

GLOBAL MASTERS FUND LIMITED

JUNE 2013 UPDATE

SHAREHOLDERS' QUARTERLY REPORT

INVESTMENT PERFORMANCE (as at 30 June 2013)

Quarterly Return (USD)	
Berkshire Hathaway A	7.88%
S&P 500	2.36%

Total Net Market Value of GFL Assets
\$10,536,121 or 118.14 cents per share

Quarterly Return (AUD)	
Global Masters Portfolio	14.48%
S&P/ASX 300	-3.63%

PERFORMANCE SUMMARY

The performance of Global Masters Fund Limited (ASX: GFL) was positive during this quarter with the Net Asset Value (NAV) reported at 118.14 cents per share at 30 June 2013, after estimated tax on unrealized gains, a 15.0% improvement on the previous quarter's NAV. On the back of this performance and heightened investor interest, the GFL share price increased by 29.5% over the quarter. This performance was significantly better than the S&P/ASX 300 Index which declined by 3.6%. The share price of Berkshire Hathaway (BRK-A), the fund's largest asset, increased by 7.88% during the quarter and exceeded that of Standard & Poor's 500 Index, which gained only 2.4%. While the market value of Athelney Trust (ATY) (UK) remained the same, the weaker dollar against the GBP resulted in gains for the Athelney holding in Australian currency. Overall, the devaluation of the Australian dollar by 12.3% against the United States dollar provided most of the positive impact on Global Master's performance during this period.

INVESTMENT & GENERAL ECONOMIC ACTIVITY

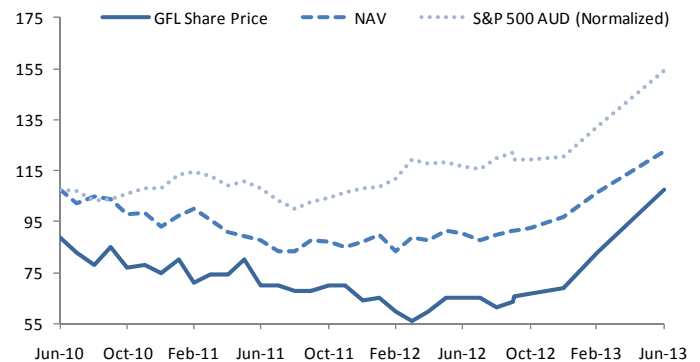
Berkshire Hathaway was particularly quiet during quarter, only announcing the introduction of specialty commercial insurance. The Australian market, as measured by the S&P/ASX 300 Index, produced its worst performance for the past financial year during this quarter, falling 3.6% over the quarter. This performance was far worse than the MSCI Index

(USD) fall of only 0.7% for the same period. The poor performance of the Australian markets can be largely attributed to the poor performance of commodities, the lack of investor confidence, especially overseas investors. This lack of confidence and the decision by the Australian Reserve Bank to lower the cash rate by 25 basis points to 2.8% caused a decline in the value of the Australian dollar against the US\$ of 12.3%, which is the largest fall since September 2008.

During the quarter, the decline in the S&P/ASX 300 was due to a number of last-minute profit downgrades which impacted on market sentiment and in mid-march we saw about \$10 billion wiped from the market. Over the past financial year though, the index did rise by 17.2%, largely attributed to the major banks and Telstra.

Much of the declines experienced in Australia, and around the world can be attributed to a slow down that is materializing in China, the world's largest manufacturer and exporter, as well as pressure being exerted by the Chinese central bank on the Chinese banks to curb liquidity expansion. These events have had a knock-on effect around the world, with commodity prices the most directly impacted and the economies of all trading partners with China feeling the pressure.

GFL Relative Performance History



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
Chairman

Dr Emmanuel (Manny) C Pohl

Patrick Corrigan AM

AUDITOR

Joe Pien - Chartered Accountant

REGISTRY

Link Market Services

LEGAL DOMICILE

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

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