

NOTICE OF ANNUAL GENERAL MEETING

GLOBAL MASTERS FUND LIMITED

ACN 109 047 618

Date: Friday 28th October 2011

Time: 11.00am

Location: Level 1
12 O'Connell Street
SYDNEY NSW 2000

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Website: www.globalmastersfund.com.au

Notice is given that the annual general meeting of Global Masters Fund Limited (**Company**) will be held at:

Location	Level 1 12 O'Connell Street Sydney NSW 2000
Date	Friday 28th October 2011
Time	11 am

Ordinary business

Item 1 Financial statements and reports

To receive and consider the Company's financial reports and the reports of the directors and the auditor for the financial year ended 30 June 2011.

Item 2 Resolution 1 - Directors' remuneration report

To consider, and if in favour, to pass the following resolution under section 250R(2) *Corporations Act 2001* (Cth) (**Corporations Act**):

'That the remuneration report of the directors for the financial year ended 30 June 2011 be adopted.'

Note: This resolution will be decided as if it were an ordinary resolution, but under section 250R(3) *Corporations Act* the vote on this resolution is advisory only and does not bind the directors or the Company. The Directors abstain from making a voting recommendation on the resolution.

Item 3 Resolutions 2 - Re-election of director

To consider, and if in favour, to pass the following as an ordinary resolution:

'That Mr Pat Corrigan, who retires by rotation under rule 11.2 of the Company's constitution and being eligible, having offered himself for re-election, be elected as a director of the Company.'

Note: Information about Mr Corrigan appears in the Explanatory Memorandum. The Directors (with Mr Corrigan abstaining) recommend that you vote in favour of this resolution.

Special business

Item 4 Resolution 3 - Change in nature of business activities

In accordance with ASX Listing Rule 11.1.2 the shareholders consider, and if in favour, to pass the following ordinary resolution approving a significant change to the activities of the Company:

'That the Company's activities change to include investing in unlisted small to medium size businesses in the manner described in the accompanying Explanatory Memorandum'

Item 5 Resolutions 4-6 - Non-binding resolutions

Irrespective of whether resolution 3 is successful, the directors are seeking shareholder feedback on the following non-binding resolutions which will be put to the meeting for consideration by the shareholders.

Resolution 4

To consider, and if in favour, to pass the following resolution as non-binding resolutions:

'That the Company's operations continue unchanged'

Resolution 5

To consider, and if in favour, to pass the following resolution as a non-binding resolution:

'That the directors of the Company give consideration to winding up the Company and returning surplus funds to shareholders'

Resolution 6

To consider, and if in favour, to pass the following resolution as a non-binding resolution:

'That the directors investigate the option of merging with another company'

Note: The votes on resolutions 4-6 are advisory only and does not bind the directors or the Company.

Dated: 14 September 2011

By order of the board

Brian Jones
Company secretary

Notes

- (a) A shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a shareholder of the Company. A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.
- (d) A corporation may elect to appoint a representative, rather than appoint a proxy, under the *Corporations Act 2001* (Cth) in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (e) The Company has determined under regulation 7.11.37 Corporations Regulations 2001 that for the purpose of voting at the meeting or adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of shareholders as at 7.00pm (Sydney time) on 26 October 2011.
- (f) If you have any queries on how to cast your votes call Brian Jones on +61 2 8815 5400 during business hours.
- (g) Proxies must be received **before 11.00am (Sydney time) on 26 October 2011** by one of the following methods:

By post: Link Market Services Asset Ltd
Locked Bag A14
SYDNEY SOUTH NSW 1235
By delivery: Level 1, 12 O'Connell Street
SYDNEY NSW 2000
By facsimile: In Australia (02) 9287 0309
From outside Australia + 61 2 9287 0309

The Company reserves the right to declare invalid any proxy not received in this manner.

Voting Exclusion Statement

Consistent with section 250R of the Corporations Act, the Company will disregard any votes cast on Resolution 1 (Adoption of Remuneration Report) by any member of the Company's Key Management Personnel and their closely related parties.

In accordance with Listing Rules 14.11, the Company will disregard any votes cast on each resolution (as applicable) by:

Resolution 2 – Election of Director, Mr Corrigan.	Mr Corrigan (or his nominees) and his associates.
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However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Explanatory memorandum

Global Masters Fund Limited

ACN 109 047 618

Financial statements and reports

1 The *Corporations Act 2001* (Cth) (**Corporations Act**) requires that the report of the directors, the auditor's report and the financial report be laid before the annual general meeting. In addition the Company's constitution provides for these reports to be received and considered at the meeting.

2 Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Company's constitution requires a vote of shareholders at the annual general meeting on the financial statements and reports.

3 Shareholders will be given reasonable opportunity at the meeting to raise questions and make comments on these reports.

4 In addition to asking questions at the meeting, shareholders may address written questions to the chairman about the management of the Company or to the Company's auditor Mr Leslie Pines if the question is relevant to:

- (a) the content of the auditor's report; or
- (b) the conduct of its audit of the annual financial report to be considered at the meeting.

Note: Under section 250PA(1) Corporations Act a shareholder must submit the question to the Company no later than the fifth business day before the day on which the AGM is held.

5 Written questions for the auditor must be delivered by 20 October 2011. Please send any written questions for Mr Leslie Pines to the address listed in section 5 of the proxy form attached to this notice of meeting.

Resolution 1: Directors' remuneration report

6 The Corporations Act requires that the section of the directors' report dealing with the remuneration of directors, the company secretary and up to five senior executives (**Remuneration Report**) be put to the vote of shareholders for adoption.

7 The resolution of shareholders is advisory only and **not binding** on the Company.

8 The Remuneration Report is in the annual report. It is also available on the Global Masters Fund Limited internet site (<http://www.globalmastersfund.com.au>). It:

- (a) explains the board's policies in relation to the nature and level of remuneration paid to directors, company secretaries and senior executives within the Global Masters Fund Limited group;
- (b) discusses the link between the board's policies and the Company's performance;
- (c) sets out the remuneration details for each director and for each member of the Company's senior executive management team; and
- (d) makes clear that the basis for remunerating non-executive directors is distinct from the basis for remunerating executives, including executive directors.

9 The chairman will give shareholders a reasonable opportunity to ask questions about, or to make comments on, the Remuneration Report.

10 Note: consistent with section 250R of the Corporations Act, the Directors abstain from making a voting recommendation on the resolution.

Re-election of director

Resolution 2: Re-election of Mr Pat Corrigan

11 In terms of clause 11.2 of the constitution at every general meeting, one third of the directors must retire from office. A director must retire from office at the conclusion of the third annual general meeting after which the director was elected or re – elected. A director who is required to retire under this rule retains office until the dissolution or adjournment of the meeting at which the retiring director retires. The director to retire at an Annual General Meeting is the one who has been longest in office since his last election. A retiring Director is eligible for re-election.

12 Pat Corrigan AM is chairman of an international freight forwarding company. He has experience in financial management, investments and accounting. He is a Member of the "Order of Australia" and has an honorary doctorate at

Bond University. He is one of Australia's leading contemporary art collectors. He is a director of UBI Logistics (Australia) Pty Ltd, Director Hyperion Flagship Investments Limited, Chairman Gold Coast Regional Art Gallery and Director Gold Coast Art Centre

- 13 **The directors (with Mr Corrigan abstaining) recommend you vote for this resolution.**

Special business

Future direction of the Company

Resolution 3

14 The Company listed on the ASX on 16 May 2006 and was incorporated to invest in an internationally diversified portfolio to spread risk and to provide exposure to some of the higher growth global economies. It was considered that investing the majority of the Company's assets in Berkshire Hathaway stock was the best way to achieve this objective given its broadly based portfolio and investment track record, being led by Warren Buffet, who acquired control of Berkshire Hathaway in 1965. In the 40 years that followed, the average annual gain in book value after tax of Berkshire Hathaway stock was 21.5%.

15 The Company has never undertaken currency hedging of its Berkshire Hathaway investment, largely because investors are seeking international diversification by investing in the Company. Berkshire Hathaway itself is being increasingly diversified into global stocks. Nevertheless it is acknowledged, despite Berkshire's global reach, there is currency exposure which has increased the volatility of the Company's net tangible assets and thus the Company's share price.

16 In addition to the Berkshire Hathaway shares, the Company invested in a stable income portfolio managed by Colonial First State Wholesale Income Fund (Fund). The Fund investment was intended to provide the Company with cash flow to meet its expenses. Since the global financial crisis the Company's investment in the Fund has been largely frozen and only small amounts on application have been released from time to time throughout the year.

17 During the year ended 30 June 2010 the board of the Company decided to invest in a United Kingdom listed investment company that concentrates on investing in smaller listed companies in the United Kingdom with a concentration on dividends and cash flow as

well as growth. Athelney Trust Plc was selected as a result of the Board of Global Masters researching investment opportunities in order to diversify the Company's investments. This investment was in accordance with the Board's philosophy of making the Company a truly global investment. In addition, the Company has an investment in Hyperion Flagship Investments Limited which through its dividends has provided cash flow for the Company.

18 Following the financial crisis, the Australian dollar has strengthened and the US and UK equity markets have been subjected to enormous economic head winds, which have resulted in the Company performing below expectation, with in the view of the directors a high probability of continuing to do so for the foreseeable future.

19 Furthermore, as is the case with most Australian listed investment companies, the Company's shares have traded at a discount to its net tangible asset per share.

20 Given the current domestic and international economies the directors do not foresee significant increases in the market value of the Company's investments.

21 The Directors over the last 12 months have received various correspondence and recommendations from shareholders about the future direction of the Company.

22 During this period the directors have assessed the existing investments of the Company, the current investment landscape both domestically and overseas and the likely future economic future.

23 Following this analysis the directors have concluded the existing investment objectives of the Company to be predominantly invested in Berkshire Hathaway stock does not present the best utilisation of the Company's capital.

24 The directors have determined to recommend to shareholders the nature of the activities of the Company change. The directors recommend the Company remain an investment company but focus on investing in small to medium sized businesses and companies (with an enterprise value of \$50 million or less). These strategic investments would focus on businesses which were likely in the next 12 to 18 months to list on the ASX or some other regulated secondary market. This is a strategy which the directors consider has the potential to deliver improved shareholder value without being directly exposed to fluctuations in international currencies and listed markets.

- 25 In order to achieve the desired results with the focus on investing in small to medium sized businesses and companies, the company potentially may need to liquidate some of its investments.
- 26 The directors are of the opinion that with external input and the business experience of the existing board, a successful strategy of co-investment with other private equity investors can be implemented over time.
- 27 The directors have not at the date of this meeting identified any specific small to medium sized businesses or companies.

The Directors recommend you vote in favour of this Resolution.

- 28 Irrespective of whether resolution 3 is successful, the directors are seeking shareholder feedback on the following non-binding resolutions which will be put to the meeting for consideration by the shareholders.

Non-binding resolutions 4 to 6

- 29 The non-binding resolutions are intended to gauge shareholder sentiment on the future direction of the Company. These resolutions represent a number of possible options for the Company in the next few years. The resolutions are not binding on the Company or the directors and will only be considered if resolution 3 is unsuccessful.

Resolution 4: Company continue unchanged

- 30 Shareholders voting in favour of this resolution are expressing a view that they wish to Company to continue with its existing investments and investment objectives and do not wish to directors to consider changing those investments or objectives.
- 31 The Company continue with its existing investments.

Resolution 5: Winding up of the Company

The net tangible assets per share of the Company is currently less than the entry price paid by the original subscribers to the prospectus issued in 2005 and in the view of the directors unlikely to immediately improve. Shareholders voting in favour of this resolution consider the realisation of the assets of the Company in an orderly manner and the return of all surplus to shareholders is their preferred option for the Company. Shareholders should note, if this resolution is successful it does not mean the Company will commence a members voluntary winding up.

Resolution 6: Merging with another company

This strategy has the capacity to deliver shareholder value through the economies of scale and synergy cost savings that could be achieved by merging with another company. However, the same issues relating to market volatility and discount to net asset values would persist. The directors have not held any discussions with any potential companies with which the Company could merge.