

GLOBAL MASTERS FUND LIMITED

JUNE 2015

SHAREHOLDERS' QUARTERLY REPORT

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

ABN 84 109 047 618

C/- Rothsay Chartered Accountants
Level 1, 12 O'Connell Street
SYDNEY NSW
AUSTRALIA

1300 552 660

Fax: +61 2 9484 8785
info@globalmastersfund.com.au
www.globalmastersfund.com.au

OVERVIEW

Global Masters Fund Limited (ASX: GFL) posted an impressive 13.28% return on its Net Asset Value (After-Tax) during FY15. During the June quarter, the GFL share price increased by 5.77%, closing at 165 cents per share while the NAV declined over the period by 4.5% to 166.52 cents per share at the end of the quarter. This compares with the All Ordinaries Index which declined by 7.01% over the quarter.

PERFORMANCE SUMMARY

During the quarter, Berkshire Hathaway (NYSE: BRK) posted a 5.82% decline while Athelney Trust (LSE: ATY) posted a stellar gain of 14.1%, closing at 222.5 cps. The AUD stabilized at the end of the quarter increasing by 1.3% against the US dollar after declining over the past twelve months. However, the AUD continued to weaken against Pound Sterling, declining for the fifth consecutive quarter. The investment in Flagship Investments (ASX: FSI) declined during the quarter in line with the overall weakness in the Australian market.

ECONOMIC COMMENTARY

After a few years of reasonable returns, global market performance has been lacklustre across most asset classes. The economies of the developed world have performed better than those in emerging markets with the US and European economic data suggesting that they are mid-cycle while the economies of the emerging markets, particularly China, are losing steam. Low interest rates are the norm for most of the developed world, while quantitative easing is still in place in Europe and Japan. The US has had a more positive quarter with consumer spending improving by its largest margin since 2009. The improvement in consumer confidence has been driven by income gains, falling unemployment and low inflation. The S&P500 posted a decline of -0.23% and the Dow Jones Index also posted a 0.88% decline during the quarter.

Volatility in the markets has been largely driven by both Greece, who are continuing to battle their economic woes, and, China who are facing cyclical headwinds as they struggle to deal with slowing economic growth. Investor nervousness worsened when Greece missed a payment on its sovereign debt and was further aggravated when Prime Minister Alexis Tsipras announced a surprise decision to hold a referendum on whether Greece accept further austerity measures there was an increase in market volatility. The German DAX posted a decline of 8.53% after a solid result during the previous quarter; while the FTSE 100 only posted a decline of 3.72%.

Australia is faced with a tougher economic environment as the commodities cycle turns down, causing a decline in national income. However, the depreciating dollar and the historically low interest rate is expected to provide some relief to the economy going forward. After being under pressure for three consecutive quarters, the Australian dollar has steadied during the current quarter to close at 0.771 which was a 1.33% improvement on the previous quarter. By comparison, the All Ords posted a decline of 7.01% following the news and events taking place in Greece and China.

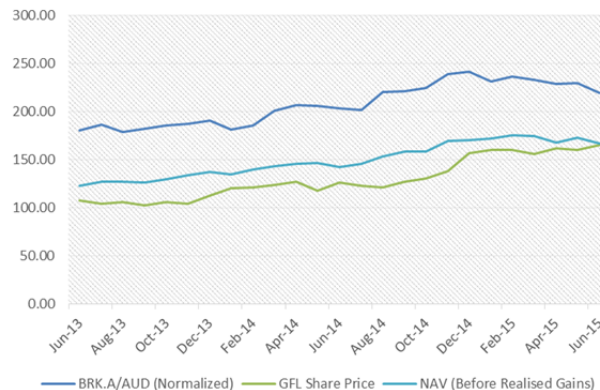
INVESTMENT PERFORMANCE (as at 30 June 2015)

Quarterly Return (USD)	
Berkshire Hathaway	-5.8%
S&P 500	-0.2%

Total Net Market Value of GFL Assets
\$14,283,582 or 166.52 cents per share before deferred tax on unrealized gains

Quarterly Return (AUD)	
Global Masters	5.8%
ASX All Ords	-7.0%

RELATIVE PERFORMANCE



The investment in Flagship Investments (ASX: FSI) declined during the quarter in line with the overall weakness in the Australian market.