

GLOBAL MASTERS FUND LIMITED
2014 Annual General Meeting
Thursday 23 October 2014
CHAIRMAN'S ADDRESS

Welcome to the ninth (9th) Annual General Meeting of Global Masters Fund Limited.

This past year has been one where your company by 30 June 2014 has seen an improved NTA by approximately 12 % over the previous year. In addition the Company has shown a pre-tax profit of \$70,314. This is the best result since inception in 2006. The value of the Company's investment in Berkshire Hathaway in US dollar terms increased by 13% and the price per share of the Company's investment in Athelney Trust plc., listed on the London Stock Exchange, increased by 66 % over the previous year. The investment in Flagships Investment Limited (FSI), which is listed on the ASX increased in price per share by 18 % at 30 June 2014, compared to the previous year end. Athelney and FSI paid dividends of 2.05 % and 4.33 % respectively. These percentages are affected by the share price increases shown above.

Your Company has maintained its policy of not hedging its foreign currency exposure largely because it is felt that investors are seeking international exposure through the investments in Berkshire Hathaway and Athelney and this carries with it a currency diversification. The Board has always acknowledged that, despite the global reach of the foreign investments, there is currency exposure that may increase the volatility of the Company's NTA and share price. In recent months the fall in the Australian dollar has served to improve the value of your investments reversing some of the losses when the currency was rising. Currency movements are the most difficult to predict as there are so many interlocked dynamics. For some time the value of the Australian currency was being boosted by a combination of the mining boom and the higher interest rates, which encourage the *carry trade*, with rising expectations of higher interest rates overseas this is likely to be reversed. Whilst I would hesitate to opine on the currency movements in this financial year I do feel more confident in stating that the outlook for Berkshire Hathaway and Athelney Trust looks positive for the next year.

For the benefit of new shareholders, your Company was listed on the ASX on 16 May 2006 with the intention of creating an internationally diversified portfolio with the majority of the Company's assets invested in Berkshire Hathaway. It is well known that Berkshire Hathaway does not pay dividends but rather reinvests its earnings back into the company. Over the last 9 years the capital growth of the Berkshire Hathaway shares has been good but in some years has been overshadowed by the continued and sustained strength of the Australian dollar. In the past year the company enjoyed both capital and foreign exchange gains because of Berkshire Hathaway shares upward trend on the NYSE and the fall in the value of the AUD compared to the previous year. In line with the strategy commenced a couple of years ago, in order to pay the on-going costs of running a listed company on the ASX, the board has maintained some assets invested in Australia to generate cash. The results of the company this year are very pleasing and have demonstrated the wisdom of this strategy. It is noted that both Athelney and FSI do pay significant dividends to shareholders.

In addition to the focus of maintaining the investment in Berkshire Hathaway as the largest single asset of the Company, combined with the Athelney Trust Investments that provide an exposure to smaller business mainly in the UK, and the FSI Investment in Australia. Your Board will, in line, with the initial prospectus, continue to seek alternative ways of improving shareholder value and further diversify investments within the constraints of the Company's constitution.

I would like to thank my fellow directors and the company secretary for their on-going efforts during the last year.

In particular I thank you the shareholders of Global Masters for your continuing support.



JONATHAN L ADDISON
CHAIRMAN
23 October 2014