

OBJECTIVE

Long-term capital growth by investing in UK & US markets

FEES

Management fee – Nil Performance fee – Nil

COUNTRIES WHERE LISTED

Australian Securities Exchange: May 2006

STOCK EXCHANGE CODE

ASX: GFL

DIRECTORS

Jonathan Lancelot Addison (Snr)
Chairman

Dr Emmanuel (Manny) C Pohl Patrick Corrigan AM

AUDITOR

Joe Pien

REGISTRY

Boardroom Pty Ltd

LEGAL DOMICILE

Australian Securities Exchange (ASX) Listed Investment Company (LIC)

Global Masters Fund Limited

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GLOBAL MASTERS FUND LIMITED

MARCH 2016

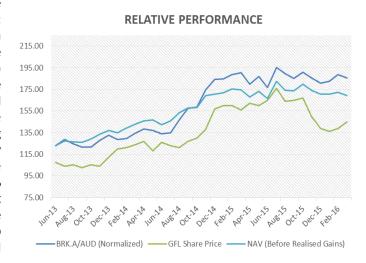
SHAREHOLDERS' QUARTERLY REPORT

OVERVIEW

Global Masters Fund Limited posted a 0.53% decline in its Net Tangible Asset Value (NTA) during the quarter with the share price increasing by 4.32% to close at 145 cents per share. The NTA over the twelve months to 31 March 2016 decreased by 0.52% and by comparison, the All Ordinaries Index posted a decline of 12.1% over the same period.

PERFORMANCE SUMMARY

the During quarter the (NYSE: Berkshire Hathaway BRK) share price posted a +7.91% improvement while Athelney Trust (LSE: ATY) declined by 10.42% over the quarter, closing at 215 cps. All the base currency returns were impacted on by a strengthening AUD which rebounded by quarter-end against both the USD and GBP posting a +5.03% and +7.76% improvement during the quarter. The investment in **Flagship** Investments (ASX: FSI) declined by 2.46%.



ECONOMIC COMMENTARY

The global economy is continuing to grow, albeit at a slightly slower pace than predicted and while several advanced economies have recorded improved growth over the past year, conditions have become more difficult for a number of emerging market economies with China's growth rate continuing to moderate.

During the quarter under review, financial markets once again exhibited increased volatility on the uncertainty around the global economic outlook and US and European economic policy pronouncements. Appetite for risk has diminished reducing the availability of funding for emerging market sovereigns and lesser-rated corporates. However, funding costs for high-quality borrowers remains low and globally, monetary policy remains remarkably accommodative. The US Federal Reserve Bank raised their interest rate once during the past year and growth slowed sharply. This would suggest that rates are on hold for now, which takes a lot of the downside pressure off the equity market.

The outcome of the US presidential election is likely to have considerably different outcomes for the market. Trump's policies on trade and taxation are likely to invite international retaliation, and the tax program is both deeply unfunded and regressive. Hillary has big business, especially large pharmaceuticals in her sights while Bernie Sanders has openly declared war on the big financials on Wall Street. During the March quarter the S&P500 improved by +0.77%, reducing the overall decline over the past twelve months to 0.39%; the NASDAQ posted a decline of 2.75% and 0.63% over the same respective periods and the Dow Jones Index declining by 0.51% over the same twelve month period.

Europe's economy remained relatively stagnant over the year, struggling with low inflation, large numbers of refugees and political turmoil with member-states. The markets reversed the previous up-trend with the German DAX posting a 7.24% decline during the quarter and the FTSE declining by 1.08%. The EUR declined 4.84% against the USD.

In Australia the All Ordinaries Index declined by 3.61% during the quarter, with an overall decline of 12.1% over the past twelve months.

INVESTMENT PERFORMANCE (as at 31 March 2016)

Quarterly Return (US)		
Berkshire Hathaway	+7.91%	
S&P 500	+0.77%	

Total Net Market Value of GFL Assets	
\$14,578,176 or 169.9 cents per share	

Quarterly Return (AUS)		
Global Masters	+4.32%	
ASX All Ords	-3.61%	