

GLOBAL MASTERS FUND LIMITED

SHAREHOLDERS' QUARTERLY REPORT — SEPTEMBER 2020

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

Dr Emmanuel (Manny) C Pohl AM
Managing Director

Jonathan Lancelot Addison (Snr)
Non-Executive

Patrick Corrigan AM
Non-Executive

COMPANY SECRETARY
Brian Jones

COMPANY DETAILS
Global Masters Fund Limited
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GLOBAL MASTERS FUND LIMITED

OVERVIEW
During the quarter, Global Masters Fund Limited (ASX: GFL) out-performed the global markets with the Company's Net Tangible Asset (NTA) value, as at 30 September 2020 (before estimated tax on unrealised gains), closing at 244.9 cents per share, an 11.8% improvement on the prior quarter.

INVESTMENT PERFORMANCE (as at 30 September 2020)

Quarterly Return (US)		Quarterly Return (AUS)	
Berkshire Hathaway	19.7%	Global Masters Portfolio^	12.2%
MSCI Index	7.5%	ASX All Ordinaries Index (All Ords)	0.1%
^ Source: EC Pohl & Co Pty Ltd		MSCI Index in A$	3.6%

During the quarter the portfolio saw strong returns across all investments; Berkshire Hathaway (NYSE: BRK.A) posted an impressive +19.7%, Flagship Investments (ASX: FSI) posted +11.1%, and Athelney Trust (LSE: ATY) posting +12.1%. Our UK portfolio continued to perform exceptionally well, outperforming the FTSE 100 index by 11.4 percentage points.

ECONOMIC COMMENTARY
The COVID-19 saga continues, with uncertainty and volatility reigning supreme. The pandemic continues to weigh heavily on economic activity as government intervention continues to place considerable restrictions through lockdown measures. While the previous quarter saw investors return to equities, the resurgence of COVID-19 in some regions and the upcoming US Presidential election in November has raised the level of uncertainty in these markets.

In the US, equity markets maintained the previous quarter's positive trend, with the Federal Reserve continuing to be accommodative through stimulus measures. Unemployment continued to decline to 8.4%, with better performance across manufacturing and retail. Notably, the Fed announced changes to inflation targets where they adopted an average inflation target - lengthening the equity market expansion. The S&P500 increased by +8.5%, the Dow Jones +7.6%, while the NASDAQ was up 11.0% seeing strong performance from the technology sector.

In Europe, the pandemic continues to wreak havoc on local economies with most member states posting flat or negative growth. Sharply rising COVID cases in regions such the UK, France, Spain and Germany, are seeing lockdown measures coming into place – governments are placing more localised lockdown measures rather than country-wide. The UK seemed to lag their European counterparts with the ongoing Brexit issues compounding their poor performance and negative sentiment. The FTSE posted -4.9%, the CAC -2.7%, and the DAX posting +3.7%.

In Australia, we have been one of the lucky countries in terms of infection rates from COVID-19 and the flow-on economic impact. While our relatively strong performance and management of the pandemic has positioned us well, we have not escaped the effects as we have entered into our first recession since 1991. We note, despite entering into a recession, that Australia has performed materially better than many other Western countries. Despite this overall success, Victoria re-entered into strict lockdown procedures as infection rates spiralled out of control. The Australian Governments' JobKeeper and JobSeeker programs, as well as mortgage relief programs for households and small businesses, have provided robust support for the economy. The focus now as we head into the end of the calendar year, is how the Australian Government will attempt to manage the economy.

The Australian All Ords was up by +0.1% for the quarter and the Small Ordinaries up +4.9%, respectively. The AUD remained relatively stable against all major currencies during the quarter, posting +3.8% against the US Dollar (71.7US cents), -0.4% against the Pound (55.5 pence), and -0.6% against the Euro (61.1 cents).

PORTFOLIO CHARACTERISTICS (as at 30 September 2020)

NTA (before tax on unrealised gains) – total	$26,257,018
NTA (before tax on unrealised gains) – per share	244.9 cents

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SEPTEMBER 2020

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

PORTFOLIO WEIGHTING
- 5 Year Risk Adjusted Total Return
- Market Risk Analysis

HIGH CONVICTION PORTFOLIO OF COMPANIES
This process is the basis for all our Australian equities investment decisions.

FOLLOW OUR SOCIAL MEDIA

www.globalmastersfund.com.au

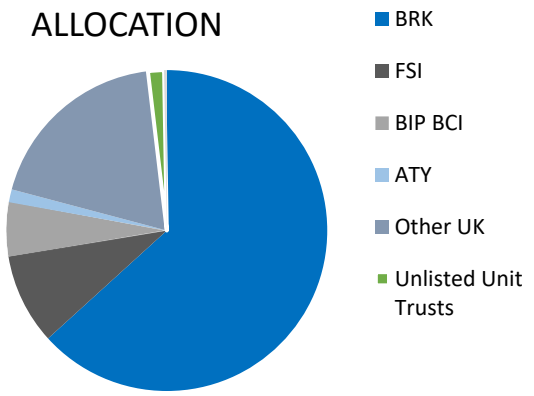
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GLOBAL MASTERS FUND LIMITED

PORTFOLIO ALLOCATION - as at 30 September 2020

GFL Investment Portfolio	%
Berkshire Hathaway (NYSE) (BRK)	63.2%
Flagship Investments Limited (ASX) (FSI)	9.2%
BIP BCI Worldwide Flexible Fund Class B	5.4%
Athelney Unit Trust PLC (LSE) (ATY)	1.3%
Other Listed UK	19.0%
Unlisted Unit Trusts	1.6%
Cash	0.3%



NTA* BACKING LAST 5 YEARS

NTA Backing* as at	Cents per share
30 September 2020	244.9 cents
30 September 2019	248.2 cents
30 September 2018	242.6 cents
30 September 2017	206.2 cents
30 September 2016	173.9 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 telecommunications with industry participants. Despite physical limitations brought on by current travel restrictions the Company maintains an active digital communication program with Brokers, Researchers, Advisers, Investors and Shareholders through voice, email and video. The Company looks forward to engaging with the market during the coming periods through multiple mediums.

Please contact the Company for further information about these and other events through **info@globalmastersfund.com.au** or call 1800 352 474 if you would like a representative to digitally present to you, present at an investor function or visit your office.

VISIT THE WEBSITE AND SUBSCRIBE

The Company has a website which has information about Global Masters Fund and links to Announcements and Reports. The address is **www.globalmastersfund.com.au**. A monthly email is sent to subscribers, Shareholders and interested parties can subscribe through the website or emailing the Company 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: Active Investments - 1.0% p.a.; Passive Investments – Nil. Performance Fee: Applicable to Active Investments only – 20% of the annual outperformance over the FTSE 100 index.
MER[2]	0.25%
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	WPIAS 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 2020.

Independent Research