

GLOBAL MASTERS FUND LIMITED

MARCH 2014 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:
December 2000

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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OVERVIEW

Global Masters Fund Limited (ASX: GFL) returned 10.22% versus the All Ordinaries Index return of 0.93% over the quarter. By comparison, the NAV per share increased by 3.1% over the quarter, which benefitted from an increase in the share prices of Athelney Trust (ATY) and Berkshire Hathaway (BRK).

PERFORMANCE SUMMARY

At quarter-end, the performance of GFL was positive with a Net Asset Value (NAV) reported at 132.60 cents per share at 31 March 2014.

Over the quarter as the improvement around the US economy has seemed to spark interest in GFL with the share price improving from 112.5 cents per share to 124.0 cents respectively. This performance was significantly better than the ASX All Ords result of 0.93%. The gains realized can largely be attributed to an increase in the share prices of Athelney Trust (ATY) and Berkshire Hathaway (BRK) which saw an improvement of 20.51% and 5.31%, respectively. This has given rise to additional unrealised capital gains being recognised at 31 March 2014. The strengthening Australian Dollar during the month against the United States Dollar and British Pound had little effect on the gains mentioned. Over the quarter the AUD saw an improvement of 3.87% against the US whilst returning a slightly lesser return of 3.27% against the British. The share price of Berkshire Hathaway (BRK-A), the fund's largest asset, performed relatively well during the quarter compared to that of the Standard & Poor's 500 Index, which gained only 1.3%.

ECONOMIC COMMENTARY

At quarter-end, we have seen the global landscape complicated by the divergence between economies. The US is leading world economic growth with Europe pre-occupied with banking reform, Japan struggling with their tightening of fiscal policy and China has begun a change of its own economy. The international markets saw minimal improvement with the MSCI index posting a 0.77% improvement. The US has had some significant developments in their Energy sector; Hydraulic fracking, which made the extraction of oil and gas from shale rock possible, has become commercially viable and very profitable. This has led to

the idea that the US may be energy independent in the near future. The Australian economy seems on its way to a successful transition from resources 'capex cliff' to an East Coast recovery. It seems as the RBA will hold rates at 2.5% until mid-2015. Growth in the economy may be driven by housing-linked activity, with potential in the increase funding for public infrastructure. We have seen a cautious consumer this quarter which seems to be the effects of slowing incomes and non-mining business investment. The All Ordinaries Index posted a small improvement of 0.93% over the quarter with the IT sector was the best performer, posting 5.26%, followed by the Utilities sector and the Financial sector with 3.21% and 2.76% increases respectively. The AUD has strengthened against the USD at quarter-end, increasing by 3.87%.

INVESTMENT PERFORMANCE (as at 31 MARCH 2014)

| Quarterly Return (USD) | |
|------------------------|-------|
| Berkshire Hathaway A | 5.31% |
| S&P 500 | 1.3% |

| Total Net Market Value of GFL Assets |
|--|
| \$11,375,218 or 132.60 cents per share |

| Quarterly Return (AUD) | |
|------------------------|--------|
| Global Masters | 10.22% |
| ASX All Ords | 0.93% |

