



GLOBAL MASTERS FUND LIMITED

ABN 84 109 047 618

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 December 2022**

Directors' Report

The Directors of Global Masters Fund Limited (the "Company") submit herewith their report together with the Interim Financial Report for the half-year ended 31 December 2022 and the Auditor's Independent Review Report thereon.

DIRECTORS

The following persons were Directors of the Company since 30 June 2022 and up to the date of this report, unless stated otherwise.

- Mr Murray d'Almeida (Chairman)
- Dr Emmanuel Clive Pohl AM (Managing Director)
- Mrs Angela Obree
- Mr Jason Pohl (Alternate Director to Dr Pohl)

PRINCIPAL ACTIVITY

The principal activity of the Company is holding an investment in Berkshire Hathaway Inc on NYSE. In addition to Berkshire Hathaway, the Company has invested in a diversified global portfolio of investments.

MARKET COMMENTARY

Over the last 12 months the financial markets have been impacted by global events and macro-economic factors that no-one expected in December 2021. This started with the Russian invasion of the Ukraine. Hoping to avoid wide scale conflict the west imposed strict sanctions but inevitably the invasion compounded existing global supply chain issues and European energy concerns. This was also at a time when central banks began to react to persistent inflation readings triggering a dramatic rise in interest rates for most major economies.

The policy shift from the central banks has had a significant impact on equity valuations particularly in the second quarter of 2022. However, as the year continued and the markets became accustomed to the new interest rate environment the last 6 months have fared much better. For the six months between 30 June 2022 to 31 December 2022 the ASX All Ordinaries Index increased by 7.0%, the MSCI Index in AUD increased by 3.5% while the Global Masters portfolio increased by 11.4%.

The relaxation of China's zero-Covid policy in December 2022 was seen as a positive sign for global supply and trade opportunities in the new year. However, the factors that have weighed on markets over 2022 are likely to persist into 2023 and therefore market volatility will continue. Long term shareholders will understand this volatility as a normal part of market participation and will appreciate that investing in high quality businesses that have the ability to generate predictable, above-average economic returns will produce superior investment performance over the long term.

REVIEW OF OPERATIONS

Investment performance for the six months to December 2022 was positive 11.4%, compared to the MSCI Index in AUD increase of 3.5%. The result is an improvement on the prior year 6-month portfolio performance of positive 9.6% but is under the 10 year average of 14.3%. Berkshire Hathaway, GFL's main investment, performed very well during the six months to December 2022 increasing in value by 15.7%.

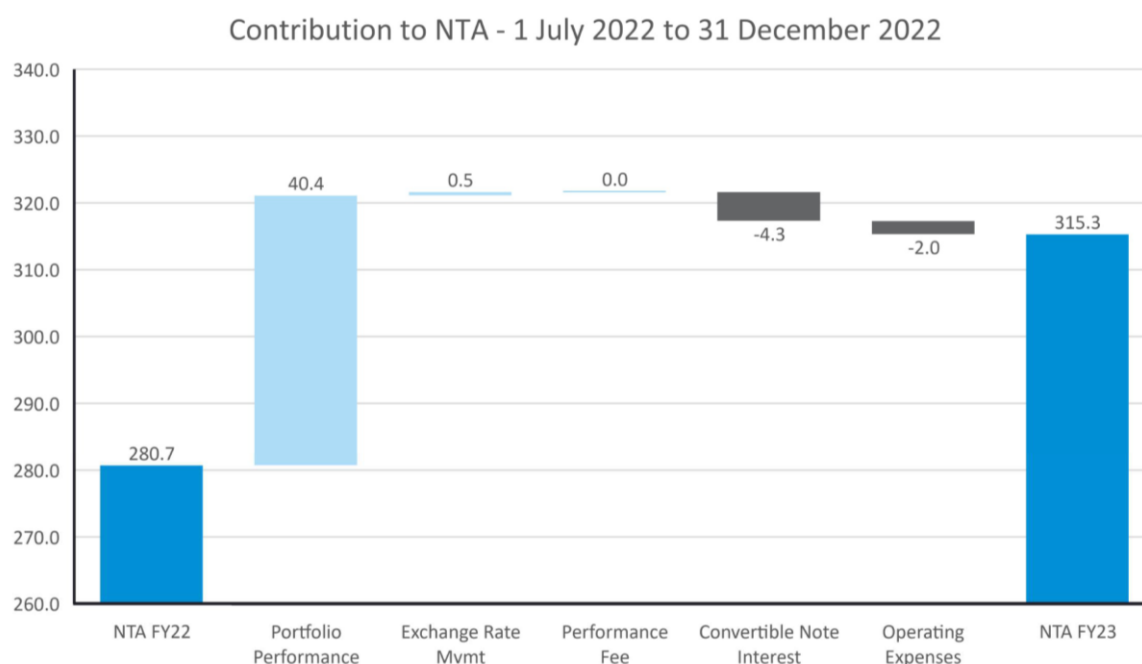
Net Profit after Tax decreased by \$835,860 compared to the prior period due to the interest expense from the convertible note (increase of \$370,605 from last year) and less growth in the UK portfolio (decrease of \$640,077 compared to last year). The actively managed UK portfolio performed in line with the local market achieving a positive 3.87% compared to the FTSE which increased by 3.94%. Other Comprehensive Income increased on the prior year by \$1,188,297 due to the gains made in the Berkshire Hathaway investment as discussed above.

REVIEW OF OPERATIONS (Continued)**Portfolio Performance**

	6 Mths to Dec 22	12 Mths to Dec 22	5 Years p.a.	10 Years p.a.	Since Inception p.a.
Global Masters Portfolio	11.4%	-4.4%	9.6%	14.3%	8.1%
ASX All Ordinaries	7.0%	-7.2%	3.2%	4.5%	2.0%
MSCI Index (AUD)	3.5%	-14.4%	7.2%	11.5%	4.6%
MSCI Index (USD)	2.2%	-19.5%	4.4%	6.9%	3.9%

NET TANGIBLE ASSETS

The NTA per share (tax on realised gains only) at 31 December 2022 was 315.3 cents compared with 280.7 cents at 30 June 2022 an increase of 12.3%. The chart below depicts the movement in NTA in terms of the contribution of the portfolio performance and outgoings in running the Company.

**DIVIDEND**

The Company has historically not paid dividends due to the major investment, Berkshire Hathaway, not yielding a dividend. For the half-year ending 31 December 2022 a dividend has not been declared.

AUDITORS' INDEPENDENCE DECLARATION

The Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* is set out on page 3 and forms part of the Directors' Report for the half-year ended 31 December 2022.

Signed on behalf of the Board in accordance with a Resolution of the Directors.

Murray d'Almeida

Chairman
BUNDALL

21 February 2023

**GLOBAL MASTERS FUND LIMITED
ABN 84 109 047 618**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS GLOBAL MASTERS FUND LIMITED**

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Connect National Audit Pty Ltd
Authorised Audit Company No. 521888



**George Georgiou FCA
MANAGING PARTNER**

Dated 21 February 2023.

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2022

	Note	31 Dec 2022 \$	31 Dec 2021 \$
Statement of Profit/(Loss)			
Revenue	2	149,451	244,077
Unrealised gains/(losses) on investments through profit or loss		232,828	715,013
Changes in fair value of derivative liabilities		-	19,918
Interest Expense		(459,510)	(88,905)
Other expenses		(218,383)	(295,759)
Profit/(Loss) before income tax		(295,614)	594,344
Income tax benefit/(expense)		(72,558)	(126,655)
Net Profit/(Loss) attributable to members of the Company		(368,172)	467,689
Other Comprehensive Income			
Realised and Unrealised gains on Financial Assets taken to equity		4,002,144	2,447,932
Income tax benefit/(expense) relating to components of Other Comprehensive Income		(1,078,901)	(712,986)
Net Other Comprehensive Income		2,923,243	1,734,946
Total Comprehensive Income for the period		2,555,071	2,202,635
Earnings per share:			
		Cents	Cents
Basic earnings/(loss) per share		(3.43)	4.36
Diluted earnings/(loss) per share		(3.43)	4.36
Comprehensive income:			
Comprehensive earnings per share		23.83	20.54

The above Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Condensed Financial Statements.

Condensed Statement of Financial Position

As at 31 December 2022

	Note	31 Dec 2022 \$	30 June 2022 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents		104,347	190,547
Trade and Other Receivables		32,195	40,136
Other Assets		77,110	50,583
TOTAL CURRENT ASSETS		213,652	281,266
NON-CURRENT ASSETS			
Financial Assets	3	42,159,002	38,161,522
TOTAL NON-CURRENT ASSETS		42,159,002	38,161,522
TOTAL ASSETS		42,372,654	38,442,788
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables		74,318	34,685
TOTAL CURRENT LIABILITIES		74,318	34,685
NON-CURRENT LIABILITIES			
Deferred Tax Liability		5,203,914	4,052,456
Convertible notes		8,491,597	8,307,893
TOTAL NON-CURRENT LIABILITIES		13,695,511	12,360,349
TOTAL LIABILITIES		13,769,829	12,395,034
NET ASSETS		28,602,825	26,047,754
EQUITY			
Option premium on convertible notes		1,154,445	1,154,445
Issued Capital	4	12,871,873	12,871,873
Reserves		15,286,800	12,363,557
Retained Earnings/(Accumulated losses)		(710,293)	(342,121)
TOTAL EQUITY		28,602,825	26,047,754

The above Condensed Statement of Financial Position should be read in conjunction with the Notes to the Condensed Financial Statements.

Condensed Statement of Changes in Equity

For the half-year ended 31 December 2022

	Issued Share Capital \$	Retained Profits/ (Accumulated Losses) \$	Asset Revaluation Reserve \$	Asset Realisation Reserve \$	Notes Option Premium \$	Total Equity \$
2021						
Balance at 1 July 2021	12,871,873	872,140	13,062,256	277,380	-	27,083,649
Total Comprehensive Income						
Profit/(Loss) for the half- year	-	467,689	-	-	-	467,689
Other Comprehensive Income	-	-	1,734,946	-	-	1,734,946
Total Comprehensive Income	-	467,689	1,734,946	-	-	2,202,635
Other						
Transfer to realisation reserve	-	-	(29,772)	29,772	-	-
Balance at 31 December 2021	12,871,873	1,339,829	14,767,430	307,152	-	29,286,284
	Issued Share Capital \$	Retained Profits/ (Accumulated Losses) \$	Asset Revaluation Reserve \$	Asset Realisation Reserve \$	Notes Option Premium \$	Total Equity \$
2022						
Balance at 1 July 2022	12,871,873	(342,121)	12,056,405	307,152	1,154,445	26,047,754
Total Comprehensive Income						
Profit/(Loss) for the half- year	-	(368,172)	-	-	-	(368,172)
Other Comprehensive Income	-	-	2,923,243	-	-	2,923,243
Total Comprehensive Income	-	(368,172)	2,923,243	-	-	2,555,071
Other						
Transfer to realisation reserve	-	-	10,961	(10,961)	-	-
Balance at 31 December 2022	12,871,873	(710,293)	14,990,609	296,191	1,154,445	28,602,825

The above Condensed Statement of Change in Equity should be read in conjunction with the Notes to the Condensed Financial Statements.

Condensed Statement of Cash Flows

For the half-year ended 31 December 2022

	31 Dec 2022 \$	31 Dec 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Distributions and Dividends received	208,249	132,192
Interest received	748	297
Interest paid on convertible notes	(275,807)	(55,753)
Payments to suppliers and employees	(206,310)	(465,687)
Net cash provided by/(used in) operating activities	(273,120)	(388,951)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of Investments	418,199	428,721
Payments for Investments	(231,279)	(9,893,363)
Net cash provided by/(used in) investing activities	186,920	(9,464,642)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Proceeds from the issuance of convertible notes	-	9,760,556
Net cash provided by financing activities	-	9,760,556
Net increase/(decrease) in cash and cash equivalents	(86,200)	(93,037)
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	(4,051)
Cash and cash equivalents at beginning of the financial period	190,547	414,284
Cash and cash equivalents at the end of the financial period	104,347	317,196

The above Condensed Statement of Cash Flows should be read in conjunction with the Notes to the Condensed Financial Statements.

Notes to the Condensed Financial Statements

For the half-year ended 31 December 2022

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These general purpose Interim Financial Statements for the half-year reporting period ended 31 December 2022 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Global Masters Fund Limited is a for-profit Company for financial reporting purposes under Australian Accounting Standards.

This Interim Financial Report is intended to provide users with an update on the latest annual financial statements of Global Masters Fund Limited. As such it does not include all the notes of the type normally included in an Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial statements for the year ended 30 June 2022, together with any public announcements made by Global Masters Fund Limited during the half-year ended 31 December 2022 in accordance with the continuous disclosure requirements of the ASX listing rules.

These Interim Financial Statements were authorised for issue on 21 February 2023.

b) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

c) Changes in Accounting Policy

There are no changes in accounting policy that apply for the half-year ended 31 December 2022 compared to 30 June 2022. There was a change to the accounting treatment of the convertible notes compared to 31 December 2021. On 17 June 2022 there was an amendment to the conversion price features of the Note Terms and the conversion option previously classified as a derivative liability at fair value was reclassified as equity.

d) New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

e) Foreign Currency

Both the functional and presentation currency of the Company is Australian dollars (\$).

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the financial report are taken to the profit and loss with the exception of differences on assets classified as FVOCI, these are taken directly to equity.

Notes to the Condensed Financial Statements

For the half-year ended 31 December 2022

	31 Dec 2022	31 Dec 2021
	\$	\$

NOTE 2 REVENUE AND OTHER INCOME

Realised gain on sale of investments	(50,571)	107,320
Interest received	748	297
Dividends received	199,274	136,460
	<u>149,451</u>	<u>244,077</u>

NOTE 3 FAIR VALUE MEASUREMENTS

The following assets and liabilities are recognised and measured at fair value on a recurring basis:

- Financial Assets at fair value through Other Comprehensive Income (FVTOCI).
- Financial Assets at fair value through Profit or Loss (FVTPL).

In accordance with AASB13 *Fair Value Measurement* all assets and liabilities measured at fair value are assigned to a level in the fair value hierarchy as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 Inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), and
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets out the Company's assets and liabilities that are measured and recognised at fair value in the financial statements:

As at 30 June 2022	Level 1	Level 2	Level 3	TOTAL
	\$	\$	\$	\$
Recurring fair value measurements.				
<i>Financial Assets</i>				
- FVTPL	4,581,612	-	-	4,581,612
- FVTOCI	33,579,910	-	-	33,579,910
Total Financial Assets	38,161,522	-	-	38,161,522
As at 31 December 2022	Level 1	Level 2	Level 3	TOTAL
	\$	\$	\$	\$
Recurring fair value measurements.				
<i>Financial Assets</i>				
- FVTPL	4,740,318	-	-	4,740,318
- FVTOCI	37,418,684	-	-	37,418,684
Total Financial Assets	42,159,002	-	-	42,159,002

There were no transfers during the period between Level 1 and Level 2 for recurring fair value measurements.

Notes to the Condensed Financial Statements

For the half-year ended 31 December 2022

NOTE 3 FAIR VALUE MEASUREMENTS *(continued)*

The Company's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

Due to their short-term nature, the carrying amount of trade receivables and payables are assumed to approximate their fair values.

The carrying amount of current trade and other payables are assumed to approximate their fair values because the impact of discounting is not significant.

NOTE 4 MOVEMENTS IN ISSUED CAPITAL

Date	Details	Number of shares	Price	\$
30 June 2021	Balance	10,723,159		12,871,873
	Nil Movement	-		-
30 June 2022	Balance	10,723,159		12,871,873
	Nil Movement	-		-
31 December 2022	Balance	10,723,159		12,871,873

(a) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTE 5 OPERATING SEGMENTS

Segment Information

The Company operates solely in the Investment Industry. Its core business focuses on investing in listed international equities to achieve medium to long-term capital growth and income.

Operating segments have been determined on the basis of the reports reviewed by the Managing Director. The Managing Director is considered to be the chief operating decision maker of the Company. The Managing Director considers the business from both a product and geographic perspective and assesses performance and allocates resources on this basis. The Managing Director considers the business to consist of just one reportable segment.

NOTE 6 EVENTS OCCURRING AFTER REPORTING DATE

The Directors are not aware of any matter or circumstance which has arisen since balance date that has significantly affected or may significantly affect the operations of the Company.

NOTE 7 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company has no known contingent liabilities or contingent assets.

DIRECTORS' DECLARATION

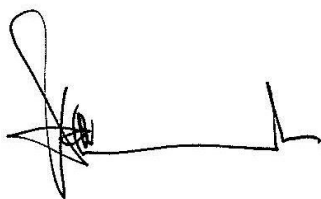
The Directors of the Company declare that:

The Financial Statements and Notes set out on pages 4 to 10 are in accordance with the *Corporations Act 2001*, including:

- (a) comply with Accounting Standard AASB134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Company's financial position as at 31 December 2022 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the Directors' opinion, there are reasonable grounds to believe that Global Masters Fund Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

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

Murray d'Almeida

Chairman

BUNDALL

21 February 2023

GLOBAL MASTERS FUND LIMITED
ABN 84 109 047 618

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GLOBAL MASTERS FUND LIMITED
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Conclusion

We have reviewed the half-year financial report of Global Masters Fund Limited (the Company), which comprises the Condensed Statement of Financial Position as at 31 December 2022, the Condensed Statement of Profit or Loss and Other Comprehensive Income, the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Global Masters Fund Limited does not comply with the Corporations Act 2001, including:

- (a) giving a true and fair view of Global Masters Fund Limited's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the corporations Act 2001 which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

GLOBAL MASTERS FUND LIMITED
ABN 84 109 047 618

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GLOBAL MASTERS FUND LIMITED
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Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the company's financial position as at 31 December 2022 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Connect National Audit Pty Ltd
Authorised Audit Company No. 521888



George Georgiou FCA
Managing Partner

Dated 21 February 2023.

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