

GLOBAL MASTERS FUND LIMITED

SHAREHOLDERS' QUARTERLY REPORT

MARCH 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 277.1 cents per share, a 9.0% improvement on the prior quarter and 26.5% higher than at 30 June 2020.

INVESTMENT PERFORMANCE (as at 31 March 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 [^]	9.5%	21.4%	10.4%	12.7%	13.0%	8.1%
ASX All Ordinaries Index (All Ords)	2.4%	37.3%	6.1%	6.4%	3.6%	2.0%
MSCI Index (AUD)	5.6%	22.3%	11.1%	11.4%	11.1%	4.9%
MSCI Index (USD)	4.5%	51.8%	10.8%	11.3%	7.7%	4.9%

[^] 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 +10.9%, both Flagship Investments (ASX: FSI) and Athelney Trust (LSE: ATY) were flat after prior quarter gains. Our UK portfolio continued to perform well, posting +5.3% over the quarter (in local currency). Since inception, the active UK portfolio has delivered +16.7% above the FTSE.

ECONOMIC COMMENTARY

Despite the considerable ongoing uncertainty, global markets were stronger during the March quarter but volatility intra month and intra quarter was extremely high. With COVID seemingly less of an issue now, investor focus shifted to inflationary concerns and the impact on interest rates which in turn saw a large rotation from growth related stocks to value related stocks.

In the US, hopes for progress against Covid-19 with the vaccine rollout, ongoing fiscal support, and the recent election of President Joe Biden has seen investors proceed with a sense of optimism for the new year. This quarter has seen some traditionally value-laggard stocks outperform, with the richly valued growth stocks fading. Companies that are tied to the US economy and dividend-paying stocks were amongst the best performers. Interestingly, the US market witnessed unusual, highly targeted trading activity, which saw unprecedented incidents such as the short squeeze involving GameStop. President Biden confirmed a fiscal stimulus package of \$1.9 billion and \$2.0 trillion infrastructure spending.

In Europe, equities posted strong gains during the quarter as optimism surrounding vaccines took hold. Europe has been one of the hardest hit regions from COVID, with continued outbreaks wreaking havoc on local economies. Rising Covid infections continue to impact services and tourism, however manufacturers have seen strong performance with the purchasing managers index (PMI) posting record highs. Key sectors during the quarter were those that are tied to an economic recovery, with consumer discretionary stocks performing well. Notably, with the rise of electronic vehicles (EVs), car makers such as Volkswagen are announcing ambitious EV plans. The FTSE posted +3.9%, the CAC +9.3%, the DAX +9.4% and the Euro Stoxx +10.3%.

Australia underperformed during the quarter and was impacted by the political uncertainties that have been created by the COVID pandemic. While Australia has proven to be very successful in managing the virus, ongoing inter-state lockdowns have created uncertainty on the performance of large sectors of the market especially education and tourism. Equity markets have witnessed the growth to value rotation, while battling through flat consumer confidence despite strong economic indicators. The ASX All Ordinaries posted +2.4% for the quarter, and the Small Ordinaries up +1.3%, respectively. The AUD had mixed performance during the quarter, posting -1.3% against the US Dollar (76.0 US cents), -2.1% against the Pound (55.1 pence), and +2.8% against the Euro (64.8 cents).

PORTFOLIO CHARACTERISTICS (as at 31 March 2021)

NTA (before tax on unrealised gains) – total	\$29,712,9779
NTA (before tax on unrealised gains) – per share	277.1 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
- Revenue Growth
- Interest cover
- IPOs
- Broker Ideas
- Internal Ideas

FUNDAMENTAL ANALYSIS

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

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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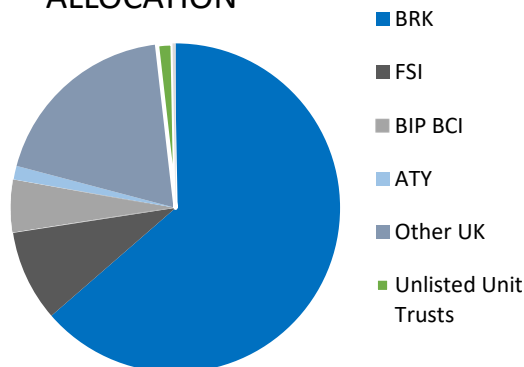


GLOBAL MASTERS FUND LIMITED

PORTFOLIO ALLOCATION - as at 31 March 2021

GFL Investment Portfolio	%
Berkshire Hathaway (NYSE) (BRK)	63.6%
Flagship Investments Limited (ASX) (FSI)	9.0%
BIP BCI Worldwide Flexible Fund Class B	5.2%
Athelney Unit Trust PLC (LSE) (ATY)	1.3%
Other Listed UK	19.1%
Unlisted Unit Trusts	1.5%
Cash	0.3%

ALLOCATION



NTA* BACKING LAST 5 YEARS

NTA Backing* as at	Cents per share
31 March 2021	277.1 cents
31 March 2020	233.8 cents
31 March 2019	231.6 cents
31 March 2018	218.7 cents
31 March 2017	194.2 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 telecommunications with industry participants including brokers, researchers, advisers, Investor Associations and Shareholders. The Company looks forward to engaging with the market during the coming periods through multiple mediums. 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.

STRUCTURE AND TERMS

Fees	Management Fee: Active Investments - 1.0% p.a.; Passive Investments – Nil. 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.