

U.S. MASTERS HOLDINGS LIMITED
ABN 052 123 930

Appendix 4E

Preliminary Final Report
For the year ending 30 June 2009

Results for announcement to the market			30 June 2009 S'000s	30 June 2008 S'000s
Revenues from ordinary activities	Down	38.4%	(173)	61
Profit/(loss) from ordinary activities after tax attributable to members	Down	5925%	(241)	(4)
Net profit/(loss) for the year attributable to members	Down	5925%	(241)	(4)

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend	NIL	NIL
Interim dividend	NIL	NIL

U.S. MASTERS HOLDINGS LIMITED**Review of Operations****For the year ended 30 June 2009**

Expressed in U.S. Dollars

The net asset value of U. S. Masters Holdings Limited was \$747,303 as at 30 June 2009.


The net asset value per share was \$0.31 as at 30 June 2009.

The loss for the year was \$241,268, a loss of 32.29% as a percentage of net assets.

There was no dilution and no share buybacks during the year.

The expenses associated with operating the Fund continued to be the most significant feature contributing to the operating performance, as well as the decline in the U.S. Stock Market.

The fund has been invested in equities up to 100% of assets during the period. We have recently been using a trading model that has produced returns historically to attempt to capture profits from swings in market volatility. Also, shares of selected companies have been purchased when a significant price decline occurs, due to factors we believe to be relatively temporary.



J. Randolph Updyke
Investment Advisor
Director

U.S. MASTERS HOLDINGS LIMITED

Directors' Report for the year ended 30 June 2009 Expressed in U.S. Dollars

The directors present their report together with the financial statements of U.S. Masters Holdings Limited (the "Fund") for the financial year ended 30 June 2009.

Board of Directors

J. Randolph Updyke B.A. P.R.L. (CEO) - Director since January 1991.

Mr Updyke has been engaged in the investment advisory business for over twenty-five years. He is general partner and investment advisor of Updyke Associates, an investment partnership.

M. Carol Updyke - Director since April 1999.

Mrs Updyke is a principal of the Clayworks, a pottery operation in Charleston, South Carolina.

Hubert R. Marleau (Chairman) - Director since May 1998

Mr Marleau is president of Palos Capital Corporation.

Corporate Governance

The board of directors of the Fund are as stated above.

The criteria for board membership and the selection of appropriate members of the board is considered by the board itself. Election and rotation of directors is governed by the Articles of Association of the Fund.

Directors have the right to seek independent professional advice in the furtherance of their duty, and this may be at the Fund's expense, subject to prior approval by the board.

The board has no remuneration, audit or other committees as, given the size of the Fund and board, this is not thought appropriate.

The board reviews risks associated with the Fund and implements procedures to manage such risks. It develops policies regarding the establishment and maintenance of appropriate ethical standards.

Audit Committee

The Fund does not have an audit committee as at the date of this directors' report. Given the size of the Fund and the board, a separate committee cannot be justified on a cost benefit analysis or otherwise.

Corporate Governance Principles Recommendations of the Australian Stock Exchange Corporate Governance Council 2nd Edition 2007

The board of the Fund aspires to the highest standard of corporate governance. However the Fund has on issue (not including shares held as treasury stock) only 2,429,826 shares and a total net tangible assets of less than US\$1million. The business of the Fund is investment in securities. The

U.S. MASTERS HOLDINGS LIMITED

Directors' Report (continued) for the year ended 30 June 2009 Expressed in U.S. Dollars

income returned from that investment has in the last two years been insufficient to cover costs including listing fees, audit and legal fees and this notwithstanding that:

- In 2007/8 the Fund paid directors fees of only US\$2,500 and in 2008/9 US\$2,500.
- Mr Updyke who has the investment mandate from the Fund has waived management fees, effective since 1 July 2004.

It is not regarded as practical to seek to increase the size of the board.

With a Board of only 3 members appointments of committees would not seem to advance the principles of the ASX Corporate Governance Council. Further, the implementation of certain of Best Practice recommendations involve the expense of formulating, for example codes, which again would not in the circumstances advance the principles. The directors know one another well and are satisfied with each other's probity. They are well aware of and know the others to be aware of their responsibilities as directors and generally including times when they cannot deal in shares. They periodically monitor and evaluate their performance as a board and individually.

The Fund has no employees or management apart from the Board.

Mr J Randolph Updyke is the only non independent Director.

The Fund has not yet followed the following recommendations for the reasons given above.

Principle 1

Recommendations 1.1 (Respective roles and responsibility of board and management) and 1.2 (Process for evaluating the performance of senior executives)

Principle 2

Recommendations 2.4 (Nomination committee) and 2.5 (Evaluation of performance)

Principle 3

Recommendations 3.1 (Code of conduct) and 3.2 (Trading policy)

Principle 4

Recommendations 4.1, 4.2 and 4.3 (Audit committee)

Principle 5

Recommendation 5.1 (Written policies compliance ASX Listing Rules)

Principle 6

Recommendation 6.1 (Additional shareholder communication)

Principle 7

Recommendations 7.2 (Require management to design and implement risk management) and 7.3 (Section 295A CEO assurance)

Principle 8

Recommendations 8.1 and 8.2 (Remuneration committee)

U.S. MASTERS HOLDINGS LIMITED

Directors' Report (continued)
for the year ended 30 June 2009
Expressed in U.S. Dollars

Principal Activity

The principal activity of the Fund during the financial year was investment, and no significant change in the nature of that activity has occurred during the year.

Result

The operating loss of the Fund after income tax for the year was \$241,268 (2008: loss: \$4,335).

Dividends

No dividends were paid during the year and no dividend is recommended.

Significant Changes in State of Affairs

During the year, the Fund purchased Nil (2008: Nil) shares pursuant to its buy-back programme. At the balance sheet date, the number of shares held in treasury as a result of the share buy-back programme was 50,606,684. This scheme has ceased and is no longer effective.

A resolution was passed on the 19 August 2008 that amends the Memorandum and Articles of Association. The authorised share capital of 2,000,000,000 Ordinary shares of \$0.50 par value each has been reduced to 1,000,000,000 Ordinary shares of \$0.50 par value each.

Significant Post Balance Sheet Events

No event has occurred since the balance sheet date that will materially affect the operations of the Fund in future years.

Directors' Benefits and Interests in Contracts or Proposed Contracts with the Fund

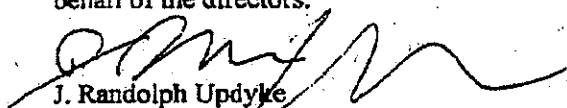
Since the end of the previous financial year, no director of the Fund has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of directors' remuneration shown in the financial statements, by reason of a contract made by the Fund or a related corporation with a director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

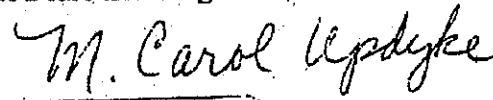
Directors' Interests in Shares of the Fund

	Beneficial	Non-Beneficial
Mr J.R. Updyke	1,182,450	-
Mrs M.C. Updyke	169,100	-

Currency and Rounding

The financial statements are expressed in U.S. Dollars and have been rounded to the nearest thousand Dollars. This report is made in accordance with a resolution of the Board and is signed for and on behalf of the directors.


J. Randolph Updyke
Director


M. Carol Updyke
Director

U.S. MASTERS HOLDINGS LIMITED

**Statement of Operations and Accumulated Deficit
for the year ended 30 June 2009
Expressed in thousand of U.S. Dollars**

	Note	2009 \$000	2008 \$000
Investment income			
Net realised (loss) /gain on sale of investments		(139)	39
Net change in unrealised gain on investments	3	(39)	5
Interest and dividend income (net of withholding taxes)	4	5	17
Total investment income		<u>(173)</u>	<u>61</u>
Expenses			
Directors' fees		3	3
Legal and professional fees		64	56
Sundry expenses		1	6
Total expenses		<u>68</u>	<u>65</u>
(Loss)/profit for the year		(241)	(4)
Opening accumulated deficit		(11,881)	(11,877)
Closing accumulated deficit		<u>(12,122)</u>	<u>(11,881)</u>
Profit/(loss) per share (Dollars)		<u>(0.10)</u>	<u>Negligible</u>

The Fund has no recognised gains or losses in the year other than those passing through the Statement of Operations and Accumulated Deficit presented above.

U.S. MASTERS HOLDINGS LIMITED

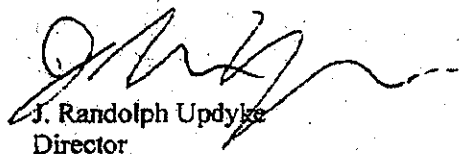
Statement of Net Assets and Shareholders' Interests

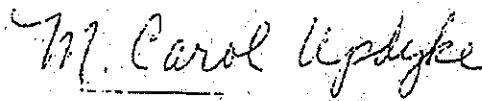
At 30 June 2009

Expressed in thousands of U.S. Dollars

	Note	2009 \$000	2008 \$000
Assets			
Cash and cash equivalents		436	309
Investments		329	713
Other Assets		4	3
Total assets		<u>769</u>	<u>1,025</u>
Liabilities			
Accrued expenses		21	36
Total liabilities		<u>21</u>	<u>36</u>
Net assets		<u>748</u>	<u>989</u>
Total shareholders' interests			
2,429,826 (2008:2,429,826) ordinary shares			
with a par value of \$0.50 per share	5	1,215	1,215
Share premium reserve	6	11,655	11,655
Accumulated deficit		(12,122)	(11,881)
Total shareholders' interests		<u>748</u>	<u>989</u>
Net asset value per share (Dollars excluding treasury stock)		<u>0.31</u>	<u>0.41</u>

The financial statements on pages 4 to 13 were approved by the Board of Directors and signed on 28th August 2009 on their behalf by:


J. Randolph Updyke
 Director


M. Carol Updyke
 Director

U.S. MASTERS HOLDINGS LIMITED

Statement of Cash Flows

for the year ended 30 June 2009

Expressed in thousands of U.S. Dollars

	2009	2008
	\$000	\$000
Operating activities		
Purchase of investments	(2,479)	(1,333)
Proceeds from sale of investments	2,685	1,340
Interest and dividends received	5	15
Expenses paid	(84)	(48)
Cash flows from operating activities	<u>127</u>	<u>(26)</u>
Net increase/(decrease) in cash and cash equivalents	<u>127</u>	<u>(26)</u>
Cash and cash equivalents at beginning of year	309	335
Cash and cash equivalents at end of year	<u>436</u>	<u>309</u>
Cash and cash equivalents comprise:		
Money market funds	436	309
Cash and cash equivalents	<u>436</u>	<u>309</u>

U.S. MASTERS HOLDINGS LIMITED

Statement of Investments

at 30 June 2009

Expressed in thousands of U.S. Dollars

	Nominal	Market Value \$'000	Average Cost \$'000
Equities			
Winmill & Co Inc-CL A	2,000	4	3
Greyhawk Partners Fund	27,985	45	39
Alliance Bernstein Holding LP	600	12	11
Berkshire Hathaway Inc	8	23	31
Eaton vance corp-non vtg	200	5	5
Financial select sector SPDR	1,100	13	10
Invesco LTD	1,200	21	19
Ishares dj us pharma index F	200	9	8
Ishares dj us regional banks	400	7	7
Ishares tr dow jones us broker-dealers index fd	200	5	4
Legg Mason Inc	400	10	8
Orient Express Hotels Ltd -A	1,100	10	8
Proshares Ultradow 30	400	12	11
Proshares Trust	900	34	28
Saks Inc	500	2	2
Sotheby's Holdings Inc CL	1,800	25	21
Franklin Resources Inc.	300	22	15
Janus Capital Group Inc	2,000	23	17
KBW Bank ETF	600	11	11
T Rowe Price Group Inc	300	13	8
Thai Fund Inc	1,000	8	6
US Global Investors Inc -C	1,000	9	6
Proshares Trust Ultra S&P500	200	5	5
Wilmington Trust Corp	100	1	2
Total Equities/Marketable Securities		<u>329</u>	<u>285</u>

U.S. MASTERS HOLDINGS LIMITED

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009
Expressed in thousands of U.S. Dollars

1. THE FUND

(a) General information

U.S. Masters Holdings Limited (the "Fund") was incorporated under the laws of the British Virgin Islands on 14 May 1990 under the International Business Companies Act (Cap. 291). The liability of the members is limited by shares. The Fund maintains its Registered office in the British Virgin Islands. The Fund is a closed-end investment company.

The financial statements are presented in thousands of United States Dollars.

The Fund was formed as an investment company to permit shareholders to participate in the accumulation of capital on a pooled basis from the professionally managed trading of predominantly United States investments.

(b) Investment advisory fees

Under the terms of an Investment Advisory Agreement dated 1 January 1998, J. Randolph Updyke has agreed to provide investment advisory services to the Fund.

As compensation for his services, J. Randolph Updyke receives from the Fund:

- i) a management fee payable semi-annually equal to 0.5% (1% annualised) of the Fund's Net Asset Value at the end of such semi-annual period; and,
- ii) an incentive fee payable equal to 20% of the appreciation, if any, in Net Asset Value on a fiscal year basis.

However Mr J. Randolph Updyke has agreed to waive his management fees effective 1 July 2004.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the Fund's financial statements are set out below:

(a) Basis of preparation

The financial statements of U.S. Masters Holdings Limited, have been prepared in accordance with International Financial Reporting Standards. They have been prepared under the historical cost accounting convention and, except where stated, do not take into account changes in either the general purchasing power of the Dollar or in the prices of specific assets.

The accounting policies have been consistently applied by the Fund and are consistent with those of the previous year.

U.S. MASTERS HOLDINGS LIMITED

Notes to and forming part of the Financial Statements (continued)
for the year ended 30 June 2009
Expressed in thousands of U.S. Dollars

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and brokers with maturities of three months or less.

(c) Investments

Investments are carried at market value. Any increases or decreases in carrying values are recognised in the statement of operations and accumulated deficit as an unrealised gain or loss.

Investments in securities and securities sold short traded on a United States national securities exchange are valued at the last reported sales price on the day of valuation or, if there has been no sale on such exchange on the date on which valuation is being made, then at the mean between the closing bid and asked prices on such exchange on such date.

Securities traded in the over-the-counter market are valued at the last sales price if the security is reported by NASDAQ's System, or, if not reported, at the mean between the last bid and asked prices. Restricted securities and other securities for which quotations are not readily available are valued at fair value as determined in good faith by the Investment Manager.

(d) Investment transactions and income recognition

Investment transactions are accounted for on the trade date (the date on which the order to buy or sell is executed). Gains or losses arising from the sale of investments are determined using the average cost basis. Income from investments is recorded on the accrual basis. Interest income is recorded as earned and dividend income is recorded on the ex-dividend date.

(e) Foreign currency

Transactions in currencies other than the Fund's reporting currency are converted at the rate of exchange ruling at the transaction date. Foreign currency monetary assets and liabilities, other than those covered by forward exchange contracts, are translated at the rate of exchange ruling at the reporting date. Resulting exchange differences are recognised in the result for the year.

U.S. MASTERS HOLDINGS LIMITED

Notes to and forming part of the Financial Statements (continued)
for the year ended 30 June 2009
Expressed in thousands of U.S. Dollars

3. NET CHANGE IN UNREALISED GAIN ON INVESTMENTS

	2009 \$000	2008 \$000
Market value of investments	329	713
Investments at average cost	285	630
Closing unrealised gain on investments	44	83
Opening unrealised gain on investments	83	77
Net change in unrealised (loss)/ gain on investments	(39)	6

4. TAXATION

The Fund is exempt from all forms of taxation in the British Virgin Islands and Australia including income, capital gains and withholding taxes. United States withholding tax has been deducted at source on certain dividends and interest paid, with respect to securities of United States issuers, at the rate of 30% of gross income. There are no other taxes applicable to the Fund.

U.S. MASTERS HOLDINGS LIMITED

Notes to and forming part of the Financial Statements (continued)
for the year ended 30 June 2009
Expressed in thousands of U.S. Dollars

5. SHARE CAPITAL

	2009	2008
	\$000	\$000
Authorised		
1,000,000,000 ordinary shares of \$0.50 par value each	500,000	1,000,000
	<u>500,000</u>	<u>1,000,000</u>
Issued and fully paid		
53,036,510 (2008: 53,036,510) ordinary shares of \$0.50	26,518	26,518
Treasury stock:		
Opening balance (50,606,684 shares, 2008: 50,606,684 shares)	25,303	25,303
Acquired during the year (Nil shares, 2008: Nil shares)	0	0
	<u>25,303</u>	<u>25,303</u>
Closing balance (50,606,684 shares, 2008: 50,606,684 shares)	25,303	25,303
	<u>25,303</u>	<u>25,303</u>
Net share capital (2,429,826 shares, 2008: 2,429,826 shares)	<u>1,215</u>	<u>1,215</u>

Each ordinary share carries the right to one vote at annual and general meetings and is entitled to participate in any dividends or other distributions of the Fund.

6. SHARE PREMIUM RESERVE

	2009	2008
	\$000	\$000
Gross premium on issue of shares	37,965	37,965
Transfer to Redemptive Reserve - 1991	(25,000)	(25,000)
Net premium on purchase of treasury stock	(1,310)	(1,310)
	<u>11,655</u>	<u>11,655</u>
Opening balance	11,655	11,655
Discount on purchase of treasury stock during the year	0	0
	<u>11,655</u>	<u>11,655</u>
Closing balance	<u>11,655</u>	<u>11,655</u>

U.S. MASTERS HOLDINGS LIMITED

Notes to and forming part of the Financial Statements (continued)
for the year ended 30 June 2009
Expressed in thousands of U.S. Dollars

7. TREASURY STOCK

The Fund holds treasury stock in itself which was purchased pursuant to an on-market buy-back scheme on the Australian Stock Exchange.

	2009 \$000	2008 \$000
50,606,684 (2008:50,606,684) ordinary shares at cost	26,613	26,613
	=====	=====

8. RELATED PARTY TRANSACTIONS

The Fund had the following commercial dealings with its directors and their associates:

- (a) One of the directors earned fees of \$2,500 (2008:\$2,500) during the year.
- (b) J. Randolph Updyke and M. Carol Updyke, directors of the Fund, each held 1,182,450 (2008: 1,182,450) and 169,100 (2008:169,100) shares in the Fund, respectively, at the end of the year.

9. CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities of the Fund at the year-end. The Fund has given a guarantee in respect of the creditors of its former subsidiaries as at 9 May 1991 pursuant to the Schemes of Arrangement to redomicile the former group to the British Virgin Islands.

U.S. MASTERS HOLDINGS LIMITED

Notes to and forming part of the Financial Statements (continued)
for the year ended 30 June 2009

Expressed in thousands of U.S. Dollars

10. FINANCIAL INSTRUMENTS

Financial assets of the Fund include cash and cash equivalents, investments and interest and dividends receivable.

Financial liabilities comprise accrued expenses.

Accounting policies for financial assets and liabilities are set out in note 2.

(a) Fair values

The carrying amounts of cash and cash equivalents, interest and dividends receivable and accrued expenses approximate their fair value due to the relatively short period to maturity of these instruments. Investments are carried at market value.

(b) Credit risk

Substantially all securities transactions are cleared through, and held in custody by two financial institutions. The Fund is subject to credit risk to the extent that these institutions may be unable to return the Fund's securities or to repay amounts owed.

Securities Insurance Protection Corporation (SIPC) provides insurance on bank and security balances in the event a U.S. Broker files for bankruptcy, but given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

At the year end there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(c) Interest rate risk

The interest rates on the bonds held are disclosed in the statement of investments. There is an inherent risk that during the period to maturity these rates, to the extent that they are fixed, may be lower than the prevailing market rate.

11. STATUS OF REPORT

This report is based on accounts that have been audited. The auditors' report is attached.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF U.S. MASTERS HOLDINGS LIMITED

Scope

We have audited the accompanying Statement of Net Assets and Shareholders' interests of U.S. Masters Holdings Limited for the year ended 30 June 2009, which comprise the Statement of Investments, Statement of Operations and Accumulated Deficit, Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

It is the directors' responsibility for preparing the accompanying Review of Operations, Directors Report and the financial statements in accordance with applicable law, the Australian Stock Exchange and International Financial Reporting Standards.

Our responsibility is to audit the financial statements in accordance with relevant regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view. We also report to you whether in our opinion the information given in the Directors Report and Review of Operations is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We are not required to form an opinion on the effectiveness of the company's corporate governance procedures or its risk and control procedures.

We read other information contained in the financial statements and consider whether it is consistent with the audited financial statements. The other information comprises the Review of Operations and Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates, if applicable, and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
U.S. MASTERS HOLDINGS LIMITED (CONTINUED)**

Opinion

In our opinion, the financial statements give a true and fair view, in accordance with International Financial Reporting Standards, of the state of the company's affairs as at 30 June 2009 and of its loss for the year then ended. The information given in the Director's report and Review of Operations is consistent with the financial statements.



Churchill & Co.
Chartered Accountants

Date *28 August 2009*