



GLOBAL MASTERS FUND LIMITED

Annual Report
30 June 2018

FINANCIAL YEAR END

30 June 2018

ANNUAL GENERAL MEETING

The Annual General Meeting of
Global Masters Fund Limited:

WILL BE HELD AT:

The office of
Bentleys NSW Pty Ltd
Level 14
60 Margaret Street
Sydney NSW 2000

TIME:

2.00pm (NSW Time)

DATE:

Friday 9 November 2018

INVESTING IN GLOBAL MASTERS FUND LIMITED

Investors can purchase shares in
Global Masters Fund Limited through
the Australian Securities Exchange.

ASX code: **GFL**

Global Masters Fund Limited
ABN 84 109 047 618
Registered in NSW
12 May 2004



GLOBAL MASTERS FUND LIMITED DIRECTORS (from left to right)

Dr Emmanuel (Manny) Pohl, Murray d'Almeida, Jonathan Addison and Patrick Corrigan AM

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HIGHLIGHTS FOR 2018



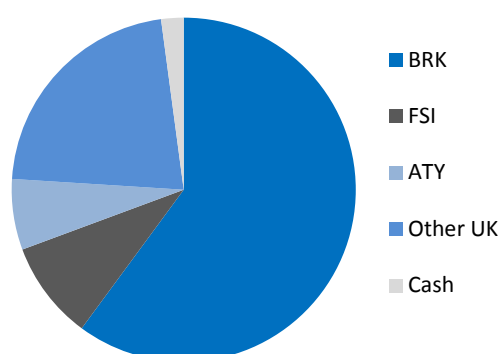
Highlights for the year ending June 2018

- The Net Tangible Assets (NTA) value of the Company per share increased by 11.5% before recognising the deferred tax liability on unrealised gains, whilst the All Ordinaries Index of ASX increased by 9.1% over the twelve months ended 30 June 2018.
- The Company initiated a 1 for 4 Rights Issue that realised \$4,262,788 (after costs) to extend investments into international equities.
- Total Comprehensive Income increased from \$1,418,916 in 2017 to 1,805,885 in 2018 and comparable income earnings per share increased from \$16.54 to \$18.08.



Major Investments June 2018

ALLOCATION



OVERVIEW

COMPANY PROFILE

Global Masters Fund Limited (the “Company”) was listed on the ASX in 2006 with the strategy to provide a vehicle for Australian investors, seeking long-term capital growth through investing in Berkshire Hathaway Inc listed on the New York Stock Exchange (NYSE) and other global investments. The Company’s policy is not to hedge the underlying currencies of its portfolio of global investments.

The portfolio is managed by EC Pohl & Co Pty Ltd which has a strong funds management investment team. The composition and performance of the investment portfolio is monitored by the Board of Directors, which comprises business people with many years of experience in business, investment and funds management.

There is no fixed management fee and no performance fee payable to the Manager for the administration of the Company and the existing investments in Berkshire Hathaway, Athelney and FSI. However, for the new mandate given to the Manager (excluding the existing investments), there will be a fee payable for good performance and active management in terms of a pre-determined formula.

OBJECTIVES

The investment objectives of Global Masters Fund Limited are:

- To achieve medium to long-term capital growth and income through investing in listed international companies, including Berkshire Hathaway Inc (NYSE), Athelney Unit Trust Plc (LSE) and Flagship Investments Limited (ASX); and
- To preserve and enhance the NTA backing per share after allowing for inflation.

INVESTOR BENEFITS

The benefits for investors in Global Masters Fund Limited are:

- Reduced share investment risk through a diversified investment portfolio;
- Professional and disciplined management of an investment portfolio;
- No entry or exit charges made by the Company; and
- Easy access to information via the Company’s website www.globalmastersfund.com.au.

INVESTMENT MANAGER

The management of the Company’s investment portfolio is undertaken by EC Pohl & Co Pty Ltd, which also provides administration support. Dr Manny Pohl is the Managing Director and major shareholder of EC Pohl & Co Pty Ltd. Information on the Investment Manager is available from www.ecpohl.com.

CHAIRMAN'S REPORT

Dear Shareholder,

I am pleased to present the 13th Annual Chairman's Report of Global Masters Fund Limited for the 2017/18 financial year.

THE YEAR IN REVIEW:

The Company has enjoyed good growth over the past 12 months with the Net Tangible Asset (NTA) value per share (before tax on unrealised gains/losses) increasing by 11.5 %, driven mainly by an increase in value of its major investment, Berkshire Hathaway, listed on the New York Stock Exchange. Berkshire Hathaway, which owns businesses ranging from insurers to railroads to retailers like Dairy Queen, recently reported net earnings of \$12 billion in the April-through-June quarter. That profit was nearly triple last year's results and marked a strong rebound from a rare loss of \$1.1 billion in the first three months of the year. On an adjusted basis, which removes certain items like investment results, Berkshire posted earnings of \$6.9 billion, up more than 67 percent from \$4.1 billion in last year's second quarter. Berkshire's top holding is Apple, a company that this past week became the first U.S. publicly traded stock to surpass a market value of \$1 trillion on the strength of its iPhone success. Other big stock holdings include Coca-Cola, Wells Fargo and American Express. Despite the company's board loosening rules last month that gives Buffett, the Chairman and CEO of Berkshire, the freedom to buy back shares of Berkshire stock whenever he feels it makes financial sense, Berkshire did not announce a stock repurchase plan. Berkshire represents approximately 60% of the portfolio and continues its upward trend.

This increase in NTA was also supported by a fall in the Australian dollar compared to the US currency. As mentioned in previous years, your Board does not hedge the currency.

During the year, your Company raised additional capital and invested the proceeds into the UK market. Since we are limited by close corporation rules in the UK from acquiring additional shares in Athelney Trust, a decision was taken to buy other shares directly on the London Stock Exchange, after the British pound declined following the BREXIT decision. UK investments comprise now 28.5% of the portfolio and while we are confident that the companies we have invested in will continue to grow their economic footprint, the, as yet, unquantified risk in this is the final impact of BREXIT, which remains uncertain. We are confident that commercial reality will result in some kind of trade deal with the EU and the likelihood of deals around the world. There is still an inherent risk for the London Financial markets. Your Board, as well as the management of Athelney Trust and EC Pohl & Co Pty Ltd will continually monitor these matters so as to be in a position to react if necessary.

The United States economy continues to show good growth, underpinned by tax cuts, strong corporate earnings and a strong job market.

The Chinese economy is growing at an annual pace in excess of 6.5% although authorities are focused on shoring up the financial system. The risks associated with a *Trade War* cannot be underestimated and could affect economic prospects around the world, including the USA. Hopefully these matters can be resolved by negotiations and commercial necessity.

The Australian economy is currently growing and surveys indicate that business conditions and the strength of business activity are good. There are also potential risks associated with low wages growth; many commentators including the Reserve Bank of Australia have raised these concerns. There are signs of an easing in consumer spending and confidence.

THE MARKET OUTLOOK

The main story for markets continues to be the re-pricing of future economic growth, with China leading emerging market equity performance significantly lower. The Chinese market has been worried by contracting liquidity (also a global phenomenon), and the escalating trade war rhetoric. China's currency, the RMB, has devalued leading to renewed fear of another run of funds from the mainland and a resultant popping of the debt bubble there. Having said that, the unprecedented growth in China over recent years still sees that economy to overtake the US economy as the largest by 2029 if not sooner.

Chinese shares have broken a four-year uptrend and the Global Emerging Market share index (of which China is a major part) has broken a two-year bull-market trend too. Other proxies for global growth such as copper, US government bonds and key cyclical indices such as the European auto-manufacturers are all pointing to genuine fears insofar as the impact of a trade war on growth. As the cracks begin to emerge in the various 'economic growth proxies' that I follow, so too are cracks emerging in the nearest asset class to equities, which is corporate debt.

European and US corporate debt spreads from high yield issues through to investment grade have all been pushing higher, indicating investors require higher promised returns to compensate for rising risks. As the closest asset class to equity, this move will continue to restrain the broad equity markets at best, or bring about outright downward pressure at worst.

THE BOARD

As always I thank my fellow Directors (Manny Pohl, Managing Director, Patrick Corrigan and Murray d'Almeida) and our Company Secretary (Mr Brian Jones) for their hard work and engagement throughout the year and I also thank you as Shareholders, for your support and loyalty for many years.

Yours sincerely



Jonathan Addison
Chairman



DIRECTORS' REPORT

Your Directors present their report on Global Masters Fund Limited for the financial year ended 30 June 2018.

1. DIRECTORS

The following persons were Directors of Global Masters Fund Limited from the beginning of the financial year until the date of this report, unless otherwise stated: J Addison, Dr E Pohl, P Corrigan AM, M d'Almeida and Jason Pohl is an Alternate Director to Dr Manny Pohl.

2. INFORMATION ON DIRECTORS



Jonathan L Addison

B Ec, CFTP (Snr), FGIA, FCIS, MAICD

*Non-Executive Chairman
Member of Audit and Risk Committee*

Experience and expertise

Non-Executive Chairman since 19 April 2005
Over 32 years experience in the investment management industry. Investment consultant and former CEO of the Meat Industry Employees Superannuation Fund. Previous experience includes Director and Asset consultant with the Corporate Finance Section of Pricewaterhouse Coopers and Manager at Sedgwick Noble Lowndes.

Other Current directorships

Chairman of Gardior Pty Ltd
Chairman of Investment Committee of Centaur Property Funds Management Ltd
Member of Investment Committee for Diversa Trustees Ltd

Former Listed Company directorships in last 3 years

Retired International Chairman of African Enterprise International (July 2016)

Interest in Shares

Nil



Dr Emmanuel (Manny) C Pohl

B.Sc (Eng), MBA, DBA, FAICD, MSAFAA, F Fin

*Managing Director
Member of Audit and Risk Committee*

Experience and expertise

*Managing Director since the inception of the Company in April 2005.
Extensive experience in the funds management industry.*

Other current directorships

Managing Director of Flagship Investments Limited
Chairman of Athelney Trust Plc
Chairman of EC Pohl & Co Pty Ltd and its subsidiaries
Chairman and President of Bond University Rugby Club
Director of Bond University Limited
Director of Huysamer International Holdings (Pty) Ltd
Trustee of Currumbin Wildlife Hospital Foundation

Former Listed Company directorships in last 3 years

Executive Director of Barrack St Investments Limited (retired June 2017)

Interest in Shares

Directly Held: 6,250
5,755,061 ordinary shares
Has a relevant interest in shares in the Company over which he holds a Power of Attorney arrangement with a number of Shareholders.



Patrick Corrigan AM
HonD (Bond University)

Non-Executive Director
Chairman of Audit and Risk Committee

Experience and expertise

Director since 29 November 2006.

Extensive experience in accounting, financial management and other commercial acumen, including investments. Chairman of an international freight forwarding company for numerous years.

Other current directorships

Emeritus Chairman of Gold Coast Regional Art Gallery
Chairman of Qantas Art Scholarship Committee
Director of Aboriginal Benefits Foundation Limited
Director of National Portrait Gallery in Canberra

Former Listed Company directorships in last 3 years

Director Flagship Investments Limited (Retired 6/11/15)
Non-Executive Chairman of UBI Logistics (Australia) Pty Ltd (Retired 28/2/2016)
Deputy Chair of Air Freight Export Council of NSW Inc

Interest in Shares
1,000



Murray H d'Almeida
FAICD

Non-Executive Director
Member of Audit and Risk Committee

Experience and expertise

Director since 3 November 2016.

Over 36 years of diverse national and international business experience. Founded the Retail Food Group and developed a presence in seven overseas countries. Subsequently has maintained operating and board positions within a range of financial services, mining, commercial, academic, government and sporting businesses and organisations.

Other Current directorships

Chairman of Barrack St Investments Limited
Non-Executive Chairman of Incentia Pay Limited
Director Triple Energy Limited
Deputy Chancellor Southern Cross University
Trustee of Currumbin Wildlife Foundation
Member of Gold Coast Light Rail Business Advisory Board

Former Listed Company directorships in last 3 years

Chairman EnviroSuite Limited
Chairman of Management Resource Solutions PLC

Interest in Shares
2,578 indirect



Jason C Pohl
B.Com, LLB

Alternate Director

Experience and expertise

Appointed an Alternate Director to Dr Manny Pohl on 20 June 2016.

Jason has six years of professional experience in fundamental bottom-up investment research at ECP Asset Management Pty Ltd.

Originally pursuing a legal career, Jason spent his initial stages of his professional career working for Ashurst (previously Blake Dawson) before being admitted as a Legal Practitioner in the NSW Supreme Court.

Other current directorships

Director of The Tabu Vodka Co Pty Ltd
Athelney Trust PLC (Alternate to Dr E C Pohl)

Former Listed Company directorships in last 3 years

Interest in Shares
1,000

DIRECTORS' REPORT (Continued)

3. PRINCIPAL ACTIVITIES

The principal activity of the Company is investing in Berkshire Hathaway Inc on NYSE, Athelney Unit Trust Plc on LSE and Flagship Investments Limited on the ASX. Since the capital raising in November 2017, the Company has expanded its investments to include a selection of UK investments.

4. REVIEW OF OPERATIONS

The highlight of the year for Global Masters Fund was the rights offer completed in November 2017. The support from Shareholders and other Investors has allowed the Company to broaden its investments in-line with the underlying investment objectives. Certainly, with international relations in a constant state of flux, it makes sense that Australian investors are turning to the experience and knowledge of professional fund managers to uncover opportunities in foreign markets.

During the year, revenue from dividends and interest has increased \$39,905 compared to FY17, with the contribution from UK investments offsetting a reduced entitlement to Flagship dividends. The reduction from Flagship Investments has come about after the sale of 821,325 shares during FY17, this stimulated realised gains in FY17 that were not repeated in FY18. It is positive to observe that the Company can now generate sustainable income from a spread of investments and can hold on to its core portfolio of Berkshire Hathaway, Athelney and Flagship Investments.

Excluding Management and Performance Fees, expenses increased on prior year by \$116,393. A key driver of the increase was the Rights offer which cost \$41,000. This is the first year that Global Masters Fund have made payment for Management Fees and Performance Fees, which is based on the management of active investments, a detailed explanation is provided in Management Services Agreement Note 22.

For the full year, our portfolio performed well resulting in the NTA per share, before tax on unrealised gains/losses, increasing by 11.5% over the past twelve months. When compared to the ASX benchmark, the All Ordinaries Index which increased by 9.1%, our Company has continued to achieve our objective of enhancing the NTA backing per share.

5. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Company during the financial year were as follows:

- Portfolio return for the 12 months was 15.5%.
- The 1 for 4 Rights offer raised \$4,262,788 (after costs) (a 49.5% increase in contributed equity) which has been invested in a selection of equities listed on the London Stock Exchange.

6. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No other matter or circumstance not otherwise dealt with in the Director's Report or Financial Report, which has arisen since the end of the year that has significantly affected, or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

7. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

There are no planned changes to principal activities. Any general decline in equity markets may have an adverse effect on results in future years.

8. ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

9. EARNINGS PER SHARE

Based on profit after income tax.

	2018 Cents	2017 Cents
Basic earnings per share	(1.26)	0.80
Diluted earnings per share	(1.26)	0.80

As a result of moving to AASB 9 Total Comprehensive Income is a more appropriate base for detailing earnings per share.

	2018 Cents	2017 Cents
Basic earnings per share	18.08	16.54
Diluted earnings per share	18.08	16.54

See Note 16 of the Financial Report.

10. COMPANY SECRETARY

Brian Jones B.Com, FCA

Brian Jones is a member of the Institute of Chartered Accountants and is a registered tax agent. He has been Company Secretary of Global Masters Fund Limited since 1 March 2007. He has over 36 years' experience in the accounting and finance industries and is currently Company Secretary of one other listed Company.

11. MEETINGS OF DIRECTORS

The number of Directors' meetings attended by each of the Directors of the Company during the financial year are:

Director	Board		Audit and Risk Committee	
	Eligible to attend	Attend	Eligible to attend	Attend
J L Addison	5	5	4	4
Dr E C Pohl	5	5	4	4
P Corrigan AM	5	5	4	4
M H d'Almeida	5	5	4	4

12. REMUNERATION REPORT (AUDITED)

The remuneration report is set out under the following main headings:

- (A) Principles used to determine the nature and amount of remuneration
- (B) Details of remuneration
- (C) Service agreements
- (D) Share-based compensation
- (E) Related Party Transactions
- (F) Equity Instrument Disclosure relating to Key Management Personnel

(A) Principles used to determine the nature and amount of remuneration

Fees and payments to Directors reflect the demands which are made on, and the responsibilities of, the Directors.

No remuneration consultants were engaged during the year.

The per annum remuneration of the Directors remains unchanged from the previous year:

● Chairman	\$45,000
● Other Directors	\$40,000

There is no performance based remuneration for Directors.

(B) Details of remuneration

Details of the remuneration of each Director of Global Masters Fund Limited and the executives of the Company are set out in the following table.

DETAILS OF REMUNERATION								
Director	Year	Short-term Benefits			Post-Employment Super	Equity		Total
		Fees	Performance Fees	Non-monetary Benefits		Shares	Options	
		\$	\$	\$	\$	\$	\$	\$
J L Addison* <i>Non-executive Chairman</i>	2018	46,125	-	-	-	-	-	46,125
	2017	46,125	-	-	-	-	-	46,125
Dr E C Pohl <i>Managing Director</i>	2018	50,500	-	-	-	-	-	50,500
	2017	31,000	-	-	-	-	-	31,000
P Corrigan AM* <i>Non-executive Director</i>	2018	41,000	-	-	-	-	-	41,000
	2017	41,000	-	-	-	-	-	41,000
M d'Almeida* <i>Non-executive Director</i>	2018	41,000	-	-	-	-	-	41,000
	2017	30,750	-	-	-	-	-	30,750
Total Directors Remuneration	2018	178,625						178,625
	2017	148,875						148,875

* Inclusive of non-claimable GST amount

(C) Service agreements

As the Company does not employ any staff, there are no employment service agreements entered into by the Company. The Company Secretary is a self-employed Contractor and the Managing Director is employed by the Investment Manager – EC Pohl & Co Pty Ltd.

(D) Share-based compensation

No share-based compensation exists.

(E) Related Party Transactions

The following transactions occurred with other related parties:	2018	2017
	\$	\$
Expenses paid or payable by the Company to:		
– A Performance Fee and Management Fee was payable in accordance with the Management Services Agreement as detailed in Note 21.		
– Dr E C Pohl has an interest in the transaction as during the year Dr E C Pohl was a Director of EC Pohl & Co Pty Ltd		
– EC Pohl & Co Pty Ltd for Performance Fee	67,918	-
– EC Pohl & Co Pty Ltd for Management Fee.	35,898	-
All related party transactions are made on an arm's length basis using the standard terms and conditions.		

DIRECTORS' REPORT (Continued)

(F) Equity Instrument Disclosure relating to Key Management Personnel

The number of shares in the Company held during the financial year by each Director of Global Masters Fund Limited, including their related parties is set out below. There were no shares granted during the year as compensation.

2018	Balance At The Start Of The Year	Received During The Year By Exercise Of Rights	Other Changes During The Year	Balance At the End Of The Year
J L Addison	NIL	-	-	NIL
Dr E C Pohl *	5,000	-	1,250	6,250
P Corrigan AM	NIL	-	1,000	1,000
M H d'Almeida	NIL	-	2,578	2,578

* In addition to the securities owned directly by Dr EC Pohl, there are 5,755,061 shares registered in entities associated with EC Pohl & Co Pty Ltd, of which he is a Director and Shareholder.

END OF REMUNERATION REPORT (AUDITED)

13. GENERAL TRANSACTIONS

Other than the Director's remuneration, the Company does not directly contract with any of the Directors.

14. LOANS

There are no loans issued to any of the Directors (30 June 2017 – Nil).

15. OPTIONS

No options have been issued during or since the financial year (30 June 2017 – Nil).

16. INSURANCE OF OFFICERS AND/OR AUDITORS

During the financial year the Company insured the Directors and Officers against certain liabilities as permitted by the *Corporations Act 2001*. The insurance policy prohibits disclosure of the nature of the cover, the amount of the premium, the limit of liability and other terms.

The Company has entered into an agreement for the purpose of indemnifying Directors and Officers, to the extent permitted by law, against any liability (including the costs and expenses of defending actions for an actual or alleged liability) incurred in their capacity as a Director and Officer of the Company.

The Company has not during or since the financial year indemnified or paid any insurance premiums to indemnify the auditors.

17. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceeding to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the *Corporations Act 2001*.

18. NON-AUDIT SERVICES

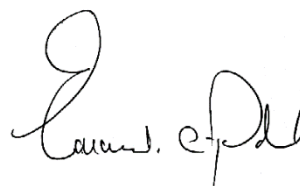
The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

There have been no amounts paid or payable to the auditors for non-audit services provided during the year.

The Directors have considered the position and are satisfied that the provision of any non-audit services (if necessary in future) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Audit and Risk Committee is satisfied that the provision of any non-audit services by the auditor, would not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services would be reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporation Act 2001* is set out on page 11.



Dr Emmanuel (Manny) C Pohl
Managing Director

24 August 2018

AUDITOR'S INDEPENDENCE DECLARATION



For your peace of mind

**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 year ended 30 June 2018, 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.

WPIAS Pty Ltd
Authorised Audit Company No. 440306

A handwritten signature in black ink, appearing to read "Lee-Ann Dippenaar".

Lee-Ann Dippenaar BCom CPA RCA
Director

Dated this 24th day of August 2018

HEAD OFFICE:

t: +61 (0)7 5580 4700
p: PO Box 1463, Oxenford, Queensland 4210 Australia
a: 4 Helensvale Road, Helensvale, Queensland 4212 Australia
e: info@wpias.com.au
w: www.wpias.com.au

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CORPORATE GOVERNANCE STATEMENT: FOR THE YEAR ENDED 30 JUNE 2018

This statement outlines the main corporate governance practices that were in place for the year ended 30 June 2018. The statement explains the extent to which the Company complies with the ASX Corporate Governance Principles and Recommendations, including explanations of why certain recommendations have not been followed. For ease of comparison with the Principles and Recommendations, this section summarises the Company's compliance with each of the specific recommendations as follows.

PRINCIPLE 1: Lay solid foundations for management and oversight

Recommendation 1.1: Respective roles and responsibilities of its Board and Management

Compliant

The Board is responsible for the overall corporate governance of the entity and its overriding objective is to protect and increase Shareholder value. The Board guides and monitors the business to ensure that the Company is properly managed in the best interest of Shareholders. The Board is accountable to its Shareholders.

It is responsible for a broad range of matters including:

- monitoring the Investment Manager and the composition and performance of the investment portfolio;
- monitoring and assessing the performance of the Managing Director;
- undertaking Director nomination matters including succession planning for the Board to ensure an appropriate mix of skills, experience, expertise and diversity is maintained;
- approving and maintaining appropriate risk management and internal control systems to identify, assess, monitor and manage the Company's business risks on an ongoing basis;
- overseeing the Company's process for disclosure and communications; and
- developing and approving appropriate Company policies, procedures and codes of behaviour as required to maintain a culture of integrity and a strong framework of corporate governance.

The Board has adopted a formal Board Charter that details the Board's role, authority, responsibilities, membership and operations, and is available on the Company's website:

www.globalmastersfund.com.au

The Charter sets out the matters specifically reserved for the Board and the powers delegated to its Committees.

Recommendation 1.2: Information prior to Director election/re-election

Compliant

Before the Board appoints a new Director or puts forward a candidate for election, the Board will ensure that appropriate background checks are undertaken. Shareholders are provided with all material information in our possession that is relevant to their decision on whether or not to elect or re-elect a Director through a number of channels, including via the Notice of Meeting, the Director Resumés and other information contained in the Annual Report.

Recommendation 1.3: Written agreement with each Director and Senior Executive setting out the terms of their appointment

Compliant

Upon appointment, each Director receives a letter of appointment which sets out the formal terms of their appointment, along with a deed of indemnity, insurance and access.

Recommendation 1.4: The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board

Compliant

The Company Secretary is directly accountable to the Board on matters relating to the proper functioning of the Board.

Details regarding the Company Secretary, including experience and qualifications, are set out in the Directors' Report.

Recommendation 1.5: Gender Diversity

Not Compliant

In respect of diversity, the Board considers that diversity includes differences that relate to gender, age, ethnicity and cultural background. It also includes differences in background and life experience, communication styles, interpersonal skills, education and problem solving skills.

The Board seeks to develop a culture of diversity whereby a mix of skills and diverse backgrounds are employed by the Company at all levels, through structuring the recruitment processes at all levels, so that a diverse range of candidates are considered and there are no excuses or unconscious biases that might discriminate against certain candidates. However, as the Company is an externally managed entity, this recommendation is not applicable.

Recommendations 1.6 and 1.7: Board and Senior Executive Evaluation

Compliant

The Board is committed to formally evaluating its performance and the performance of the Audit and Risk Committee and individual Directors, as well as the governance processes supporting the Board. The Board does this through an annual assessment process. Any issues identified are addressed at subsequent Board meetings.

PRINCIPLE 2: Structure the Board to add value

Recommendation 2.1: Establish a Nomination Committee

Non-Compliant

The Company has not established a formal Nomination Committee, as the Board considers that, due to the scope and nature of the Company's activities, the whole Board should undertake the responsibility.

Recommendation 2.2: Have and disclose a Board skills matrix

Compliant

The Company's objective is to have an appropriate mix of expertise and experience on our Board and its Committees so that the Board can effectively discharge its corporate governance and oversight responsibilities. This mix is described in the Board skills matrix below.

Expertise	Experience
<ul style="list-style-type: none">● Financial knowledge and experience● Legal, governance and compliance● Commercial acumen● Risk management	<p>Industry Finance Superannuation</p> <p>Market Australian Listed Securities</p> <p>Geographic Australia</p>

Recommendation 2.3: Independent Directors

Compliant

The Board has accepted that an Independent Director is as defined in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (3rd Edition).

Of the current Board members, Mr Jonathan Addison, Mr Patrick Corrigan AM and Mr Murray d'Almeida are considered to be independent Directors.

The length of service of each Director is set out in the Directors Report.

Recommendation 2.4: A majority of the Board of a listed entity should be independent Directors

Compliant

The structure of the Board does comply with this recommendation in that a majority of the Directors are independent (refer recommendation 2.3).

Recommendation 2.5: The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity

Complaint

The Company's Chairman is Mr Jonathan Addison an independent Director.

Recommendation 2.6: Director induction and professional development

Compliant

New Directors are inducted into the Company's processes and policies in a suite of ways, including the provision of a 'Board manual', interviews with senior management of the Investment Manager and out of session meetings with other Directors. All Directors are encouraged to undertake ongoing professional development both in their area of technical expertise and in the skills required to effectively execute the role of Director.

PRINCIPLE 3:

Act ethically and responsibly

Recommendation 3.1: Code of Conduct

Compliant

The Company has developed a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all Directors and officers. The Code is reviewed annually and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity. A summary of the Code is available on the Company's website:

www.globalmastersfund.com.au

The Code sets out the Company's commitment to conducting its business in accordance with all applicable laws and regulations while demonstrating and promoting the highest ethical standards.

PRINCIPLE 4:

Safeguard integrity in corporate reporting

Recommendation 4.1: Audit Committee

Compliant

The Company has an Audit and Risk Committee which comprises three independent Directors.

The composition of the Committee, a record of its meetings, and the relevant experience of each member of the Committee is set out in the Directors Report.

The Audit and Risk Committee charter is available on the Company's website: www.globalmastersfund.com.au

Recommendation 4.2: CEO and CFO declaration on the financial records

Compliant

The Board has received a declaration from the CEO and CFO that the Company's financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

A summary of the Code is available on the Company's website: www.globalmastersfund.com.au

Recommendation 4.3: The external auditor should attend the AGM and be available to answer questions from security holders relevant to the audit

Compliant

Joe Pien, Chartered Accountant, the Company's auditor, was available at the most recent AGM and will be available at the next AGM to answer questions from Shareholders. It is the policy of the Board to always request auditor presence at AGMs.

PRINCIPLE 5: Make timely and balanced disclosure

Recommendation 5.1: Continuous Disclosure Policy

Compliant

The Company has a Continuous Disclosure Policy which sets out the obligations of the Company's Directors and officers in relation to continuous disclosure as well as the Company's obligations under the Corporations Act and the ASX Listing Rules. The policy also contains procedures for internal notification and external disclosure, as well as procedures for promoting understanding of compliance with the disclosure requirements and for the monitoring of Company compliance.

The Disclosure Policy is available on the Company's website: www.globalmastersfund.com.au

PRINCIPLE 6: Respect the rights of security holders

Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website

Compliant

Investors and other stakeholders can find information about the Company on its website: www.globalmastersfund.com.au

Information on the Company's corporate governance practices can also be found at www.globalmastersfund.com.au

Recommendation 6.2: A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors

Compliant

The Company's Communications Policy sets out how the Company will communicate with Shareholders.

Information is communicated to Shareholders through the distribution of a quarterly report, annual and half yearly financial reports, announcements through the ASX and the media, on the Company's website and through the Chairman's address at the Annual General Meeting.

If requested, the Company will provide general information by email, facsimile or post.

Through the Company's information email address and phone number, and at AGMs, the Company encourages two-way communication with Shareholders.

The Communication Policy is available on the Company's website: www.globalmastersfund.com.au

Recommendation 6.3: Disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders

Compliant

The Company facilitates and encourages participation at meetings of security holders by having sections of each meeting dedicated to questions from the floor. Shareholders are given at least 30 days' notice of security holder meetings and those that are unable to attend in person may email or fax questions they would like answered. The Company provides a direct voting facility to allow security holders to vote ahead of AGMs without having to attend or appoint a proxy.

Recommendation 6.4: Give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically

Compliant

Quarterly reports and other information required to be sent to Shareholders are sent by email to all persons who have requested their name to be added to the Company's email list. If requested, the Company will provide general information by email, facsimile or post.

PRINCIPLE 7: Recognise and manage risk

Recommendation 7.1: Risk Committee

Compliant

The Audit and Risk Committee monitors the Company's business risks.

The composition of the Committee and a record of its meetings is set out in the Directors Report.

The Audit and Risk Committee charter is available on the Company's website: www.globalmastersfund.com.au

Recommendation 7.2: Annual risk management framework review

Compliant

Each year, the Audit and Risk Committee, reviews the Company's risk management framework. Ad hoc reviews may also be conducted when the Board perceives that the risk environment has shifted significantly. A review was conducted during the year.

Recommendation 7.3: Internal audit function

Non-Compliant

The Company does not have an internal audit function as the Board has deemed it is not necessary giving consideration to the size and nature of the Company. Instead, the full Board through the Audit and Risk Committee liaises closely with the Company's external auditor to identify potential improvements to the risk management and internal control processes.

Recommendation 7.4: Exposure to economic, environmental and social sustainability risks

Compliant

The Board monitors the business risk and guides the affairs of the Company in the discharge of its stewardship responsibilities.

The Board meeting agendas and reports advise the Board of current and forthcoming issues relevant to the Company's operations and performance. The Board reviews the investment portfolio at their regular meetings.

Management has designed and implemented a risk management and internal control system through a Risk Management Framework. The Framework is monitored by the Audit and Risk Committee with regular reporting to Committee meetings. The Framework is reviewed yearly by the Committee.

The identified risks are grouped within the Framework under the following headings:

- Strategic
- Operational
- External Macro
- Environmental

PRINCIPLE 8: Remunerate fairly and responsibly

Recommendation 8.1: Remuneration Committee

Non-Compliant

Given the size of the Company and the nature of its activities, these functions are undertaken by the Board.

Recommendation 8.2: Disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives

Compliant

The maximum amount of Directors' fees is fixed by Shareholders at the Annual General Meeting and can only be varied by Shareholders in a similar manner. In determining the allocation of fees, the Board takes into account the time demands on each Director, together with the responsibilities undertaken by them and market practices of similar sized businesses in the Listed Investment Company sector.

It is the policy of the Board not to issue Directors incentive shares or options.

The details of the remuneration received by Directors in the 2017/2018 year are included in the Remuneration Report contained within the Directors' Report.

Recommendation 8.3: Equity-based remuneration

Non-Compliant

As the Company does not have an equity-based remuneration scheme, Recommendation 8.3 is not applicable.

FINANCIAL REPORT

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This financial report covers Global Masters Fund Limited as an individual entity. There are no controlled entities.

Global Masters Fund Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Global Masters Fund Limited
Level 12
Corporate Centre One
2 Corporate Court
BUNDALL QLD 4217

The financial report was authorised for issue by the Directors on 24 August 2018.

A description of the nature of the entity's operations and its principal activities is included in the Operating and Financial Review.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the Company. All media releases, financial reports and other information are available from the Company at the above address or from our website:

www.globalmastersfund.com.au

GLOBAL MASTERS FUND LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
Revenue	5	307,204	369,162
Other expenses	6	(521,104)	(300,895)
Profit /(Loss) before income tax		(213,900)	68,267
Income tax benefit/(expense)	7	88,194	-
Net Profit for the year		(125,706)	68,267
Other Comprehensive Income			
Changes in fair value of available-for-sale Financial Assets, net of tax	7c	1,931,591	1,350,649
Total Comprehensive Income for the year		1,805,885	1,418,916
Earnings per share:			
		Cents	Cents
Basic earnings per share	16	(1.26)	0.80
Diluted earnings per share	16	(1.26)	0.80
Comprehensive Income:			
Comprehensive earnings per share	16	18.08	16.54

The accompanying Notes form part of these Financial Statements.

FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	8	497,002	1,012,558
Trade and Other Receivables	9	25,404	2,364
Other Assets	10	17,530	26,846
TOTAL CURRENT ASSETS		539,936	1,041,768
NON-CURRENT ASSETS			
Financial Assets	11	23,025,341	15,824,624
TOTAL NON-CURRENT ASSETS		23,025,341	15,824,624
TOTAL ASSETS		23,565,277	16,866,392
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	12	91,122	28,513
TOTAL CURRENT LIABILITIES		91,122	28,513
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities	13	2,480,404	1,912,801
TOTAL NON-CURRENT LIABILITIES		2,480,404	1,912,801
TOTAL LIABILITIES		2,571,526	1,941,314
NET ASSETS		20,993,751	14,925,078
EQUITY			
Issued Capital	14	12,871,873	8,609,085
Reserves	15	8,626,576	6,814,525
Accumulated losses		(504,698)	(498,532)
TOTAL EQUITY		20,993,751	14,925,078

The accompanying Notes form part of these Financial Statements.

GLOBAL MASTERS FUND LIMITED
STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2018

2017	Issued Share Capital \$	Retained Profits/ (Accumulated Losses) \$	Reserves \$	Total Equity \$
Balance at 1 July 2016	8,609,085	(566,799)	5,463,876	13,506,162
Total Comprehensive Income				
Profit/(Loss) for the Year	-	68,267	-	68,267
Other Comprehensive Income	-	-	1,350,649	1,350,649
Total Comprehensive Income	-	68,267	1,350,649	1,418,916
Balance at 30 June 2017	8,609,085	(498,532)	6,814,525	14,925,078
2018	Issued Share Capital \$	Retained Profits/ (Accumulated Losses) \$	Reserves \$	Total Equity \$
Balance at 1 July 2017	8,609,085	(498,532)	6,814,525	14,925,078
Total Comprehensive Income				
Profit/(Loss) for the Year	-	(125,706)	-	(125,706)
Other Comprehensive Income	-	-	1,931,591	1,931,591
Total Comprehensive Income	-	(125,706)	1,931,591	1,805,885
Transactions with Owners in their capacity as owners				
Shares issued as a result of Rights Issue	4,289,126	-	-	4,289,126
Less: Capital Raising costs	(26,338)	-	-	(26,338)
Total Transactions with Owners	4,262,788	-	-	4,262,788
Other				
Transfer from reserves to accumulated losses	-	119,540	(119,540)	-
Balance at 30 June 2018	12,871,873	(504,698)	8,626,576	20,993,751

The accompanying Notes form part of these Financial Statements.

FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Distributions and Dividends received		208,077	188,064
Interest received		3,157	1,830
Payments to suppliers and employees		(416,911)	(308,941)
Net cash provided by/(used in) operating activities	24	(205,677)	(119,047)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of Flagship Investments Limited		-	1,296,539
Proceeds from sale of Other UK Investments		461,978	-
Proceeds from sale of Colonial First State Units		-	1,513
Purchase of shares in Athelney Trust Plc		-	(222,749)
Purchase of Shares in Other UK Investments		(5,034,645)	-
Net cash (used in)/provided by investing activities		(4,572,667)	1,075,303
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Rights Issue – issue of new shares		4,289,126	-
Capital Raising Costs		(26,338)	-
Net cash provided by financing activities		4,262,788	-
Net increase/(decrease) in cash and cash equivalents held		(515,556)	956,256
Cash and cash equivalents at the beginning of the year		1,012,558	56,302
Cash and cash equivalents at end of year	8	497,002	1,012,558

The accompanying Notes form part of these Financial Statements.

GLOBAL MASTERS FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

The functional and presentation currency of Global Masters Fund Limited is Australian dollars. Its shares are publicly traded on the Australian Securities Exchange ("ASX").

1. BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

These financial statements and associated notes comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Interest Revenue

Interest is recognised using the effective interest method.

Dividend Revenue

Dividends are recognised when the entity's right to receive payment is established.

(b) Income Tax

The income tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(e) Financial Instruments

Financial Assets At Fair Value Through Profit Or Loss

Financial assets at fair value through Profit or Loss are Financial Instruments convertible in to Equity Instruments. A financial asset is classified in this category if it is so designated by management and within the requirement of AASB 9 Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the profit or loss in the period in which they arise.

FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

(e) Financial Instruments *(continued)*

Financial Assets At Fair Value Through Other Comprehensive Income

The Company is a long-term investor in equity instruments. Under AASB 9, these investments are classified as fair value through Other Comprehensive Income. After initial recognition at fair value (being cost), the Company has elected to present in Other Comprehensive Income changes in fair value of equity instruments investments.

Unrealised gains and losses on investments are recognised in the Asset Revaluation Reserve until the investment is sold or otherwise disposed of, at which time the cumulative gain or loss is transferred to the Profit and Loss Statement.

Available-For-Sale Financial Assets

These investments are measured at fair value.

Unrealised gains and losses arising from changes in the fair value of these assets are taken directly to Other Comprehensive Income and accumulated in Equity.

When these Financial Assets are sold, the accumulated fair value adjustments are reclassified from Equity to the profit or loss as gains and losses on sale.

Available-For-Sale Financial Assets are assessed at each reporting date to determine whether there is an objective evidence that it is impaired. In the case of Available-For-Sale Financial Instruments, a significant or prolonged decline in the value of the instruments below cost is considered to be evidence of whether or not impairment has arisen.

Any cumulative impairment loss in respect of an Available-For-Sale Financial Asset previously recognised in equity is reclassified to Profit or Loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For Available-For-Sale Financial Assets that are debt securities, the reversal is recognised in Profit or Loss. For equity securities, the reversal is recognised in Other Comprehensive Income.

Loans and Receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of loans and receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The amount of the provision is the different between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the profit or loss in other expenses.

Fair Value Estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and securities) is based on quoted market prices at the Statement of Financial Position date. The quoted market price used for financial assets held by the Company is the current bid price. The appropriate quoted market price for financial liabilities is the current bid price.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

(f) Trade and Other Payables

Liabilities for trade payables and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

(g) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions for Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(h) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

GLOBAL MASTERS FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018

(i) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6 AASB 2014-7	
Effective Date 1 January 2018	Changes to the classification and measurement requirements for financial assets and financial liabilities The impact of AASB 9 will not have a material impact on the Company.
AASB 16 Leases	
Effective Date 1 January 2019	AASB 16 introduces a single lessee accounting model by eliminating the current requirement to distinguish leases as either operating leases or finance leases depending on the transfer of risks & rewards of ownership. The impact of AASB 16 will not have a material impact on the Company.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Key Estimates

There are no key assumptions or sources of estimation uncertainty that have a risk of causing material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period as investments are carried at their market value.

(b) Key Judgements

The preparation of financial reports in conformity with Australian Account Standards require the use of certain critical accounting estimates. This requires the Board to exercise their judgement in the process of applying the Company's accounting policies.

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. In accordance with AASB 112 Income Taxes, deferred tax liabilities and deferred tax assets have been recognised for Capital Gains Tax (CGT) on the unrealised gains/losses in the investment portfolio at current tax rates.

As the Directors do not intend to dispose of the portfolio, the tax liability/benefit may not be crystallised at the amount disclosed in Note: 13. In addition, the tax liability/benefit that arises on the disposal of these securities may be impacted by changes in tax legislation relating to treatment of capital gains and the rate of taxation applicable to such gains/losses at the time of disposal.

The Company has an investment process which is anticipated will deliver medium to long-term capital growth - minimum investment period is three to five years.

The deferred tax asset has been carried forward as it believed that this process will deliver growth over this period to utilise the deferred tax asset.

The Company does not hold any securities for short term trading purposes. Therefore, the investment portfolio is classified as Financial Assets at fair value through Other Comprehensive Income.

4. OPERATING SEGMENTS

Segment Information

The Company operates in the investment industry. Its core business focuses on investing in International equities to achieve medium to long-term capital growth and income.

Operating segments have been determined on the basis of 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.

FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
5. REVENUE AND OTHER INCOME		
Dividends Received	226,642	188,063
Distributions Received	-	1
Interest Received	3,157	1,830
Gain on sale of Flagship Investments	-	178,108
Gain on Sale of Other UK Investments	31,839	-
Realised Foreign Exchange Loss	45,566	-
Gain on Sale of Colonial Units	-	1,160
	307,204	369,162
6. OTHER EXPENSES		
Auditors Remuneration	18,593	10,250
ASX and Share Registry costs	72,385	22,231
Management Fees	35,898	-
Performance Fees	67,918	-
Director Fees	178,625	148,875
Administration Costs	147,685	119,539
	521,104	300,895
7. INCOME TAX EXPENSE		
(a) Reconciliation of income tax to accounting profit		
Accounting profit/(loss) before tax	(213,900)	68,267
Prima facie tax payable on ordinary activities before income tax rate at 27.5% (2017 – 27.5%)	(58,823)	18,773
Adjust for tax effect of:		
- Timing differences of transactions	1,177	-
- Fully Franked Dividends received	11,587	-
Rebateable Fully Franked Dividends	(42,135)	-
Tax losses not recognised	-	(18,773)
Tax expense/(credit) shown in Profit and Loss statement	(88,194)	-
(b) The components of tax benefit comprise:		
Deferred tax asset	88,194	-
(c) Amounts recognised directly in Other Comprehensive Income		
Aggregate current and deferred tax arising in the reporting period and not recognised in Profit or Loss, but directly debited or credited in Other Comprehensive Income.		
Amount before tax	2,587,388	1,862,964
Tax Expense at 27.5% (2017: 27.5%)	(711,532)	(512,315)
Adjusted for tax effect of other transfers	55,735	-
Amount Net of Tax	1,931,591	1,350,649
8. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	168,738	1,012,092
Short-term deposits	328,264	466
Balance as per Statement of Cash Flows	497,002	1,012,558
Reconciliation of cash		
Cash and Cash Equivalents reported in the Statement of Cash Flows are reconciled to the equivalent items in the Statement of Financial Position as follows:		
Cash and Cash Equivalents	497,002	1,012,558

GLOBAL MASTERS FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
9. TRADE AND OTHER RECEIVABLES			
CURRENT			
Dividends Receivable		18,565	-
GST receivable		6,839	2,364
Total current trade and other receivables		25,404	2,364
10. OTHER ASSETS			
CURRENT			
Prepayments		17,530	26,846
Total Other Assets		17,530	26,846
11. FINANCIAL ASSETS			
Non-Current Available-for-sale Financial Assets			
Comprising Listed Investments		23,025,341	15,824,624
Total Available-for-sale Financial Assets		23,025,341	15,824,624
12. TRADE AND OTHER PAYABLES			
CURRENT			
Trade payables		6,253	330
Accrued expenses		84,869	28,183
		91,122	28,513
13. TAX			
Deferred Tax Assets	13(a)	(575,299)	(487,105)
Deferred Tax Liabilities	13(b)	3,055,703	2,399,906
Net deferred tax liabilities adjusted for deferred tax assets		2,480,404	1,912,801
(a) Deferred Tax Liabilities Assets attributable to:			
- Accruals		(3,369)	(4,457)
- Tax losses		(571,930)	(482,648)
		(575,299)	(487,105)
(b) Deferred Tax Liabilities Attributable to:			
- Unrealised Gain on Financial Assets		3,055,703	2,399,906

FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$

14. ISSUED CAPITAL

(a) Share Capital

10,723,159 (2017: 8,578,596) Ordinary Shares	12,871,873	8,609,085
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(b) 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.

(c) Movements in ordinary share capital

Date	Details	Number of Shares	Price	\$
30 June 2016	Balance	8,578,596		8,609,085
	Nil Movement in the year	-		-
30 June 2017	Balance	8,578,596		8,609,085
October 2017	Rights Issue	2,144,563	\$2.00	4,289,126
	Capital Raising Costs			(26,338)
30 June 2018	Balance	10,723,159		12,871,873

15. RESERVES

Revaluation Reserve

The investment revaluation reserve is used to accumulate unrealised capital profits and losses. The reserve can only be used in limited circumstances for payment of dividends.

16. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of shares outstanding during the year. Including all convertible securities, for example convertible preferred shares, convertible debentures, stock options and warrants.

Net gain/(loss) used in calculating basic and diluted earnings per share	(125,706)	68,267
Total comprehensive income used in calculating total comprehensive income per share	1,805,885	1,418,916
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	9,987,737	8,578,596
Weighted number of all shares, including convertible securities	9,987,737	8,578,596
	Cents	Cents
Basic earnings per share (cents per share)	(1.26)	0.80
Diluted earnings per share (cents per share)	(1.26)	0.80
Total Comprehensive Income per share (cents per share)	18.08	16.54

17. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Company does not speculate in financial assets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Investments in listed shares
- Trade and other payables

(a) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	2018	2017
Effective Interest Rate	%	%
Financial Assets		
Cash and cash equivalents	0.6	0.35
6 Months or less		
	\$	\$
Financial Assets		
Cash and cash equivalents	497,002	1,012,558
Total Financial Assets	497,002	1,012,558

The Company does not rely on interest returns as a source of income, so the interest rate risk is deemed extremely low.

All other financial assets and liabilities are non-interest bearing.

(b) Currency Risk

The Company's investment portfolio includes investments in USA and UK, cash on deposit and interest receivable denominated in US dollars and Pounds Sterling. As such, the Company's balance sheet can be affected significantly by movements in exchange rates. The Company's current policy is not to hedge its investment portfolio.

The carrying value of these foreign currency denominated assets at balance date was as follows:

	2018	2017
Carrying Amount	AUD \$	AUD \$
Cash and cash equivalents	328,151	316
Investments	20,849,294	13,799,326
Total	21,177,445	13,799,642

(c) Credit risk

The Company is not a trading entity. The maximum exposure to credit risk at balance date in relation to each class of financial assets (excluding investments) is the carrying amount of those assets as indicated in the balance sheet. The Company has no commercial debtors and receivables are due from reputable companies listed on the world's stock exchange or major financial banking institutions.

With respect to credit risk on cash and investment, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of those investments. The Company's business activities do not necessitate the requirement for collateral.

(d) Net Fair Value

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Cash, cash equivalents and short-term investments:

The carrying amount approximates fair value because of their short term to maturity.

Trade receivables and payables:

The carrying amount approximates fair value as the time to receipt or payment is usually less than 30 days.

Listed shares:

The current quoted market bid price approximates fair value and the carrying amount.

The carrying value of all the financial assets and liabilities of the Company as disclosed in the Statement of Financial Position and Notes to the Financial Statements is the same as the net fair value.

FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

17. FINANCIAL RISK MANAGEMENT *(continued)*

(e) Sensitivity Analysis

The following table illustrates sensitivities to the Company's exposure to changes in interest rates, exchange rates and commodity and equity process. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

At 30 June 2018, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

6 Months or less	2018 \$	2017 \$
Change in profit +/- 2% in interest rates	+/- 2,514	+/- 1,165
Change in equity +/- 5% in \$A/US\$	+/- 1,049,688	+/- 736,833
+/- 10% in listed investments	+/- 2,302,534	+/- 1,582,463

(f) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The objective of the Company is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and distressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable Australian listed equity securities.

The Manager controls liquidity risk by continuously monitoring the balance between equity securities and cash or cash equivalents and the maturity profiles of assets and liabilities to ensure this risk is minimal.

18. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure of the Company consists of equity attributable to members of the Company. The Board monitors the return on capital, which is defined as net operating income divided by total Shareholders' Equity. The Board also monitors the level of dividends to Shareholders.

The capital of the Company is invested by the Investment Manager in accordance with the investment policy established by the Board. The Company has no borrowings. It is not subject to any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the year.

19. FAIR VALUE MEASUREMENTS

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Financial Assets at fair value through Other Comprehensive Income.
- Financial Assets At fair value through Profit or Loss.
- Available-for-sale Financial Assets.

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Company:

	Level 1	Level 2	Level 3	TOTAL
30 June 2018	\$	\$	\$	\$
Recurring fair value measurements.				
Financial Assets				
-Listed Equity Securities	23,025,341			23,025,341
30 June 2017	\$	\$	\$	\$
Recurring fair value measurements.				
Financial Assets				
-Listed Equity Securities	15,824,624			15,824,624

Transfers between levels of hierarchy

There were no transfers between levels of the fair value hierarchy.

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

GLOBAL MASTERS FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
20. AUDITORS REMUNERATION		
Remuneration of the auditor of the Company for: Audit or reviewing the financial statements	18,593	10,250
Total remuneration of auditors	18,593	10,250

21. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

EC Pohl & Co Pty Ltd for Management Fee and Performance Fee (payable in accordance with the Management Services Agreement as detailed in Note 22).

• Management Fee	35,898	-
• Performance Fee	67,918	-
Total Fees Paid	103,816	-

Dr E C Pohl has an interest in the transaction as during the year Dr E C Pohl was a Director, employee and Shareholder of EC Pohl & Co Pty Ltd.

22. MANAGEMENT SERVICES AGREEMENT

In accordance with a Management Services Agreement which was signed in May 2017, the Company agreed to engage the Manager to provide primary and secondary management services.

Primary services are only provided for the actively managed portion of the portfolio and include:

- 1) managing the investment of the Company's portfolio, including keeping it under review;
- 2) ensuring investments by the Company are only made in authorised investments;
- 3) complying with the investment policy of the Company; and
- 4) identifying, evaluating and implementing the acquisition and disposal of authorised investments.

Secondary management services include:

- (i) provide the Company with quarterly investment performance reporting;
- (ii) promoting investment in the Company by the general investment community;
- (iii) providing investor relationship services; and
- (iv) provision of accounting, human resources, corporate and information technology services support.

The agreement may be terminated if:

- a) either party ceases to carry on business, or
- b) either party enters into liquidation voluntarily or otherwise, or
- c) either party passes any resolution for voluntary winding-up, or
- d) a receiver of the property of either party, or any part thereof, is appointed, or
- e) the Shareholders of the Company at an abnormal meeting called in for that purpose, resolve by binding resolution to terminate the operations, or
- f) if the Company provides written notes to the Manager in the event of any material and substantial breach of the agreement by the Manager or if the Manager fails to remedy a breach of this agreement within 14 days following written notice of the breach.
- g) if the Manager provides written notice to the Company in the event of any material and substantial breach of the agreement by the Company or if the Company fails to remedy a breach of this agreement within 14 days following written notice of the breach.

Under the agreement the Manager will receive a management fee of 1% per annum on the actively managed portion of the portfolio. In addition, a performance fee, payable annually in arrears, equal to 20% of the amount by which the Company's net performance before tax (that is, after all costs and outlays but before the calculation of the performance fee) exceeds the performance of the FTSE, subject to a high water mark. If the Company's net performance in the year is less than the Benchmark, then no performance fee will be payable.

FINANCIAL REPORT

GLOBAL MASTERS FUND LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$

23. KEY MANAGEMENT PERSONNEL DISCLOSURES

The Company has no staff and therefore has no Key Management Personnel other than the Directors.

No member of Key Management Personnel held options over shares in the Company during the year.

There have been no other transactions with Key Management Personnel or their related entities other than those disclosed in Note 21.

The compensation of Non-executive Directors (including the Managing Director) for the year ending 30 June 2018 is shown in the table of detailed remuneration disclosures, provided in section 12 (A) to (F) of the Remuneration Report on pages 9 and 10. The total remuneration paid is as follows:

Short-term employment benefit	178,625	148,875
-------------------------------	----------------	---------

The Company's Secretary, Brian Jones, was contracted through Rothsay Chartered Accountants from July 17 to January 18 (FY17, July 16 – June 17). From February 18 – June 18, Brian was contracted directly.

24. CASH FLOW INFORMATION

(a) Reconciliation of result for the year to cash flows from operating activities

Profit/(Loss) for the year	(125,706)	68,267
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- net (gain)/loss on disposal of investments	(31,839)	(179,268)
- net gain/loss on foreign exchange	(8,823)	(2,305)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in prepayments	9,316	(20,270)
- (increase)/decrease in- trade and other receivables	(23,040)	(576)
- increase/(decrease) in trade and other payables	62,609	15,105
- increase/(decrease) in Deferred Tax	(88,194)	-
Cash flow from operations	(205,677)	(119,047)

25. CONTINGENCIES

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2018 (30 June 2017: None).

26. EVENTS OCCURRING AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

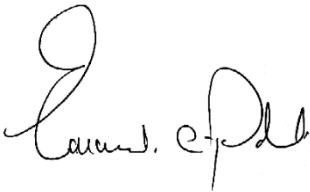
- (a) the Financial Statements and Notes set out on pages 16 to 30 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (ii) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date; and

in the Directors' opinion,

- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) the remuneration disclosures set out on pages 9 and 10 of the Directors' Report (as part of the audited remuneration report) for the year ended 30 June 2018 comply with section 300A of the *Corporations Act 2001*.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:



Dr Emmanuel (Manny) C Pohl
Managing Director

24 August 2018

INDEPENDENT AUDITOR'S REPORT



For your peace of mind

GLOBAL MASTERS FUND LIMITED
ABN 84 109 047 618

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GLOBAL MASTERS FUND LIMITED
(Page 1 of 4)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Global Masters Fund Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Global Masters Fund Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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 (the Code) that are relevant to our audit of the 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial report of Global Masters Fund Limited for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on that financial report on 22 August 2017.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2018. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

HEAD OFFICE:

t: +61 (0)7 5580 4700
p: PO Box 1463, Oxenford, Queensland 4210 Australia
a: 4 Helensvale Road, Helensvale, Queensland 4212 Australia
e: info@wpias.com.au
w: www.wpias.com.au

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GLOBAL MASTERS FUND LIMITED
 ABN 84 109 047 618

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GLOBAL MASTERS FUND LIMITED
 (Page 2 of 4)

KEY AUDIT MATTER	HOW THE KEY AUDIT MATTER WAS ADDRESSED IN OUR AUDIT
Financial Assets at Fair Value Through Other Comprehensive Income Refer to Notes 2(e) and 11 to the financial statements	
<p>As at 30 June 2018 the Company's statement of financial position includes financial assets at fair value through other comprehensive income of \$23,025,341.</p> <p>The Company is a long-term investor in equity instruments which are classified at fair value through other Comprehensive Income. Initial recognition is at fair value (being cost) with the Company electing to present in other Comprehensive Income changes in the fair value of the investments.</p> <p>We focused on this area as a key audit matter due to the amounts involved being material.</p>	<p>Our procedures included, inter alia:</p> <ul style="list-style-type: none"> Inspecting externally prepared documentation to verify the valuation of the portfolio as at 30 June 2018. Randomly and judgmentally selecting investments and agreeing dividends and closing market value to third party evidence. Recalculating the movement in fair value for the year. Review of the appropriateness of the Company's disclosures in the financial report in accordance with AASB 9.
Tax and Income Tax Expense Refer to Note 7 and 13 to the financial statements	
<p>The Company recognises the deferred tax liability as a net amount adjusted for deferred tax assets. As at 30 June 2018 the net deferred tax liability included in the statement of financial position amounted to \$2,480,404.</p> <p>We focused on this area as a key audit matter due to the amounts involved being material.</p>	<p>Our procedures included, inter alia:</p> <ul style="list-style-type: none"> Reviewing the Company's taxation calculations for accuracy, completeness and compliance with AASB 112. Review of the appropriateness of the Company's disclosures in the financial report in accordance with AASB 112.
Performance fee and management fee Refer to Notes 21 and 22 to the financial statements.	
<p>For the year ended 30 June 2018 the Company's statement of profit or loss and other comprehensive income includes the performance fee of \$67,918 and a management fee of \$35,898.</p> <p>In accordance with a management service agreement the Company pays a performance fee to a related party to engage a manager to provide primary and secondary management services.</p> <p>We focused on this area as a key audit matter due to the nature of the relationship.</p>	<p>Our procedures included, inter alia:</p> <ul style="list-style-type: none"> Reviewing the management service agreement. Assessing the Company's management fee calculation to ensure compliance with the agreement. Review of the appropriateness of the Company's disclosures in the financial report in accordance with AASB 124.

HEAD OFFICE:

t: +61 (0)7 5580 4700
 p: PO Box 1463, Oxenford, Queensland 4210 Australia
 a: 4 Helensvale Road, Helensvale, Queensland 4212 Australia
 e: info@wpias.com.au
 w: www.wpias.com.au

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Information Other Than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Global Masters Fund Limited for the year ended 30 June 2018, intended to be included on the Company's website. The Company's directors are responsible for the integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the website.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

HEAD OFFICE:

t: +61 (0)7 5580 4700
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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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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors and management.
- Conclude on the appropriateness of directors and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transaction and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in pages 9 to 10 of the directors' report for the year ended 30 June 2018.

In our opinion the remuneration report of Global Masters Fund Limited for the year ended 30 June 2018 complies with s300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

WPIAS Pty Ltd

Authorised Audit Company No. 440306

Lee-Ann Dippenaar BCom CA RCA
Director

Dated this 24th day of August 2018

HEAD OFFICE:

t: +61 (0)7 5580 4700
p: PO Box 1463, Oxenford, Queensland 4210 Australia
a: 4 Helensvale Road, Helensvale, Queensland 4212 Australia
e: info@wpias.com.au
w: www.wpias.com.au

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SHAREHOLDER INFORMATION

The Shareholder information set out below was applicable as at 10 August 2018.

1. TWENTY LARGEST SHAREHOLDERS

Shareholders Last year's figures	Ordinary Shares	%
CITICORP NOMINEES PTY LIMITED	5,757,863	53.7%
BOND STREET CUSTODIANS LIMITED <HEF - Q01843 A/C>	303,227	2.8%
BOND STREET CUSTODIANS LIMITED <HEF - Q01842 A/C>	180,000	1.7%
ESKDALE INVESTMENT CO PTY LTD <LAURIMAR PROPERTY A/C>	157,000	1.5%
ROSETTA PTY LTD	155,700	1.5%
PETER I H WONG PTY LTD <PETER I H WONG P/L SUP A/C>	150,000	1.4%
MR PETER LEECE	120,737	1.1%
EMSDALE HOLDINGS PTY LTD	106,000	1.0%
J BARLOW CONSULTANTS PTY LTD	102,317	1.0%
JACOBAN PTY LTD	80,000	0.7%
MRS SYLVIA MARIA VALMADRE	60,000	0.6%
DAYTON ENTERPRISES PTY LTD <THE A E O'KEEFE SUPER A/C>	59,432	0.6%
MR IAN LESLIE POLLARD	51,981	0.5%
SECURITIES & ESTATES PTY LTD <R J WILSON F/T A/C>	50,034	0.5%
RITCHIE FAMILY SUPER PTY LTD <RITCHIE FAMILY S/F A/C>	50,000	0.5%
TIDALBAY PTY LTD <BW & J RODGERS S/F A/C>	50,000	0.5%
KAJJA PTY LTD	50,000	0.5%
JAJEAN PTY LTD	49,000	0.5%
DR JEFFERY MARK PEEREBOOM & MRS HELEN LYNETTE PEEREBOOM <THE PEEREBOOM FAM S/F A/C>	46,296	0.4%
MR WILLIAM PAUL CHUN TIE & MS ORLEENA MOO	40,778	0.4%
Total	7,620,365	71.4%

2. DISTRIBUTION OF SECURITIES

Distributions	No. of Shareholders
1 to 1,000	129
1,001 to 5,000	175
5,001 to 10,000	101
10,001 to 100,000	101
100,001 and over	9
Total	515
Holdings of less than a marketable parcel	43

3. SUBSTANTIAL SHAREHOLDINGS

The names of the Shareholders who have notified the Company of a substantial holding in accordance with section 671B of the *Corporations Act 2001* are:

Substantial Shareholder	Number of Shares	% of Total
Dr E C Pohl *	5,761,311	53.7

* Has the power to control voting and/or the disposal of securities in accordance with a Power Of Attorney in relation to 5,755,061 shares.

4. VOTING RIGHTS

On a show of hands every Shareholder present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

5. ON-MARKET BUY BACK

There is no current on-market buy back.

INVESTMENTS

(1) HOLDINGS OF SECURITIES AT 30 JUNE 2018

Individual investments at 30 June 2018 are listed below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share at other dates. Individual holdings in the portfolio may change during the course of the year.

Company		Shares	Market Value \$	%
	ORDINARY SHARES			
ABC	ABCAM PLC	4,680	111,305.40	0.47
AHT	ASHTREAD GROUP PLC	7,527	305,025.33	1.30
ATY	ATHELNEY TRUST PLC	349,640	1,564,621.86	6.65
BA	BAE SYSTEMS PLC	17,000	196,034.94	0.83
BNZL	BUNZL PLC	5,700	233,223.39	0.99
BOO	BOOHOO GROUP PLC	30,900	107,150.12	0.46
BRBY	BURBERRY GROUP PLC	7,000	269,566.77	1.15
BRK.A	BERKSHIRE HATHAWAY INC NEW	27	10,281,062.62	43.67
BRK.B	BERKSHIRE HATHAWAY INC NEW	15,300	3,855,519.85	16.38
CBG	CLOSE BROTHERS GROUP PLC	2,500	66,232.84	0.28
DOM	DOMINO'S PIZZA GROUP PLC	66,700	412,519.70	1.75
DPLM	DIPLOMA PLC	1,800	42,071.67	0.18
FSI	FLAGSHIP INVESTMENTS LIMITED	1,310,872	2,176,047.52	9.24
HLMA	HALMA PLC	10,600	258,905.33	1.10
JD	JD SPORTS FASHION PLC	31,600	248,225.35	1.05
LIO	LIONTRUST ASSET MANAGEMENT PLC	24,500	279,550.72	1.19
MERL	MERLIN ENTERTAINMENTS PLC	39,700	273,702.80	1.16
MONY	MONEYSUPERMARKET.COM GROUP PLC	45,719	256,675.22	1.09
NG	NATIONAL GRID PLC	14,900	222,716.35	0.95
QTX	QUARTIX HOLDINGS PLC	20,200	136,851.49	0.58
REL	RELX PLC	10,100	292,159.92	1.24
RMV	RIGHTMOVE PLC	4,900	463,879.48	1.97
RWA	ROBERT WALTERS PLC	10,200	127,295.42	0.54
SMS	SMART METERING SYSTEMS PLC	14,700	203,897.31	0.87
SPX	SPIRAX-SARCO ENGINEERING PLC	2,200	255,731.86	1.08
STHR	STHREE PLC	17,000	110,625.78	0.47
TED	TED BAKER PLC	3,500	134,408.99	0.57
TEP	TELECOM PLUS PLC	7,000	140,524.16	0.60
			23,025,532.19	97.81
	CASH (INCLUDING DIVIDENDS)			
	Cash- Australian Dollar (AUD)		224,315.90	0.95
	Cash - Great British Pound (GBP)		290,945.73	1.24
	TOTAL		23,540,793.82	100.00

(2) TRANSACTIONS AND BROKERAGE

There were 75 (2017: 17) transactions in securities during the year on which brokerage of \$32,557 (2017: \$13,887) was paid.

CORPORATE DIRECTORY

GLOBAL MASTERS FUND LIMITED
ABN 84 109 047 618
REGISTERED IN NEW SOUTH WALES
12 MAY 2004.

BOARD OF DIRECTORS

Jonathan L Addison
Non-Executive Chairman

Dr Emmanuel (Manny) C Pohl
Managing Director

Patrick Corrigan AM
Non-Executive Director

Murray H d'Almeida
Non-Executive Director

Jason Pohl
Alternate Director

COMPANY SECRETARY

Brian E Jones

PRINCIPAL PLACE OF BUSINESS

Level 12
Corporate Centre One
2 Corporate Court
BUNDALL QLD 4217

MANAGER

EC Pohl & Co Pty Ltd
ACN 154 399 916
Level 12
Corporate Centre One
2 Corporate Court
BUNDALL QLD 4217
Tel: +61 (0) 7 5644 4400
Fax: +61 (0) 7 5574 1457

SOLICITORS

McCullough Robertson Lawyers
Level 32
MLC Centre
19 Martin Place
SYDNEY NSW 2000

AUDITORS

WPIAS Pty Ltd
4 Helensvale Road
HELENSVALE QLD 4210

SHARE REGISTRY

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001
Toll Free: 1300 737 760
International: +61 (0) 2 9290 9600
Fax: +61 (0) 0 9279 0664

REGISTERED OFFICE

Level 12
Corporate Centre One
2 Corporate Court
BUNDALL QLD 4217
Toll Free: 1800 352 474

WEBSITE ADDRESS

www.globalmastersfund.com.au



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