

GLOBAL MASTERS FUND LIMITED

SEPTEMBER 2015

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

COMPANY SECRETARY

Brian Jones

AUDITOR

Joe Pien

REGISTRY

Boardroom Pty Ltd

LEGAL DOMICILE

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

Global Masters Fund Limited

ABN 84 109 047 618

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OVERVIEW

The NTA of Global Masters Fund Limited (ASX: GFL) increased by almost 5 % at 30 September 2015 compared to 30 June 2015. During this quarter the share price remained steady closing at 165 cents per share (cps). This compares with the All Ordinaries Index which declined by 7.20% over the quarter.

PERFORMANCE SUMMARY

At quarter-end, Berkshire Hathaway (NYSE: BRK) posted a 4.69% decline while Athelney Trust (LSE: ATY) share price was unchanged, closing at 222.5 pence. The AUD continued its devaluation against both the USD and GBP posting a decline of 8.94% and 5.44% respectively. Whilst the AUD has been a poor performer against the USD and the Pound, posting only two quarterly gains in over two years, this has been

positive for the company in terms of increasing the NTA via realized and unrealized foreign exchange gains. The investment in Flagship Investments (ASX: FSI) posted a slight improvement of 2.19%, significantly outperforming the market.

ECONOMIC COMMENTARY

For the first time since 2011, world equity markets as represented by the MSCI index posted two consecutive quarterly declines, with an 8.86% decline in the September quarter following a 0.3% decline in the June quarter. Much has been written about the cooling Chinese economy, economic stress in Greece as well as underwhelming corporate earnings reports and falling energy prices in the US, however, the catalyst for the major market decline was the significant Yuan devaluation which led to plunging commodities prices and a drop in the price of oil.

By the end of the quarter-end, the US had experienced their worst investment returns in four years. Volatility increased with investors fearing that the Fed would raise interest rates and the Dow Jones Index closed down 1,334.81 points for the quarter. The S&P500 fell 6.94%, its worst performance since the 14.3% decline in the third quarter of 2011 and the NASDAQ dropped 7.35% during the quarter. Europe's economy remained stagnant, struggling with low inflation, large numbers of refugees and protracted negotiations about renewed funding for Greece showing little progress. The German DAX posted an 11.74% decline, while the FTSE posted a 7.04% decline.

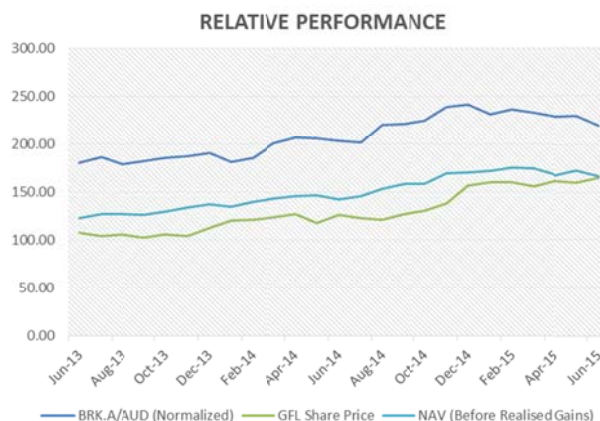
In Australia, Malcom Turnbull become Australia's 29th Prime Minister which could mean that the government focus will be on small business, support for innovation, public transport, education and tax reform. This should provide the impetus required for the economy to transition from mining to non-mining as corporate CAPEX and business investment has remaining weak, in spite of a stimulatory interest rate environment and a relatively benign budget. The second quarter improvement in the AUDUSD exchange rate was short lived. By quarter-end, we saw the exchange rate decline by a further 8.94%; the biggest decline since mid-2013. The All Ordinaries Index posted another significant quarter decline of 7.20% after posting a strong improvement in July; and the Small Ordinaries Index closed at 1963.6, declining by 5.26%.

INVESTMENT PERFORMANCE (as at 30 September 2015)

Quarterly Return (USD)	
Berkshire Hathaway	-4.7%
S&P 500	-6.94%

Total Net Market Value of GFL Assets
\$ 14,899,736 or 173.68 cents per share

Quarterly Return (AUD)	
Global Masters	0.0%
ASX All Ords	-7.2%



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