

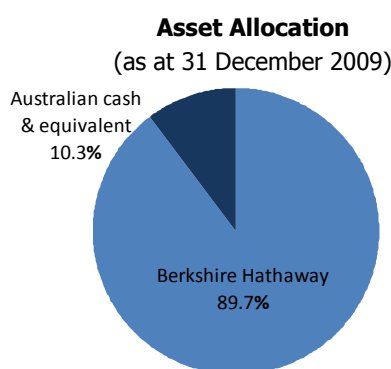


**Performance Summary**

The company's Net Asset Value decreased 1.7% which was similar to the decrease in the company's major holding, Berkshire Hathaway's (BRK) share price. The 1.8% depreciation of BRK was against the market trend with the S&P 500 gaining 5.5% in the three months to 31 December 09. The Global Masters share price depreciated 9.2% during the quarter, under performing the All Ords which appreciated 3.0% over the same period. The Australian dollar was slightly weaker against the US dollar closing the year at US\$0.8969.

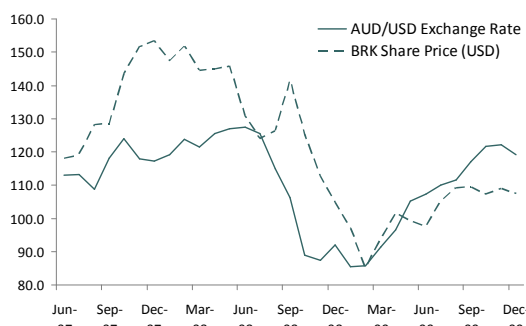
**Investment Activity**

Global Masters bought back 258,358 shares during the 6 months ended 31 December 09 at an average of 77.5 cents per share. No interim dividend was paid in order to reserve funds for investment.



On November 6, 2009 Berkshire Hathaway released its third quarter results with company Chairman, Warren Buffet, admitting most of its businesses struggled except for insurance. Berkshire announced it generated net income of US\$3.2 billion (A\$3.5 billion) which equates to US\$2,087 (A\$2,268) per share, a significant improvement from last year's US\$1.1 billion (A\$1.2 billion) or US\$682 (A\$741) per share.

**Berkshire Hathaway Share Price and AUD/USD Exchange Rate**



Berkshire's results are subject to volatility associated with its unrealised position in derivatives so excluding the investment and derivative gains, Berkshire's operating earnings were almost unchanged at US\$2.06 billion for the quarter ended September 2009 compared to US\$2.07 billion last year.

The performer within Berkshire's portfolio of investments was its insurance underwriting business. Operating profit was up US\$363 million from US\$81 million a year ago, thanks largely to a year relatively free of major hurricanes and natural disasters.

After quarter end on 18<sup>th</sup> January 2010, Berkshire signed a deal with insurer Swiss Re allowing it to transfer the liabilities of a loss making U.S. life reinsurance contract for nearly US\$1.3 billion.

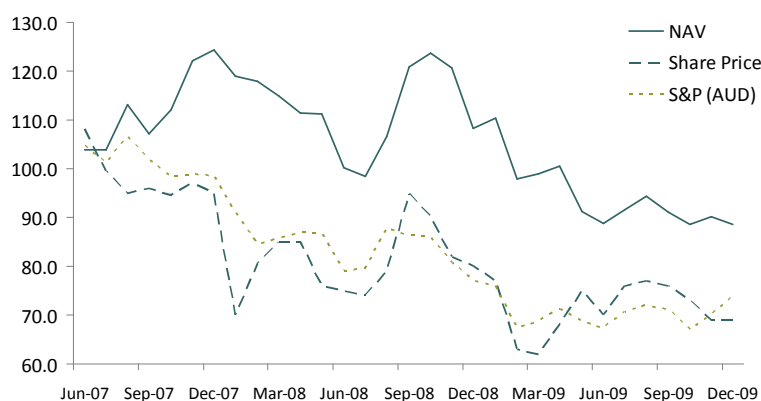
The deal makes Berkshire Hathaway's life insurance company liable for up to US\$1.5 billion in claims. In return, Berkshire Hathaway will be the recipient of premiums.

**Investment Performance**

(in US dollar terms)

	Quarter	1 Year
Berkshire Hathaway A stock return for the Dec 2009 quarter	-1.8%	2.7%
S&P 500 return for the Dec 2009 quarter	5.5%	23.5%

**Global Masters Fund Relative Performance History**



**Total Net Market Value of Assets**

\$10,466,254 or 86.0 cents per share  
as at 31 December 2009

► **Notice of Extraordinary General Meeting** scheduled for 22<sup>nd</sup> April 2010 – see website for details