

GLOBAL MASTERS FUND LIMITED

SHAREHOLDERS' QUARTERLY REPORT

JUNE 2024

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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GLOBAL MASTERS FUND LIMITED

OVERVIEW

During the quarter, Global Masters Fund Limited's (ASX: GFL) Net Tangible Asset (NTA) value (before estimated tax on unrealised gains), decreased to 423.0 cents per share, a 6.9% decrease from 31 March 2024.

INVESTMENT PERFORMANCE (as at 30 June 2024)

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 [^]	-5.1%	17.9%	11.8%	12.7%	13.2%	9.1%
ASX All Ordinaries Index (All Ords)	-1.7%	8.3%	1.9%	3.6%	4.1%	2.4%
MSCI Index (AUD)	-0.1%	18.3%	9.4%	11.2%	11.0%	6.1%
MSCI Index (USD)	2.2%	18.4%	5.2%	10.0%	7.3%	5.3%

[^] Source: EC Pohl & Co Pty Ltd
Gross performance before impact of fees, taxes and charges. Past performance no predictor of future

During the quarter, Berkshire Hathaway (NYSE: BRK), posted -3.5%. The GFL share price has posted +5.7%, with the underlying portfolio posting -5.1% for the quarter. Notably, the ECP Global Growth Fund posted -2.2%, while the UK-managed portfolio posted -4.4% in AUD.

ECONOMIC COMMENTARY

Global equities saw varied performances across different regions. While the US and certain European sectors showed resilience, other areas, particularly in Asia, faced challenges. Central banks' policies and political events significantly impacted market sentiments and investor behaviour. Importantly, this year's returns have been largely driven by the equity market re-rating, where the US trades at a forward P/E of 21.0x, while Australia is at 16.8x, and Japanese and European equities are trading in line with their long-term averages. These rising valuations highlight the importance of an active approach to finding value.

In the US, share gains in Q2 were led by the information technology and communication services sectors. Ongoing enthusiasm around AI continued to boost related companies amid strong earnings and outlook statements, while weaker sectors included materials and industrials. The likely timing and extent of interest rate cuts remained a key focus for markets, with worries the US economy may be overheating, and strong economic data was greeted negatively by the market. The S&P 500 posted +3.9%, while the Nasdaq posted +8.3% over the quarter.

In Europe, Eurozone shares declined in Q2 due to uncertainty from France's parliamentary election announcement and reduced expectations for significant interest rate cuts. The IT sector, particularly semiconductor stocks, saw gains. The European Central Bank cut interest rates by 25 bps in early June, but persistent inflation might constrain further cuts. In the UK, equities rose, and the FTSE 100 reached new highs. Despite slowing growth and favourable inflation trends, the Bank of England kept base rates at 5.25%. The FTSE increased by +2.7%, the CAC by -8.9%, and the DAX by -1.4%.

In Asia, equities displayed mixed performance in Q2. Japanese equities witnessed a modest gain, supported by positive earnings reports and increasing share buybacks. The Bank of Japan announced plans to reduce government bond purchases, which supported financial stocks. Despite these positive signs, concerns about yen weakness and stagnant consumer sentiment persisted due to negative real-term wage growth. In contrast, Chinese equities experienced declines due to ongoing economic growth concerns and the real estate crisis. The Shanghai Composite posted -2.4%, the Hang Seng +7.2%, and the Nikkei -2.0%.

In Australia, equities were under pressure by quarter-end, with financials performing strongly. Economic data presented a mixed picture in Q2, where inflation surged in May to 4.0% year-on-year, well above expectations. This was followed by a higher April monthly figure suggesting the quarter will be above the Reserve Bank of Australia's (RBA) inflation forecast, putting pressure on them to raise rates in August. The RBA kept the cash rate steady at 4.35% in June, and the commentary shifted in a hawkish direction. The housing market has remained resilient, rising in June, with tight supply underpinning price growth.

The ASX All Ordinaries posted -1.7% for the quarter, ASX 200 -1.6%, and the Small Ordinaries -4.8%, respectively. The AUD appreciated during the quarter, posting +2.4% against the US Dollar (66.7 US cents), +2.2% against the Pound (52.7 pence), and +3.2% against the Euro (62.3 cents).

PORTFOLIO CHARACTERISTICS (as at 30 June 2024)

NTA (before tax on unrealised gains) – total	\$45,355,849
NTA (before tax on unrealised gains) – per share	423.0 cents

GLOBAL MASTERS FUND LIMITED

JUNE 2024

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 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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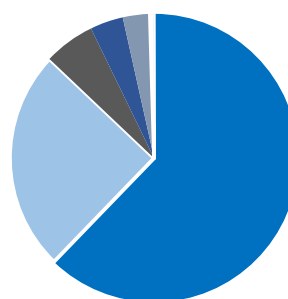


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PORTFOLIO ALLOCATION – as at 30 June 2024

GFL Investment Portfolio	%
Berkshire Hathaway (NYSE) (BRK)	62.21 %
ECP Global Growth Fund	24.85 %
UK Managed Portfolio (LSE)	5.73 %
Flagship Investments Limited (ASX) (FSI)	3.71 %
BIP BCI Worldwide Flexible Fund Class B	3.06 %
Unlisted Unit Trusts	0.40 %
Cash	0.04 %

ALLOCATION



- BRK
- ECP Global Growth
- UK Managed Portfolio (LSE)
- FSI
- BIP BCI
- Unlisted Unit Trusts
- Cash

NTA* BACKING LAST 5 YEARS

NTA Backing* as at	Cents per share
30 June 2024	423.0 cents
30 June 2023	359.4 cents
30 June 2022	280.7 cents
30 June 2021	301.7 cents
30 June 2020	219.0 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. 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	0.09%
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	Augmented Audit Co 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 2024.