



GLOBAL MASTERS FUND LIMITED

ABN 84 109 047 618

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 December 2021**

Directors' Report

The Directors of Global Masters Fund Limited (the "Company") submit herewith their report together with the Interim Financial Report for the half-year ended 31 December 2021 and the Auditor's Independent Review Report thereon.

DIRECTORS

The following persons were Directors of the Company since 30 June 2021 and up to the date of this report, unless stated otherwise.

- Mr Murray d'Almeida (Chairman)
- Dr Emmanuel Clive Pohl AM (Managing Director)
- Mr Patrick Corrigan AM (retired 18 November 2021)
- Mrs Angela Obree (appointed 18 November 2021)
- Mr Jason Pohl (Alternate Director to Dr Pohl)

PRINCIPAL ACTIVITY

The principal activity of the Company is holding an investment in Berkshire Hathaway Inc on NYSE. In addition to Berkshire Hathaway, the Company has invested in a diversified global portfolio of investments.

REVIEW OF OPERATIONS

On the 24 November 2021 Global Masters Fund Limited issued 3,225,806 unsecured, listed convertible notes (GFL Notes). The GFL Notes issued at \$3.10 raised \$10 million for GFL before costs, which has been deployed into the Vanguard MSCI Index International Shares ETF (VGS.ASX). The Vanguard ETF is considered a short-term investment, providing exposure to the global market until such time as an appropriate active strategy can be engaged. Capital raising via convertible note allows the Company to increase the overall size of the investment portfolio without immediately diluting existing GFL Shareholders. The first interest payment in relation to the notes was paid on 31 December 2021 with following payments to be made each quarter- 31 March, 30 June and 30 September.

Due to the issuance of the GFL Notes there are a number of new features in the financial report. Including one off partial recognition of costs \$40,677, the initial recognition of the convertible note debt (balance at 31 December 2021 \$8,135,551), and the initial recognition of a derivative liability associated with the convertible option intrinsic in the notes (balance at 31 December 2021 \$1,678,915). As part of the December reporting and an ongoing accounting requirement, the Convertible Note Debt will be amortised over the five-year term (amortised interest recognised in the Statement of Profit or Loss of \$88,905 compared to interest paid of \$55,753) and the derivative liability will be adjusted to fair value (credit to the Statement of Profit or Loss of \$19,918).

During the last six months, Global Masters Fund Limited recorded portfolio gains of 9.5% (see graph below). The value of the primary investment in Berkshire Hathaway increased by 11.1% with favourable movements in the underlying USD share price and the AUD/USD exchange rate. The actively managed UK portfolio performed well achieving gains in local currency of 12.5% in the six months to 31 December 2021 versus the FTSE which increased by 4.9%, the Australian dollar weakened marginally against the pound by 0.9%.

Portfolio Performance

	6 Mths to Dec 21	12 Mths to Dec 21	5 Years p.a.	10 Years p.a.	Since Inception p.a.
Global Masters Portfolio	9.5%	31.4%	12.8%	16.0%	9.0%
ASX All Ordinaries	2.6%	13.6%	6.4%	6.6%	2.6%
MSCI Index (AUD)	10.8%	27.5%	12.9%	14.4%	5.9%
MSCI Index (USD)	7.1%	20.1%	13.0%	10.6%	5.6%

NET TANGIBLE ASSETS

The NTA per share (tax on realised gains only) at 31 December 2021 was 330.1 cents compared with 301.7 cents at 30 June 2021 an increase of 9.4%.

MARKET COMMENTARY

By year end, global equities were stronger as investors focused on economic resilience and corporate earnings, despite the ongoing volatility caused by Covid-19. The rising Covid case numbers seemed to become less of a concern for investors as the new variants seem to result in less severe symptoms. Across the world, service-based sectors appear to be losing their positive momentum, while manufacturing sentiment has continued to remain resilient despite supply constraints and rising input prices.

As we head into the new year the outlook for corporate earnings remains positive, however, concerns surrounding monetary policy normalisation and inflation issues are driving increased volatility in the financial markets. As price/earnings ratios are scrutinized, the technology companies that were pumped up on cheap money are deflating. The question remains- what will be the long-term impact on the market as central banks begin raising interest rates?

DIVIDEND

The Company has historically not paid dividends due to the major investment, Berkshire Hathaway, not yielding a dividend. For the half-year ending 31 December 2021 a dividend has not been declared.

SUBSEQUENT EVENTS

Since 31 December 2021 equity markets have broadly experienced a decline in value. The MSCI Index declined by 5.3% between December 2021 and January 2022, over the same period the ASX All Ordinaries Index declined 6.6% and the FTSE increased by 1.1%. The Global Masters NTA increased by 0.9% during January 2022 due to the performance of Berkshire Hathaway through the month.

AUDITORS' INDEPENDENCE DECLARATION

The Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* is set out on page 3 and forms part of the Directors' Report for the half-year ended 31 December 2021.

Signed on behalf of the Board in accordance with a Resolution of the Directors.



Murray d'Almeida
Chairman

22 February 2022

GLOBAL MASTERS FUND LIMITED
ABN 84 109 047 618

**AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS GLOBAL MASTERS FUND LIMITED**

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Connect National Audit Pty Ltd
Authorised Audit Company No. 521888



LEE-ANN DIPPENAAR BCOM CA RCA
AUDIT PRINCIPAL

Dated this 22nd day of February, 2022.

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2021

	Note	31 Dec 2021 \$	31 Dec 2020 \$
Statement of Profit/(Loss)			
Revenue	2	244,077	153,201
Unrealised gains/(losses) on investments through profit or loss		715,013	615,678
Changes in fair value of derivative liabilities		19,918	-
Interest Expense		(88,905)	-
Other expenses		(295,759)	(235,544)
Profit/(Loss) before income tax		594,344	533,335
Income tax benefit/(expense)		(126,655)	(205,306)
Net Profit/(Loss) attributable to members of the Company		467,689	328,029
Other Comprehensive Income			
Realised and Unrealised gains on Financial Assets taken to equity		2,447,932	3,259,263
Income tax benefit/(expense) relating to components of Other Comprehensive Income		(712,986)	(912,990)
Net Other Comprehensive Income		1,734,946	2,346,273
Total Comprehensive Income for the period		2,202,635	2,674,302
Earnings per share:			
		Cents	Cents
Basic earnings/(loss) per share		4.36	3.06
Diluted earnings/(loss) per share		4.36	3.06
Comprehensive income:			
Comprehensive earnings per share		20.54	24.94

The above Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Condensed Financial Statements.

Condensed Statement of Financial Position

As at 31 December 2021

	Note	31 Dec 2021 \$	30 June 2021 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents		317,196	414,284
Trade and Other Receivables		45,476	21,428
Other Assets		76,697	30,503
TOTAL CURRENT ASSETS		439,369	466,215
NON-CURRENT ASSETS			
Financial Assets	3	44,848,504	32,109,546
TOTAL NON-CURRENT ASSETS		44,848,504	32,109,546
TOTAL ASSETS		45,287,873	32,575,761
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables		80,017	224,647
TOTAL CURRENT LIABILITIES		80,017	224,647
NON-CURRENT LIABILITIES			
Term Debt		8,135,551	-
Derivative Liability		1,678,915	-
Deferred Tax Liability		6,107,106	5,267,465
TOTAL NON-CURRENT LIABILITIES		15,921,572	5,267,465
TOTAL LIABILITIES		16,001,589	5,492,112
NET ASSETS		29,286,284	27,083,649
EQUITY			
Issued Capital	4	12,871,873	12,871,873
Reserves		15,074,582	13,339,636
Retained Earnings/(Accumulated losses)		1,339,829	872,140
TOTAL EQUITY		29,286,284	27,083,649

The above Condensed Statement of Financial Position should be read in conjunction with the Notes to the Condensed Financial Statements.

Condensed Statement of Changes in Equity

For the half-year ended 31 December 2021

	Issued Share Capital \$	Retained Profits/ (Accumulated Losses) \$	Asset Revaluation Reserve \$	Asset Realisation Reserve \$	Total Equity \$
2020					
Balance at 1 July 2020	12,871,873	(62,656)	7,712,153	325,126	20,846,496
Total Comprehensive Income					
Profit/(Loss) for the half-year	-	328,029	-	-	328,029
Other Comprehensive Income	-	-	2,346,273	-	2,346,273
Total Comprehensive Income	-	328,029	2,346,273	-	2,674,302
Other					
Transfer to realisation reserve	-	-	86,155	(86,155)	-
Balance at 31 December 2020	12,871,873	265,373	10,144,581	238,971	23,520,798
	Issued Share Capital \$	Retained Profits/ (Accumulated Losses) \$	Asset Revaluation Reserve \$	Asset Realisation Reserve \$	Total Equity \$
2021					
Balance at 1 July 2021	12,871,873	872,140	13,062,256	277,380	27,083,649
Total Comprehensive Income					
Profit/(Loss) for the half-year	-	467,689	-	-	467,689
Other Comprehensive Income	-	-	1,734,946	-	1,734,946
Total Comprehensive Income	-	467,689	1,734,946	-	2,202,635
Other					
Transfer to realisation reserve	-	-	(29,772)	29,772	-
Balance at 31 December 2021	12,871,873	1,339,829	14,767,430	307,152	29,286,284

The above Condensed Statement of Change in Equity should be read in conjunction with the Notes to the Condensed Financial Statements.

Condensed Statement of Cash Flows

For the half-year ended 31 December 2021

	31 Dec 2021 \$	31 Dec 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Distributions and Dividends received	132,192	122,827
Interest received	297	9
Interest paid on convertible notes	(55,753)	-
Payments to suppliers and employees	(465,687)	(472,381)
Net cash provided by/(used in) operating activities	(388,951)	(349,545)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of Investments	428,721	982,341
Payments for Investments	(9,893,363)	(727,405)
Net cash provided by/(used in) investing activities	(9,464,642)	254,936
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Proceeds from the issuance of convertible notes	9,760,556	-
Net cash provided by financing activities	9,760,556	-
Net increase/(decrease) in cash and cash equivalents	(93,037)	(94,609)
Effects of foreign currency exchange rate changes on cash and cash equivalents	(4,051)	291
Cash and cash equivalents at beginning of the financial period	414,284	133,282
Cash and cash equivalents at the end of the financial period	317,196	38,964

The above Condensed Statement of Cash Flows should be read in conjunction with the Notes to the Condensed Financial Statements.

Notes to the Condensed Financial Statements

For the half-year ended 31 December 2021

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These general purpose Interim Financial Statements for the half-year reporting period ended 31 December 2021 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Global Masters Fund Limited is a for-profit Company for financial reporting purposes under Australian Accounting Standards.

This Interim Financial Report is intended to provide users with an update on the latest annual financial statements of Global Masters Fund Limited. As such it does not include all the notes of the type normally included in an Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial statements for the year ended 30 June 2021, together with any public announcements made by Global Masters Fund Limited during the half-year ended 31 December 2021 in accordance with the continuous disclosure requirements of the ASX listing rules.

These Interim Financial Statements were authorised for issue on 22 February 2022.

b) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

c) Changes in Accounting Policy

There are no changes in accounting policy that apply for the half-year ended 31 December 2021. The same accounting policies have been followed as were applied in the most recent annual financial statements.

On the 24th of November 2021, the Company issued 3,225,806 Convertible Notes. These compound financial instruments are able to be converted to share capital at the option of the noteholder in accordance with the Note Terms. The derivative liability associated with the conversion option is measured at fair value using observable inputs. The liability component is initially recognised as the difference between the compound financial instrument as a whole and the derivative liability component. Any attributable transaction costs are allocated to the liability and derivative components in proportion to their carrying amounts.

After initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The derivative liability is remeasured to fair value at each reporting date with changes recognised in the statement of profit or loss.

The Convertible notes have not been included in the calculation of diluted earnings per share because they are anti-dilutive for the period ended 31 December 2021.

d) New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

e) Foreign Currency

Both the functional and presentation currency of the Company is Australian dollars (\$).

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the financial report are taken to the profit and loss with the exception of differences on assets classified as FVOCI, these are taken directly to equity.

Notes to the Condensed Financial Statements

For the half-year ended 31 December 2021

	31 Dec 2021	31 Dec 2020
	\$	\$
NOTE 2 REVENUE AND OTHER INCOME		
Realised gain on sale of investments	107,320	12,183
Interest received	297	9
Dividends received	136,460	141,009
	244,077	153,201

NOTE 3 FAIR VALUE MEASUREMENTS

The following assets and liabilities are recognised and measured at fair value on a recurring basis:

- Financial Assets at fair value through Other Comprehensive Income (FVTOCI).
- Financial Assets at fair value through Profit or Loss (FVTPL).
- Convertible Note Derivative Liability at fair value through Profit or Loss (FVTPL).

In accordance with AASB13 *Fair Value Measurement* all assets and liabilities measured at fair value are assigned to a level in the fair value hierarchy as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 Inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), and

Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets out the Company's assets and liabilities that are measured and recognised at fair value in the financial statements:

As at 30 June 2021	Level 1	Level 2	Level 3	TOTAL
	\$	\$	\$	\$
Recurring fair value measurements.				
<i>Financial Assets</i>				
- FVTPL	6,545,547	-	-	6,545,547
- FVTOCI	25,563,999	-	-	25,563,999
Total Financial Assets	32,109,546	-	-	32,109,546
As at 31 December 2021				
	\$	\$	\$	\$
Recurring fair value measurements.				
<i>Financial Assets</i>				
- FVTPL	7,415,252	-	-	7,415,252
- FVTOCI	37,433,252	-	-	37,433,252
Total Financial Assets	44,848,504	-	-	44,848,504
<i>Financial Liabilities</i>				
- FVTPL	- 1,678,915	-	-	1,678,915
Total Financial Liabilities	- 1,678,915	-	-	1,678,915

There were no transfers during the period between Level 1 and Level 2 for recurring fair value measurements.

Notes to the Condensed Financial Statements

For the half-year ended 31 December 2021

NOTE 3 FAIR VALUE MEASUREMENTS *(continued)*

The Company's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

Due to their short-term nature, the carrying amount of trade receivables and payables are assumed to approximate their fair values.

The carrying amount of current trade and other payables are assumed to approximate their fair values because the impact of discounting is not significant.

NOTE 4 MOVEMENTS IN ISSUED CAPITAL

Date	Details	Number of shares	Price	\$
30 June 2020	Balance	10,723,159		12,871,873
	Nil Movement	-		-
30 June 2021	Balance	10,723,159		12,871,873
	Nil Movement	-		-
31 December 2021	Balance	10,723,159		12,871,873

(a) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTE 5 OPERATING SEGMENTS

Segment Information

The Company operates solely in the Investment Industry. Its core business focuses on investing in listed international equities to achieve medium to long-term capital growth and income.

Operating segments have been determined on the basis of the reports reviewed by the Managing Director. The Managing Director is considered to be the chief operating decision maker of the Company. The Managing Director considers the business from both a product and geographic perspective and assesses performance and allocates resources on this basis. The Managing Director considers the business to consist of just one reportable segment.

NOTE 6 EVENTS OCCURRING AFTER REPORTING DATE

Since 31 December 2021 equity markets have broadly experienced a decline in value. The MSCI Index declined by 5.3% between December 2021 and January 2022, over the same period the ASX All Ordinaries Index declined 6.6% and the FTSE increased by 1.1%. The Global Masters NTA increased by 0.9% during January 2022 due to the performance of Berkshire Hathaway through the month.

The Directors are not aware of any other matter or circumstance which has arisen since balance date that has significantly affected or may significantly affect the operations of the Company.

NOTE 7 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company has no known contingent liabilities or contingent assets.

DIRECTORS' DECLARATION

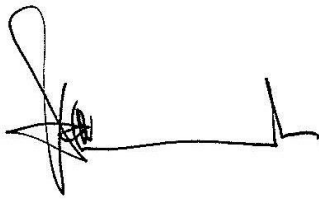
The Directors of the Company declare that:

The Financial Statements and Notes set out on pages 4 to 10 are in accordance with the *Corporations Act 2001*, including:

- (a) comply with Accounting Standard AASB134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Company's financial position as at 31 December 2021 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the Directors' opinion, there are reasonable grounds to believe that Global Masters Fund Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'Murray d'Almeida', with a long horizontal line extending to the right.

Murray d'Almeida
Chairman

GOLD COAST
22 February 2022

**GLOBAL MASTERS FUND LIMITED
ABN 84 109 047 618**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GLOBAL MASTERS FUND LIMITED
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Conclusion

We have reviewed the half-year financial report of Global Masters Fund Limited (the Company), which comprises the Condensed Statement of Financial Position as at 31 December 2021, the Condensed Statement of Profit or Loss and Other Comprehensive Income, the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Global Masters Fund Limited does not comply with the Corporations Act 2001, including:

- (a) giving a true and fair view of Global Masters Fund Limited's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the corporations Act 2001 which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

GLOBAL MASTERS FUND LIMITED
ABN 84 109 047 618

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GLOBAL MASTERS FUND LIMITED
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Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the company's financial position as at 31 December 2021 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Connect National Audit Pty Ltd
Authorised Audit Company No. 521888



LEE-ANN DIPPENAAR BCOM CA RCA
AUDIT PRINCIPAL

Dated this 22nd day of February, 2022.

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