

GLOBAL MASTERS FUND LIMITED

SHAREHOLDERS' QUARTERLY REPORT

DECEMBER 2023

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

Jason Pohl
Executive

Angela Obree
Non-Executive

COMPANY SECRETARY

Scott Barrett

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), decreased to 373.3 cents per share, a 0.2% decrease from 30 September 2023.

INVESTMENT PERFORMANCE (as at 31 December 2023)

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 [^]	0.6%	18.0%	14.2%	11.4%	12.3%	8.7%
ASX All Ordinaries Index (All Ords)	8.0%	8.4%	4.6%	6.5%	3.9%	2.3%
MSCI Index (AUD)	4.9%	21.8%	10.0%	11.7%	9.6%	7.6%
MSCI Index (USD)	11.1%	21.8%	5.6%	11.0%	6.7%	4.8%

[^] Source: EC Pohl & Co Pty Ltd

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

During the quarter, our largest investment Berkshire Hathaway (NYSE: BRK) posted +2.1% for the quarter. The GFL share price has posted -1.0%, with the underlying portfolio at 0.6% underperforming the various indices.

ECONOMIC COMMENTARY

In the last quarter, global equity markets experienced a resurgence, largely fueled by expectations that major central banks are nearing the end of their rate hiking cycles. This sentiment was buoyed by a dovish stance from the Federal Reserve (Fed) in December, prompting a reassessment of monetary policies worldwide. The changing backdrop led to a robust performance in developed market equities, overshadowing other market movements. Additionally, the quarter was marked by falling crude oil prices, which played a role in shaping the overall market climate.

In the US, the equity market witnessed notable gains, with the S&P 500 nearing its record high from early 2022, due to expectations of forthcoming interest rate cuts following easing inflation rates. Consequently, sectors most sensitive to interest rates, such as IT, real estate, and consumer discretionary, saw significant gains, while the energy sector's performance was dampened by falling crude oil prices. The S&P500 posted +11.2%, while the Nasdaq posted +13.6% over the quarter.

In Europe, the final quarter marked a period of strength for equities, which benefited from the softened inflation figures and the prospect of halted interest rate hikes. The UK market saw an upward trend, with small and mid-cap indices outperforming the broader market. This was partly due to a stronger sterling against the US dollar and moderated UK inflation rates, which fed into expectations of a halt in the Bank of England's interest rate hikes. The FTSE increased by +1.7%, the CAC by +5.7%, and the DAX by +8.9%.

In Asia, Japanese equities had a varied quarter, with equities being influenced by shifts in local politics, US economic data, and the Japanese yen's appreciation. Corporate earnings in Japan were generally strong, and the Bank of Japan indicated a move towards normalising its monetary policy, impacting the market outlook. More broadly, most Asian markets enjoyed gains, while China was an exception due to economic growth concerns and the real estate crisis. The Shanghai Composite posted -4.4%, the Hang Seng -4.3%, and the Nikkei +5.0%.

In Australia, equities performed well with gains in all sectors, particularly real estate, healthcare, materials, and IT. The Reserve Bank of Australia (RBA) kept the interest rate at 4.35%, differing from the more dovish trends of other central banks. Australia's economic growth was slow, affected by changes in consumer spending and investment, as well as a lower savings rate. The RBA maintained its interest rate due to ongoing inflation worries, even as business conditions weakened and unemployment rates rose slightly.

The ASX All Ordinaries posted +8.0% for the quarter, ASX 200 +7.7%, and the Small Ordinaries +8.0%, respectively. The AUD appreciated during the quarter, posting +5.9% against the US Dollar (68.1 US cents), +1.5% against the Pound (53.5 pence), and +1.4% against the Euro (61.7 cents).

PORTFOLIO CHARACTERISTICS (as at 31 December 2023)

NTA (before tax on unrealised gains) – total	\$40,025,859
NTA (before tax on unrealised gains) – per share	373.3 cents

GLOBAL MASTERS FUND LIMITED

DECEMBER 2023

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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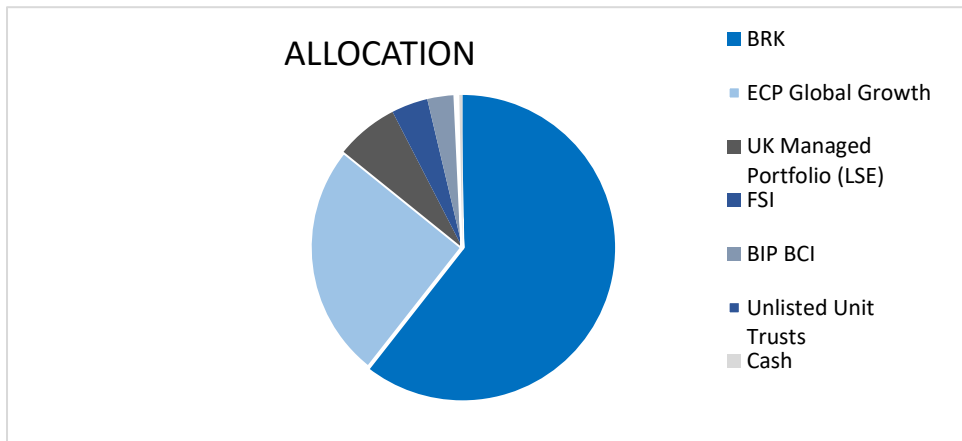
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GLOBAL MASTERS FUND LIMITED

PORTFOLIO ALLOCATION – as at 31 December 2023

GFL Investment Portfolio	%
Berkshire Hathaway (NYSE) (BRK)	60.58 %
ECP Global Growth Fund	25.22 %
UK Managed Portfolio (LSE)	6.64 %
Flagship Investments Limited (ASX) (FSI)	3.86 %
BIP BCI Worldwide Flexible Fund Class B	2.97 %
Unlisted Unit Trusts	0.40 %
Cash	0.33 %



NTA* BACKING LAST 5 YEARS

NTA Backing* as at	Cents per share
31 December 2023	373.3 cents
31 December 2022	266.7 cents
31 December 2021	273.1 cents
31 December 2020	219.3 cents
31 December 2019	225.9 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, Investor Associations and its Shareholders. During the quarter the Company met with and presented to various Brokers, Researchers and Financial Advisers. New articles and interviews can be found on the Company website, YouTube and other social media pages. For further information including about other upcoming events the Company is participating in, please contact the Company at info@globalmastersfund.com.au or call +61 7 5644 4400 or 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 sent to subscribers and Shareholders and interested parties who 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: 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	0.14%
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 2023.