

GLOBAL MASTERS FUND LIMITED

SHAREHOLDERS' QUARTERLY REPORT

JUNE 2017

OVERVIEW

Global Masters Fund Limited (ASX: GFL) posted a gain of 8.6% during the quarter, trading at a premium to the underlying Net Tangible Asset Value (NTA). The NTA on the other hand increased moderately from 194.2 cents per share to 196.2 cents per share, as a result of an improvement in the major investments, with these modest gains offset by a firming Australian dollar.

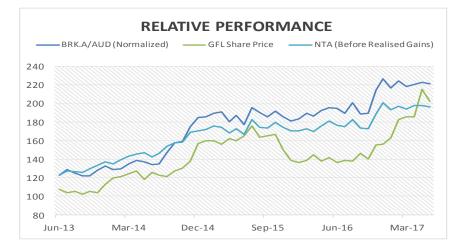
INVESTMENT PERFORMANCE (as at 30 June 2017)

Quarterly Return (US)		Total Net Market Value of GFL Assets	Quarterly Return	n (AUS)
Berkshire Hathaway	+1.9%	\$16,833,734 or 196.2 cents per share	Global Masters	+8.6%
S&P 500	+2.6%	(before tax on unrealized gains)	ASX All Ords	-2.4%

During the quarter, Berkshire Hathaway (NYSE: BRK) and Athelney Trust (LSE: ATY) posted marginal gains of 1.9% and 4.4% respectively. A weak Australian market put pressure on Flagship Investments (ASX: FSI) which declined by 4.0% during the quarter.

ECONOMIC COMMENTARY

Global markets produced a range of results over the quarter with both political and economic events continuing to influence outcomes. The US market remained strong with the S&P 500 up 2.6% and the NASDAQ up 3.9% - both close to record highs. While the political environment remains as uncertain as ever, the market continues to react favourably to the policies of the Trump Administration and the threat of interest rate hikes only confirms the fact that the US economy is growing.



In Europe, the economy continues to show signs of improvement, with unemployment steadily declining from previous highs. Both of these positive trends should be supportive of improved consumer confidence and overall demand. While the European recovery looks healthier than it has been historically, a range of political events causing volatility in the market. During May the French elections produced a surprising result with Macron's party taking a comfortable victory. The CAC was unchanged for the quarter reflecting acceptance of the outcome. Conversely, in the UK, the Conservatives lost their majority generating more uncertainty for that country and consequently the UK market was down 0.1% for the quarter. Germany was relatively stable with the DAX up only 0.1%. Asia was also mixed with the Hang Seng up 6.9% and the Shanghai Composite down 0.9%.

Markets in Australia were generally down for the June quarter. The fall in banks and the decline in the price for most commodities, drove overall performance down and this was best seen in the ASX 20 index which was down 5.1% and ASX 200 was down 2.5%. The All Ords posted a modest decline of 2.4% this quarter, while the Small Ords posted a negligible decline of 0.8%.

In Australia, the RBA announced that they would hold the cash rate at 1.5% which resulted in the AUD depreciating against most currencies. The AUD appreciated by 0.7% against the USD (76.87 US Cents) and declined against the EUR and GBP at 5.9% (67.3 EU Cents) and 3.0% (59.0 UK Pence) respectively.

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 Managing Director

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LEGAL DOMICILE

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

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