



GLOBAL MASTERS FUND LIMITED

ABN 84 109 047 618

Chairman's Address – Annual General Meeting

Friday 27 October 2017

Ladies and Gentlemen, I welcome you to the 12th Annual General Meeting of our Company.

The 2016/17 Financial Year

There have been a number of highlights for your Company for the past year. The Company's highlights for the year were:

Firstly and importantly the net tangible assets (NTA) per share increased by 10.5 % whilst the All Ordinaries Index of ASX increased by 8.5 %.

This increase in value reflects the performance of the underlying investments. Over the year the investments in Berkshire Hathaway listed on the on the New York Stock Exchange, Athelney Trust plc., listed on the London Stock Exchange and Flagships Investment Limited (FSI) listed on the ASX all continued to perform well.

The Board has always acknowledged that, despite the global reach of the foreign investments, there is currency exposure that may increase the volatility of the Company's NTA and share price.

As reported in previous years' currency movements are the most difficult, some would say impossible to predict, as there are so many interlocked dynamics. For some time, the value of the Australian currency was being boosted by a combination of the mining boom and the higher interest rates, which encourage the carry trade, a rough of this definition may be the carry trade is a strategy in which traders borrow a currency that has a low interest rate and use the funds to buy a different currency that is paying a higher interest rate. Thus, there has been a tendency to hold more Australian Dollars than normal. With rising expectations of higher interest rates overseas this may well be reversed. Whilst I would hesitate to opine on the currency movements in this financial year, I do feel more confident in stating that the outlook for Berkshire Hathaway and Athelney Trust looks positive and indeed Flagship Investments Limited.

Over the year your Company sold 38.5 % of it's holding in Flagship Investments Limited (FSI) realising a gain of \$178,107. The proceeds on the sale of these shares have been set aside for investment by the Manager (EC Pohl Asset Management) in shares listed on the London Stock Exchange. We also acquired a further 52,281 shares in Athelney Trust plc.

The Year Ahead

Although the longer-term impact of the Trump presidency is uncertain, particularly as it may affect international trading relationships, the US economy remains stronger and hopefully sustainably so and the value of \$US has improved. Your Board remains optimistic. In addition to the focus of maintaining the investment in Berkshire Hathaway as the largest single asset of the Company, the combination of investments in the Athelney Trust and Flagships has proved very successful.

Your Board, in line with the initial prospectus, continues to seek alternative ways of improving Shareholder value and further diversify investments within the constraints of the Company's constitution.

As you are aware the Company has recently undertaken a Rights Issue, the closing date which was 25 October 2017 at 5:00pm. An amount of \$3,286,672.00 has been raised so far (1,643,336 new shares will be issued). This is a great result – 76.7% of the rights on offer were taken up. The number of rights not taken up amount to 501,227. Taylor Collison were appointed as Sole Lead Arranger of the shortfall placement for Global Masters Fund Limited.

Our Service Providers

EC Pohl & Co Pty Ltd, led by Dr Manny Pohl (Chief Investment Officer) and who has a long and successful track record in investment management. He manages the portfolio of investments of the Company. Your Board believes that the investment philosophy implemented is sound and the performance to date demonstrates this. The Manager intends to invest the funds of the capital raising in shares listed on the London Stock Exchange.

Our auditor Mr Joe Pien is required to resign, by rotation, as auditor and I want to place on record our sincere appreciation for the service that Joe has provided over the last five years.

Also thanks to our Registry services provider Boardroom Pty Limited.

We should also express our sincere appreciation for the work of Mr Brian Jones who works tirelessly to assist the Board and to ensure our on-going compliance with various regulations and the ASX (Australian Securities Exchange).

The Board

I also take this opportunity thank my fellow Directors for their on-going efforts during the last year. Particular thanks to Murray d'Almeida who was appointed to the Board 12 months ago and his knowledge and advice has been invaluable.

Concluding Remarks

I look forward to your continued support and also to another good year for the Company. I thank our loyal Shareholders for their continuing support for the Company.



Jon Addison
Chairman
27 October 2017