

# GLOBAL MASTERS FUND LIMITED

SEPTEMBER 2013 UPDATE

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

Computershare Investor Services Pty  
Limited

## LEGAL DOMICILE

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

## Global Masters Fund Limited

ABN 84 109 047 618

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GLOBAL MASTERS FUND LIMITED

## OVERVIEW

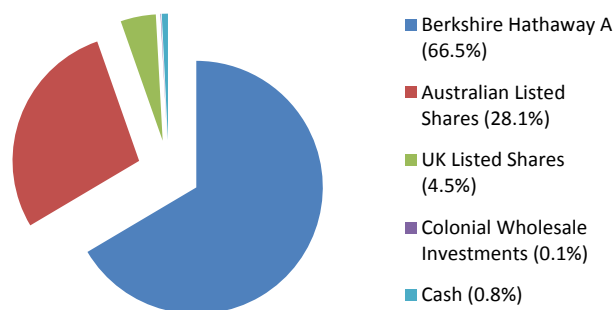
Global Masters Fund Limited (ASX: GFL) underlying portfolio increased during the quarter with the NAV improving by 2.5% versus the return on the All Ordinaries Index of 9.3%.

## INVESTMENT PERFORMANCE

The Net Asset Value (NAV) for GFL was reported to be 125.84 cents per share at 30 September 2013, a 2.5% improvement on the previous quarter's NAV.

In contrast to this, the GFL share price fell 4.6% despite positive results. Berkshire Hathaway posted a slight increase of 1.1% in US\$ terms while the Australian listed investments posted a 4.18% gain. GFL's UK investments proved to be best performer thanks to a 5.1% improvement by quarter-end and a weaker dollar against the GBP that resulted in unrealized currency gains. It would appear that investors have been sitting on the sidelines during this quarter, perhaps due to concerns over the US shutdown and other mitigating factors.

## Asset Allocation



## MARKET COMMENTARY

The Australian market rebounded this quarter and was the top performing market worldwide outside of Europe. As is the case for many of the other regions, an improvement in economic data coupled with a change in Government which brought life back to our market. The All Ordinaries Index posted a significant improvement of 9.3% over the quarter with the Resource sector leading the market with a 15.6% gain. The AUD strengthened against the USD at quarter-end by 2.1%, improving from the previous quarter's large devaluation.

International equity markets had a more positive quarter with the MSCI significantly improving on last quarter's result, posting a 7.7% improvement. The US S&P500 index by comparison increased by only 4.7%. While the improvement in the US market reflected the increased optimism in world economic data, the prospect of the US Federal Reserve tapering its quantitative easing program damped enthusiasm. However, the surprise decision by the US Federal Reserve to delay the tapering triggered a rally in September and equities delivered positive returns at quarter-end. The US government was again dogged by the prospect of a shutdown, which came into effect on 2<sup>nd</sup> October after congress failed to reach a budget deal.

## INVESTMENT PERFORMANCE (as at 30 September 2013)

Quarterly Return (USD)	
Berkshire Hathaway A	1.07%
S&P 500	4.69%

Total Net Market Value of GFL Assets
\$10,723,245 or # 125 cents per share

Quarterly Return (AUD)	
Global Masters	-4.65%
ASX All Ords	9.26%