



GLOBAL MASTERS FUND LIMITED

ABN 84 109 047 618

Chairman's Address – Annual General Meeting

Thursday 18 November 2021

Fellow Shareholders, Ladies and Gentlemen, I am pleased to present the Annual Chairman's Report of Global Masters Fund Limited for the 2020/2021 financial year.

THE YEAR IN REVIEW

It is remarkable to consider the current market position against the outlook from 12 months ago. Prior to July 2020, we witnessed an unprecedented market decline against the backdrop of a world-wide pandemic. The future prospects of the economy, at home and abroad, relied heavily on the ongoing coordinated stimulus from the governments and the central banks. Understandably, health officials were nervous, businesses were defensive, consumers were cautious and we all braced ourselves for an unknown future.

In twelve months, there has been tremendous progress in the rollout of COVID vaccines, many nations hardest hit by the pandemic and subsequent lockdowns are easing restrictions, key financial markets have performed strongly and governments are committing to packages designed to revive and boost economies. However, we are not out of the woods yet, the delta strain provides warning that we have not yet 'conquered' the virus and concerns about inflation could mean a change in tact from central banks.

Coming to our core investments, Berkshire Hathway performed exceptionally well through FY2021 compared to FY2020, the share price of BRK:A stock in local currency terms increased by 56.6% (last year decreased by 16.0%) and BRK:B increased by 55.7% (last year decreased by 16.3%), the flow-on effect to the GFL portfolio is significant, the value of our holding has increased by AUD \$6,334,473. After the May 2021 AGM of Berkshire Hathway, Warren Buffet answered one of the recurring questions in the minds of Berkshire Shareholders – who is next in line? His answer: "the Directors are in agreement that if something were to happen to me tonight, it would be Greg (Greg Abel who is the Vice Chair of Non-Insurance Business) who'd take over tomorrow morning". The nomination of his successor in such an offhand way suggests that it is a business continuity plan only and that the legendary investor will continue doing what he does for as long as possible. However, it is enough for the Board to consider our options particularly about the future strategic direction of Global Masters.

The actively managed UK portfolio has continued to perform well. Portfolio performance for the twelve months to June 2021 was positive 35.2% compared to the FTSE which increased 14.1%. The performance of the year extends the since inception performance to 15.9% versus the FTSE which declined by 1.4% over the same period, this is an incredibly pleasing result and verifies the disciplined application of the Manager's investment process. My thanks to Manny Pohl and his team.



SHAREHOLDERS

As a combined result of the Berkshire and UK Portfolio performance the GFL share price increased 46.6% from June 2020 to June 2021. This represents good performance off a relatively low base, the important figure for the Board is the long term annualised share price growth, which is 5.9% compared to the ASX All Ordinaries Index which has grown 2.5% per annum.

On the 19th of October 2021, GFL launched a Convertible Note Offer. The listed, redeemable, unsecured notes are an invitation for new investors to take an interest in the Company and to provide existing Shareholders with a further avenue to benefit from their ownership in the Company, including an interest payment starting at 5.5% per annum. Importantly, the Convertible Note Offer will provide additional capital to be deployed in accordance with the Company's existing investment mandate and does not immediately dilute existing Shareholders.

The Board fully supports the Convertible Note Offer and hope that Shareholders vote in favour of the resolution which will be tabled during our meeting today.

THE BOARD

I wish to record my appreciation for my fellow Board members for their support and input throughout the past year. In particular, I would like to thank Patrick Corrigan AM, who will not be standing for re-election at today's AGM. Patrick has been a Director of GFL since 2006 and, given his extensive business background, has played a vital part in steering the successful strategy of the Company. Patrick has been a valuable member of the Board, a consummate professional and a good friend. We wish him all the best in his future endeavours.

Murray d'Almeida

Chairman

18 November 2021