

# GLOBAL MASTERS FUND LIMITED

## Chairman's Address – Annual General Meeting

Wednesday 11 November 2015

Ladies and Gentlemen, I welcome you to the 10<sup>th</sup> Annual General Meeting of our Company.

### The 2014/15 Financial Year

The Company was listed on the ASX in 2006 and over the last 10 years despite strong headwinds at times has grown in value. The Net Tangible Asset (NTA) value per share of the Company at 31 October 2015 was 179.96 cents before taking into account tax on unrealised gains in the portfolio of investments. This represents an increase in value of 26.58 % since 30 June 2014 and 8 % in the 4 months since 30 June 2015. The value of the Company's investments in Berkshire Hathaway on the New York Stock Exchange, Athelney Trust plc., listed on the London Stock Exchange and Flagships Investment Limited (FSI) listed on the ASX continue to perform well. 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. During the last financial year the fall in the Australian dollar has served to improve the value of the 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.

### The Year Ahead

The opening sentence in a recent Buttonwood article in the Economist states:

*When a canary stops singing, it is worth a sidelong glance. When whole flocks of birds keel over, it is time to be alarmed. The warning signs in the financial markets and the global economy are mounting.*

Although the Australian equity market continues to be impacted by the downturn in the resources sector and the slowing growth in the Chinese economy, your board remains optimistic. In addition to the focus of maintaining the investment in Berkshire Hathaway as the largest single asset of the Company, the combination of investments in the Athelney Trust and Flagships has proved very successful and they have been good for the dividend income received as well.

The article mentioned before concludes that:

*It all seems to be a very odd time for the Fed to be thinking of pushing up rates.*

I look forward to your continued support and all shareholders will be kept advised of any developments as they occur.

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.

### **Our Service Providers**

ECP Asset Management, led by Manny Pohl (Chief Investment Officer) and who has a long and successful track record in investment management, manages the portfolio of investments of the Company. Your board believes that the investment philosophy implemented is sound and the performance to date demonstrates this.

Our auditor is Mr Joe Pien and I want to place on record our sincere appreciation for the service that Joe has provided.

Also thanks to our Registry services provider Boardroom Pty Limited.

### **The Board**

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

### **Concluding Remarks**

I look forward to your continued support and I look forward to another good year for the Company. I thank our loyal shareholders for their continuing support for the Company.

A handwritten signature in black ink, appearing to read 'J L Addison', with a long horizontal flourish extending to the right.

Jon Addison  
Chairman

11 November 2015