



GLOBAL MASTERS FUND LIMITED

ABN 84 109 047 618

Chairman's Address – Annual General Meeting

Thursday 14 November 2024

Fellow Shareholders, Ladies and Gentlemen, I am pleased to present the Annual Chairman's Report of Global Masters Fund Limited for the 2023/2024 financial year.

THE YEAR IN REVIEW

First up, I would like to give a brief recap of the performance from FY2024, as shared in our Annual Report. The Global Masters Fund portfolio performed well during the financial year, delivering a positive return of 17.9%. The result reflects the performance of the global markets as represented by the MSCI Index in AUD which increased by 18.3% during the year. The Company's core investment in Berkshire Hathaway delivered a very strong result. Berkshire Hathaway A Stock increased in price by 18.2% and B Stock increased by 19.3% in USD terms, the USD/AUD exchange rate change had only a minor impact of negative 0.1%.

The overall outcome of this performance was a growth in net tangible asset value before tax on unrealised gains of 63.3 cents per share. At the same time the share price increased from \$2.49 to \$3.15.

CONVERTIBLE NOTES

For holders of the GFL Convertible Notes, the step-up date is approaching. If the bank bill rates maintain then it is likely that the interest rate will step up to 6.5% per annum. With the share price movement to date the convertible notes are "in the money" offering an incentive for note-holders to convert to ordinary shares. Importantly, the Board maintains that growing the size of GFL is an important strategic objective and the current outlook of the convertible notes is a positive step in the process.

OUTLOOK

The new financial year has started well for GFL. Our core investment in Berkshire Hathaway has increased in value by 12.1% and the holding in the ECP Global Growth Fund has increased in value by 9.6%. The recent win of President Trump in the United States has produced a positive reaction from the market, however the long term economic outlook is uncertain and depends greatly on the economic policies of the new president and the opportunities for the Federal Reserve to cut rates given the high inflation outlook.



In Australia, the RBA in its November meeting left the cash rate unchanged at 4.35% and provided its latest economic forecasts that confirmed that an interest rate cut is a mid-2025 possibility but that it will be a shallow rate cutting cycle. Resilient domestic demand and wage growth in a tight labour market making the interest rate decision a difficult one.

Given this economic back-drop it is important that our strategy is nimble and responsive to the opportunities that present themselves. Investments in businesses that have a fundamental sustainable competitive advantage that can generate predictable, above average economic returns will produce superior investment performance over the long term and it is our intention to align the portfolio on this philosophy.

THANK YOU

I wish to record my appreciation for my fellow Board members for their support and contribution throughout the past year. The commitment from our Board ensures the best interests of Shareholders are managed and protected as we continue to grow GFL. As I think about our responsibility to our Shareholders there is a Charlie Munger quote, I'm reminded of:

"If you want to succeed in investments, start early and try hard and keep doing it. All success comes that way, by and large."

Thank you to our long-term shareholders for your support, we will keep working hard on your behalf.

Murray d'Almeida

Chairman

14 November 2024