

GLOBAL MASTERS FUND LIMITED

SHAREHOLDERS' QUARTERLY REPORT

JUNE 2021

OBJECTIVE

Long-term capital growth by investing in UK & US markets

COUNTRY WHERE LISTED

Australian Securities Exchange:
May 2006

STOCK EXCHANGE CODE

ASX: GFL

RATINGS

- Independent Investment Research – Recommended+¹

DIRECTORS

Murray d'Almeida
Non-Executive Chairman

Dr Emmanuel (Manny) C Pohl AM
Managing Director

Patrick Corrigan AM
Non-Executive

COMPANY SECRETARY

Brian Jones

COMPANY DETAILS

Global Masters Fund Limited
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OVERVIEW

During the quarter, Global Masters Fund Limited's (ASX: GFL) Net Tangible Asset (NTA) value (before estimated tax on unrealised gains), increased to 301.7 cents per share, an 8.9% improvement on the prior quarter and 37.8% higher than at 30 June 2020.

INVESTMENT PERFORMANCE (as at 30 June 2021)

UNDERLYING PORTFOLIO PERFORMANCE

	3 months	1 year	3 years p.a.	5 years p.a.	10 years p.a.	Since Inception (1 May 2006) p.a.
Portfolio [^]	9.6%	40.4%	13.6%	14.0%	15.0%	8.6%
ASX All Ordinaries Index (All Ords)	8.1%	26.4%	6.4%	7.4%	5.0%	2.5%
MSCI Index (AUD)	9.0%	26.2%	12.6%	12.6%	12.5%	5.4%
MSCI Index (USD)	7.3%	37.0%	13.0%	12.8%	8.5%	37.0%

[^] Source: EC Pohl & Co Pty Ltd

Gross performance before impact of fees, taxes and charges. Past performance no predictor of future returns

During the quarter, the portfolio saw strong returns across key investments; Berkshire Hathaway (NYSE: BRK.A) posted +8.5% and Flagship Investments (ASX: FSI) increased by 2.1%. Our UK portfolio continued to perform well, posting +10.7% over the quarter (in local currency). Since inception, the active UK portfolio has delivered +17.3% above the FTSE.

ECONOMIC COMMENTARY

Global equities markets advanced in the second quarter, supported by the global Covid-19 vaccine roll-out. In an unanticipated twist, growth stocks outperformed their lowly valued counterparts, reversing much of the momentum in the prior quarter. Across the world, investors focused on inflationary pressures with ongoing disruptions to global supply chains continuing to affect several industries, notably the rising cost of logistics and the global shortage of semiconductors. On a more positive note, global supply chain bottlenecks are easing with the number of ships waiting to get into ports declining despite an increase in shipping volumes.

In the US, equities performed strongly with the S&P500 reaching a new all-time high. While the Fed announced no new changes to its rate-setting policies, it indicated that we may expect rises in 2023. Economically, the US appears to be firing on all cylinders with growth in consumption and industrial activity driving the economic expansion. President Joe Biden announced an infrastructure package worth about \$1 trillion to upgrade roads, bridges and broadband networks over the next eight years. The S&P500 posted +8.2% while the Nasdaq posted +9.5%, by quarter-end.

In Europe, restrictions were eased in many countries as Covid-19 infections began to fall. Equity markets performed strongly, supported further by the accelerations in vaccine rollouts and strong corporate earnings. The European Commission signed off on the first of the national recovery plans which will receive funding from the €800 billion Next Generation EU fund. In the UK, the economic outlook improved with GDP forecasts being upgraded, while the Bank of England noted the slowing of quantitative easing. The FTSE posted +4.8%, the CAC +7.3%, the DAX was +3.5% and the Euro Stoxx was +3.7%.

The Australian market was a relative outperformer during the June quarter with strong performance across many sectors. Most economic indicators including employment numbers and GDP surprised on the upside, with the speed of the national vaccine rollout being key to future economic certainty and performance. The ASX All Ordinaries posted +8.1% for the quarter, ASX 200 +7.7%, the Midcap 50 +9.8% and the Small Ordinaries was +8.1%. The AUD depreciated during the quarter, declining by 1.3% against the US Dollar (75.0 US cents), -1.6% against the Pound (54.2 pence), and -2.4% against the Euro (63.2 cents).

PORTFOLIO CHARACTERISTICS (as at 30 June 2021)

NTA (before tax on unrealised gains) – total	\$32,351,017
NTA (before tax on unrealised gains) – per share	301.7 cents

FUND MANAGER

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INVESTMENT PHILOSOPHY

- Investments should outperform the risk-free rate
- The price one pays determines the ultimate long-term return
- High quality growth companies outperform over the longer term

INVESTMENT PROCESS

INITIAL SCREENING PROCESS

- ROE
- IPOs
- Revenue Growth
- Broker Ideas
- Interest cover
- Internal Ideas

FUNDAMENTAL ANALYSIS

- Understanding the Business Model
- Sustainable Competitive Advantage
- Organic Growth Opportunities
- Assessing Management
- Assessing the Operating Environment

PORTFOLIO WEIGHTING

- 5 Year Risk Adjusted Total Return
- Market Risk Analysis

HIGH CONVICTION PORTFOLIO OF COMPANIES

This process is the basis for all our equities investment decisions.

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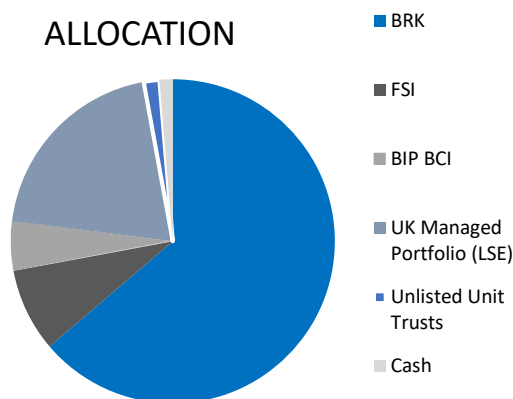


GLOBAL MASTERS FUND LIMITED

PORTFOLIO ALLOCATION - as at 30 June 2021

GFL Investment Portfolio	%
Berkshire Hathaway (NYSE) (BRK)	63.8%
Flagship Investments Limited (ASX) (FSI)	8.3%
BIP BCI Worldwide Flexible Fund Class B	4.9%
Actively Managed UK Portfolio	20.1%
Unlisted Unit Trusts	1.6%
Cash	1.3%

ALLOCATION



NTA* BACKING LAST 5 YEARS

NTA Backing* as at	Cents per share
30 June 2021	301.7 cents
30 June 2020	219.0 cents
30 June 2019	241.9 cents
30 June 2018	218.9 cents
30 June 2017	196.2 cents

*NTA is after all fees, expenses and tax on realised gains, but before tax payable on unrealised gains

ACTIVELY PROMOTING THE COMPANY

Global Masters Fund Limited remains visible in the digital spectrum and through multiple mediums with industry participants including brokers, researchers, advisers, Investor Associations and Shareholders. In the coming quarter the Company will be participating in the Australian Investors Association national conference where Dr Manny Pohl AM, will be a speaker. Dr Pohl will also be presenting at the Switzer Investor Strategy day. For further information including about upcoming events please contact the Company at info@globalmastersfund.com.au or call 1800 352 474 including if you would like a representative to present to you, at an investor function or your office.

VISIT THE WEBSITE AND SUBSCRIBE TO OUR MONTHLY NEWSLETTER

The Company website www.globalmastersfund.com.au has information about Global Masters Fund and links to Articles, Videos, Announcements, Reports and more. A monthly email is also sent to subscribers. Shareholders and interested parties can subscribe through the website or by emailing the Company asking to be added to the mailing list. Information about the Company on Social Media platforms can be found at the bottom left of this page.

The Investment Manager, Dr Manny Pohl AM, was recently interviewed by Pulse Markets and this interview can be watched at www.globalmastersfund.com.au/news.

STRUCTURE AND TERMS

Fees	Management Fee: Passive Investments – Nil, Active Investments - 1.0% p.a. Performance Fee: Applicable to Active Investments only – 20% of the annual outperformance over the FTSE 100 index.
MER ²	0.25%
Dividend Reinvestment Plan	Nil
Legal Domicile	Australian Securities Exchange (ASX) Listed Investment Company (LIC)
Reporting and Correspondence	Monthly Net Tangible Asset Values on www.asx.com.au and Quarterly Reports, Half-Yearly and Annual Reports on www.globalmastersfund.com.au
Auditor	Connect National Audit Pty Ltd
Registry	Boardroom Pty Limited 1300 737 760 OR enquiries@boardroomlimited.com.au
Share price and NTA	www.asx.com.au and www.globalmastersfund.com.au

¹ This opinion is provided by Independent Investment Research and must be read together with whole report including the disclaimer and relevant legal notices which can be found at www.independentresearch.com.au

² Calculated in accordance with ASX defined terms as at 30 June 2020.