

GLOBAL MASTERS FUND LIMITED

SHAREHOLDERS' QUARTERLY REPORT

DECEMBER 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), increased to 516.8 cents per share, a 13.6% increase from 30 September 2024.

INVESTMENT PERFORMANCE (as at 31 December 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 [^]	11.0%	33.7%	14.7%	14.5%	12.9%	9.9%
ASX All Ordinaries Index (All Ords)	-1.4%	7.5%	2.7%	4.4%	4.6%	2.6%
MSCI Index (AUD)	11.4%	28.8%	10.4%	12.3%	11.1%	6.6%
MSCI Index (USD)	-0.4%	17.0%	4.7%	9.5%	8.0%	5.5%

[^] 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-A), posted -1.5%. The GFL share price posted +14.9%, with the underlying portfolio posting +11% for the quarter. Notably, the ECP Global Growth Fund posted +20%, while the UK-managed portfolio posted +6.3% in AUD

ECONOMIC COMMENTARY

US shares advanced following Donald's Trump's victory in the Presidential election, but other regional markets came under pressure amid worries over trade tariffs. Trump's victory in the US presidential election acted as a headwind for emerging market (EM) equities in the quarter.

In the US, equities made gains in Q4 to round out a strong year for the S&P 500 index, buoyed by expectations that Trump's policy programme will lift growth, lower taxes and cut regulation. In Q4, gains were led by the communication services, information technology and consumer discretionary sectors. The weakest sector was materials. The US economy remained strong with annualised GDP growth of 3.1% in Q3. The Federal Reserve (Fed) lowered interest rates by 25 basis points (bps) in both November and December but scaled back the number of interest cuts expected in 2025 due to persistently sticky inflation. The S&P 500 posted +2.1%, while the Nasdaq posted +6.2% over the quarter.

In Europe, shares declined in Q4 amid fears of recession. The weakest sectors for the quarter included materials, real estate and consumer staples. Sectors posting gains included industrials. The European Central Bank (ECB) cut interest rates by 25 basis points in both October and December and signaled more rate cuts in 2025. In the UK, equities fell over the quarter. Several domestically focused sectors declined amid a rise in long-term bond yields and growing concerns about the UK macro-economic outlook. While long-term bond yields rose in line with global trends as inflation expectations were revised upwards, their rise in the UK was exacerbated by concerns around the new UK government's fiscal policies unveiled in its Autumn Budget. Data indicated the economy shrank in October, being the second straight monthly contraction and revisions to past data revealed the economy had performed more poorly than expected with Q3 growth being revised to zero from 0.1% previously. The FTSE decreased by -0.8%, the CAC by -3.3%, while the DAX rose by +3.0% over the quarter.

In Asia, the fourth quarter saw mixed results. Developments in the US and their impact on financial markets, particularly the currency market, drove the Japanese equity market. Overall, yen weakness towards the end of 2024 bolstered the earnings outlook for large-cap exporters, allowing the market to finish the year on a high note. China and Hong Kong experienced sharp declines in the quarter as the prospect of a second Trump presidency raised the risk of heightened tensions over trade and technology and the possibility of additional tariffs on manufactured goods from China. The Shanghai Composite posted +0.5%, the Hang Seng -5.1%, and the Nikkei +5.2%.

In Australia, equities declined with the ASX All Ordinaries falling -1.4% for the quarter, ASX 200 -1.3%, and the Small Ordinaries -1.5%, respectively. The RBA left the cash rate unchanged at 4.35% in its December meeting. The policy statement was more dovish, noting that inflation is moving sustainably towards target. The Q3 gross domestic product (GDP) was another soft print at 0.3% quarter-on-quarter, well below consensus estimates. Weakness was mainly focused on private investment, which fell 0.6% in the quarter. The labour market remains resilient, with a 3.9% unemployment rate in November, the lowest level since March. Business and consumer sentiment indices however retreated further in November. The AUD depreciated during the quarter, posting -10.5% against the US Dollar (62 US cents) -4.5% against the Pound (49.5 pence) and -3.8% against the Euro (59.8 cents).

PORTFOLIO CHARACTERISTICS (as at 31 December 2024)

NTA (before tax on unrealised gains) – total	\$55,422,445
NTA (before tax on unrealised gains) – per share	516.8 cents

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DECEMBER 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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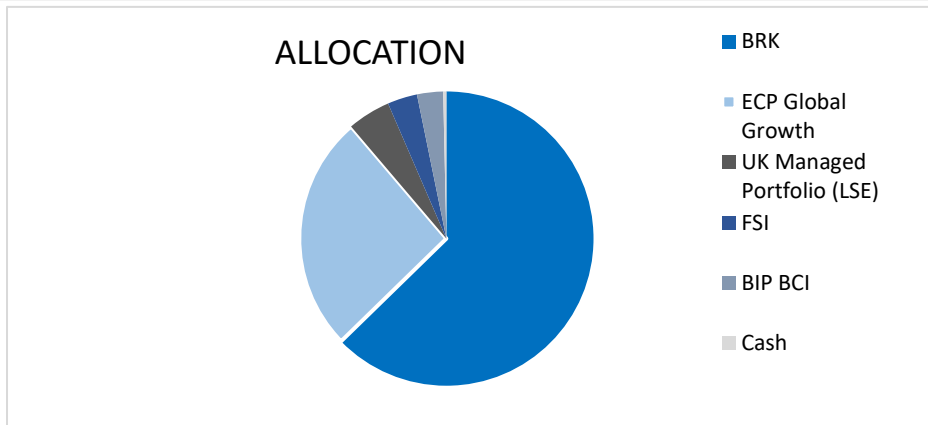
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PORTFOLIO ALLOCATION – as at 31 December 2024

GFL Investment Portfolio	%
Berkshire Hathaway (NYSE) (BRK)	62.70 %
ECP Global Growth Fund	26.08 %
UK Managed Portfolio (LSE)	4.73 %
Flagship Investments Limited (ASX) (FSI)	3.28 %
BIP BCI Worldwide Flexible Fund Class B	2.86 %
Cash	0.35 %



NTA* BACKING LAST 5 YEARS

NTA Backing* as at	Cents per share
31 December 2024	516.8 cents
31 December 2023	373.3 cents
31 December 2022	315.2 cents
31 December 2021	330.1 cents
31 December 2020	254.3 cents

*NTA is after all fees, expenses and tax on realised gains, but before tax payable on unrealised gains

ACTIVELY PROMOTING THE COMPANY

ECP Asset Management was recognised at the 2024 Australian Fund Manager Awards during the period, receiving two accolades including the Golden Bull Award for the best Large-Cap Aussie Equities Manager and the Best Funds Management Analyst Award. Commenting on the awards, co-founder and CIO, Dr Manny Pohl AM said the win reflects the ongoing success of the team.

Various members of the Manager were featured in industry publications over the period, including the Australian Financial Review and The Australian. The team appeared on multiple podcasts, discussing their careers, the Manager's investment philosophy, and outlook for markets.

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.