



GLOBAL MASTERS FUND LIMITED

ABN 84 109 047 618

Chairman's Address – Annual General Meeting

Tuesday 15 November 2022

Fellow Shareholders, Ladies and Gentlemen, I am pleased to present the Annual Chairman's Report of Global Masters Fund Limited for the 2021/2022 financial year.

THE YEAR IN REVIEW

After the turmoil of recent years, many had hoped that FY2022 would see a return to a more normal environment. In the first half of the financial year, sentiment was generally positive despite increasing inflation readings and the new COVID strain causing further restrictions. During this period, July 2021 to December 2021, the Global Masters portfolio returned a positive 9.6% compared to the MSCI Index in AUD which increased by 10.8%. However, the balance of the year, January 2022 to June 2022, was punctuated by additional macro events such as the crisis in Ukraine and earlier-than-expected interest rate rises. Our portfolio was not immune to these global risk factors and performance decreased by 14.1% while the MSCI Index in AUD declined by 17.3%.

Over the twelve months the portfolio returns have been negative 5.5%, three percentage points better than the MSCI Index in AUD which declined by 8.4% and 5.6 percentage points better than the ASX All Ordinaries Index which declined by 11.1%.

MARKET OUTLOOK

Equity markets remain under pressure as inflation continues to move higher in the major economies. Fear of global recession remains ever-present as central banks reaffirm their hard stance to combat these inflationary pressures. The political instability in the UK has provided additional uncertainty reflected in the market with a 1.0% decrease in the FTSE Index in the current financial year to date. With this backdrop we can expect a volatile year ahead and so we are pleased with the year to date performance of the portfolio of positive 8.8% compared to the MSCI Index in AUD which has increased by 0.6%.

While the hype and noise of the daily market movements persists, it is more important than ever that one has a strict investment process. We are grateful for the advice and skillful execution of our investment strategy by our Manager, EC Pohl & Co Pty Ltd led by Dr Manny Pohl, who continues to invest with a long-term horizon.



CONVERTIBLE NOTES

I would like to acknowledge and thank the Shareholders and Investors who supported the GFL Convertible Note offer. The listed, redeemable, unsecured convertible note offer raised \$10 million dollars for our expanding global portfolio. In the short-term the noteholders will benefit from the 5.5% per annum interest coupon and in the long term we remain confident that an increasing GFL share price will provide an attractive conversion incentive. The conversion of Notes to ordinary Shares will provide the auxiliary benefits of increasing the size of the Company and thereby making it more attractive to a wider range of investors and encouraging demand for shares in the market.

THE BOARD

I wish to record my appreciation for my fellow Board members for their support and input throughout the past year. We continue to see a number of factors impacting the financial markets, global stability, data security and local environment, and the Board continues to navigate these issues for the benefit of our Shareholders.

A handwritten signature in black ink, appearing to read 'Murray d'Almeida', with a horizontal line extending to the right.

Murray d'Almeida

Chairman

15 November 2022