3.5% against the Pound (51.6 pence), and -2.2% against the Euro (60.4 cents).

# PORTFOLIO CHARACTERISTICS (as at 31 March 2024)

NTA (before tax on unrealised gains) – total NTA (before tax on unrealised gains) – per share \$48,742,980 454.6 cents

# **MARCH 2024**

### **FUND MANAGER**

EC Pohl & Co Pty Ltd ABN 68 154 399 916 Level 12, Corporate Centre One 2 Corporate Court BUNDALL QLD 4217 **AUSTRALIA** 

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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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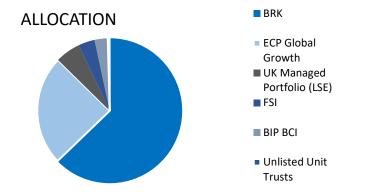


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### PORTFOLIO ALLOCATION - as at 31 March 2024

GFL Investment Portfolio	%
Berkshire Hathaway (NYSE) (BRK)	62.79 %
ECP Global Growth Fund	24.56 %
UK Managed Portfolio (LSE)	5.64 %
Flagship Investments Limited (ASX) (FSI)	3.65 %
BIP BCI Worldwide Flexible Fund Class B	2.93 %
Unlisted Unit Trusts	0.39 %
Cash	0.04 %



## NTA\* BACKING LAST 5 YEARS

NTA Backing* as at	Cents per share
31 March 2024	454.6 cents
31 March 2023	326.7 cents
31 March 2022	331.5 cents
31 March 2021	277.1 cents
31 March 2020	233.8 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 <sup>2</sup>	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	Augmented Audit Co 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

- 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
- Calculated in accordance with ASX defined terms as at 30 June 2023.