



GLOBAL RESOURCE MASTERS FUND LIMITED

ACN 134 268 821

WELCOME GRF Annual General Meeting

Tuesday 27 October 2009
National Convention Centre Canberra

GLOBAL
RESOURCE
MASTERS FUND





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A personalised advice session should be undertaken before proceeding with any strategies outlined in this presentation.



Agenda

1. Year in review
2. Sector outlook
3. Concluding remarks



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Year in review

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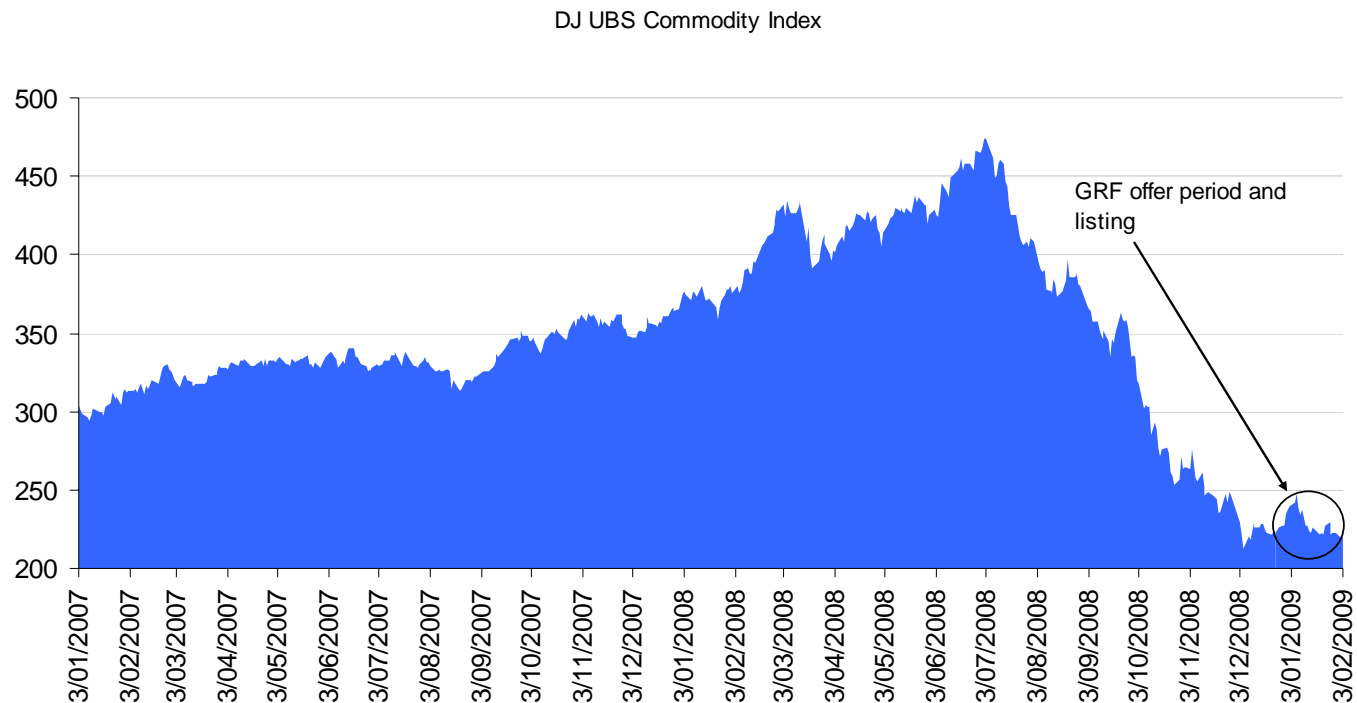
GRF objectives

- **What we do:** provide investors with exposure to hard assets
 - Physical commodities, e.g. oil, copper, gold, wheat
 - Commodity equities, i.e. companies that produce commodities
- **How we do it:** best fund products and managers from around the world
 - World class active managers
 - Asset allocation and sector rotation
 - Balance physical and equity exposure



Timing of GRF launch

High degree of uncertainty...

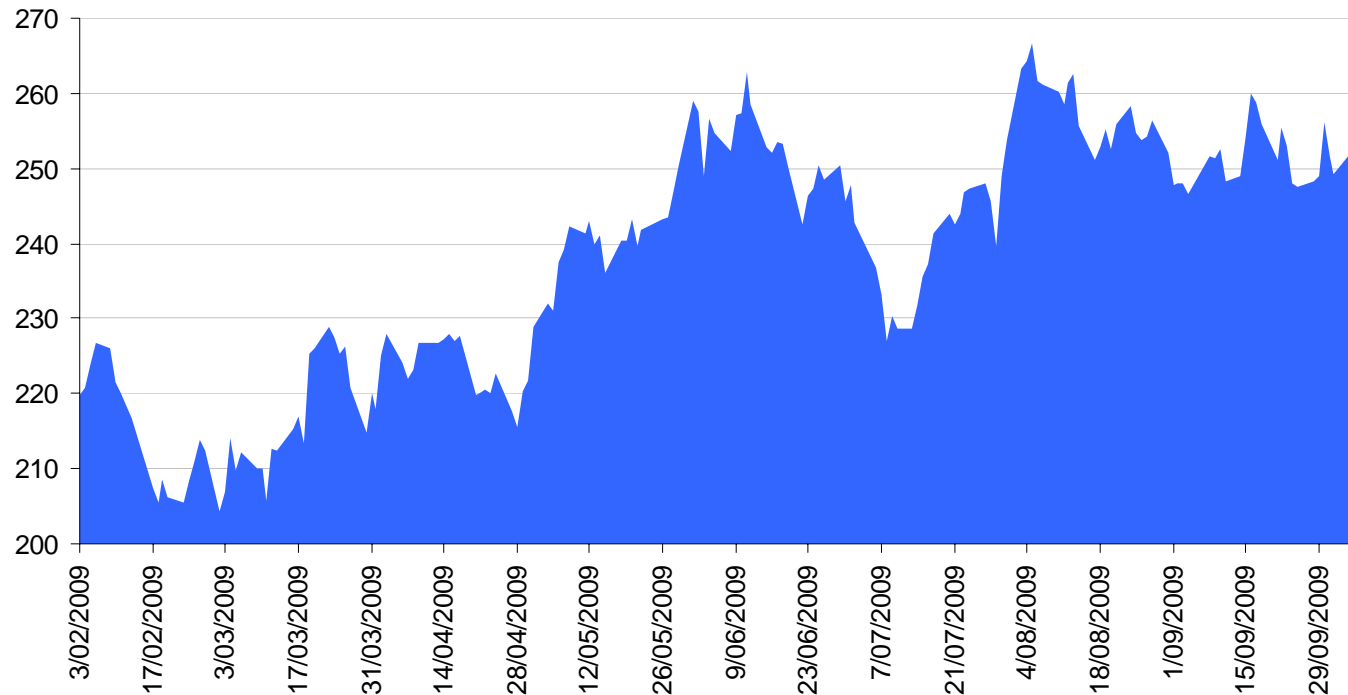


...but risk/reward appeared attractive

Timing of GRF launch

Timing for commodities was good...

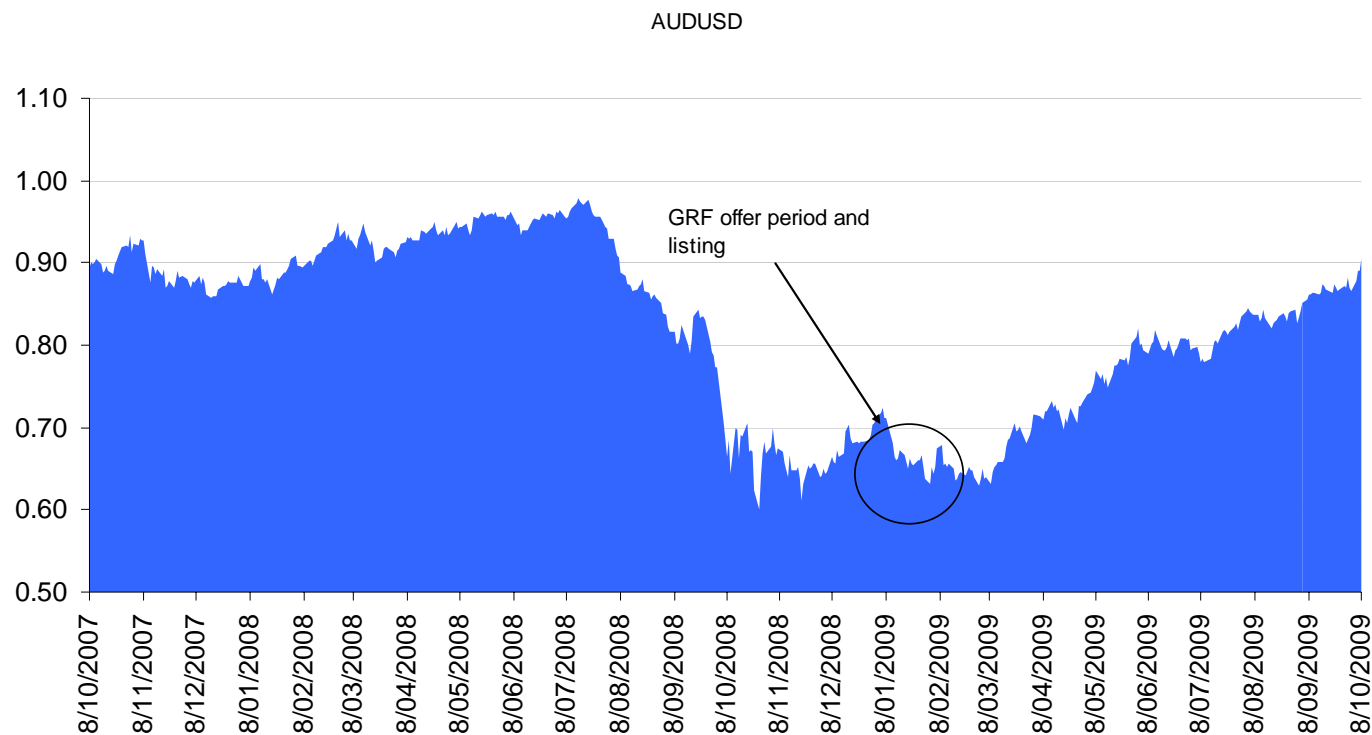
DJ UBS Commodity Index



...with indices bottoming early March

Australian Dollar

But the A\$ was a significant headwind...



...rising over 35% since listing

Currency comment

- Corporate policy not to engage in FX hedging, but mindful of impacts
- Historically, positive correlation has meant return less in bull and lose less in bear
 - risk adjusted returns roughly equivalent, but hedging not costless and rarely perfect
- This year worked against us
 - +32% in Yen, +22% in USD, +14% Euro, +7% Pounds, but -1.3% in AUD
- Less than 12 months ago, would have worked for us
 - hedged lost 24% more in energy, 17% more in materials, 21% more in physicals
- For long term AUD investor, still believe 'unhedged' best



GRF performance

	FY08/09		FY09/10	Since Listing
	Q3	Q4	Q1	
Performance in USD				
GRF NAV	6%	15%	13%	38%
GRF Share price	6%	18%	10%	38%
MSCI Energy Index	-5%	16%	12%	23%
MSCI Materials Index	6%	25%	20%	59%
DJ UBS Commodities Index	0%	12%	4%	16%
Performance in AUD				
GRF NAV	0%	-1%	3%	2%
GRF Share price	0%	1%	1%	2%
MSCI Energy Index	-11%	-1%	-4%	-9%
MSCI Materials Index	-1%	7%	4%	17%
DJ UBS Commodities Index	-6%	-4%	-7%	-14%

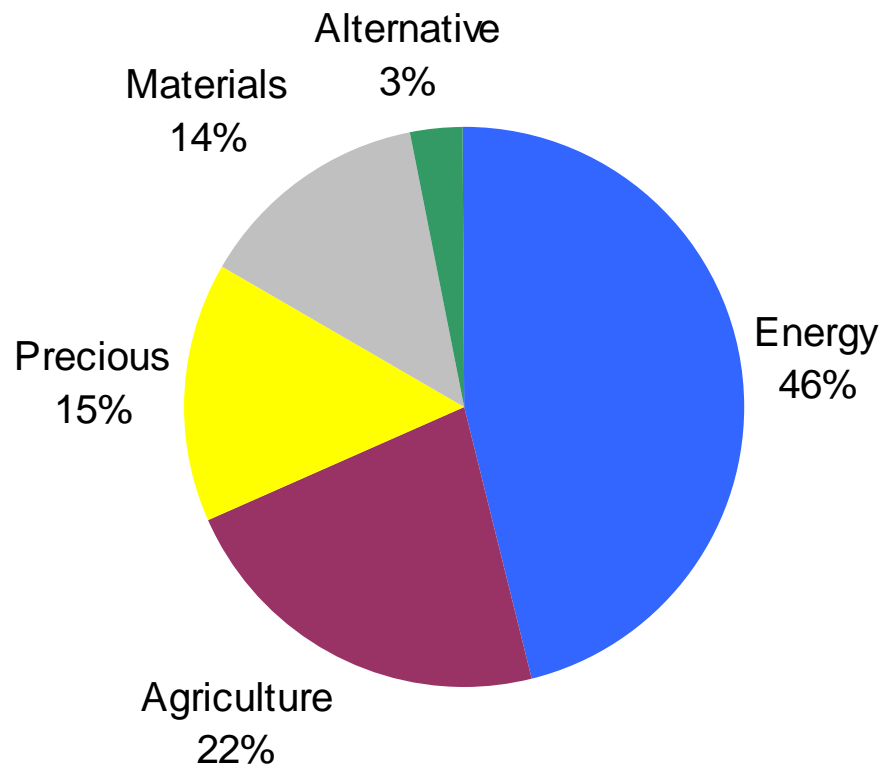
Note: Q3 data from listing date of 3 February to 31 March

Portfolio – investments

Fund	% Invested	Asset Class	Resources Focus
PIMCO Commodity Real Return Strategy	10%	Physical	Broad
Schroders AS Commodity Fund	10%	Physical	Broad
Martin Currie Global Resources Fund	9%	Equity	Broad
Market Vectors Agribusiness ETF	8%	Equity	Agriculture
iShares S&P Global Energy	7%	Equity	Energy
Blackrock Small Cap Energy Fund	6%	Equity	Energy
iShares S&P Global Materials Index Fund	5%	Equity	Materials
Market Vectors Gold Miners ETF	5%	Equity	Precious
ETFS Energy	3%	Physical	Energy
ETFS Agriculture	3%	Physical	Agriculture
Tocqueville Gold Fund	3%	Equity	Precious
Invesco Energy Fund	3%	Equity	Energy
iShares DJ US Equip & Serv	2%	Equity	Energy
SPDR O&G Equip & Serv	2%	Equity	Energy
iShares DJ Oil and Gas Trust	2%	Equity	Energy
Vanguard Energy ETF	2%	Equity	Energy
Energy Select Sector SPDR	2%	Equity	Energy
ETFS Physical Gold	1%	Physical	Precious
MarketVectors Global Alternative Energy	1%	Equity	Alternative
Market Vectors Nuclear Energy	1%	Equity	Alternative
Powershares Global Water Resources ETF	1%	Equity	Alternative
Powershares Water Resources US ETF	1%	Equity	Alternative
Total	84%		

Note: as at 30 September 2009

Portfolio – sector allocation



Note: as at 30 September 2009

Portfolio – key equities

Rank	Name	% Total Portfolio	% Equity Portfolio	Sector
1	Exxon Mobil Corp	1.8%	3.1%	Integrated Oil
2	Schlumberger Ltd	0.9%	1.7%	Oil Services
3	Goldcorp Inc	0.9%	1.6%	Gold Producer
4	Chevron Corp	0.9%	1.5%	Integrated Oil
5	Barrick Gold Corp	0.8%	1.4%	Gold Producer
6	Monsanto Co	0.8%	1.4%	Agribusiness
7	BHP Billiton	0.8%	1.4%	Diversified Mining
8	Potash Corp of Saskatchewan	0.7%	1.3%	Agribusiness
9	Syngenta AG	0.7%	1.3%	Agribusiness
10	Occidental Petroleum Corp	0.7%	1.2%	Oil & Gas E&P
11	Wilmar International Ltd	0.7%	1.2%	Agribusiness
12	Newmont Mining Corp	0.6%	1.1%	Gold Producer
13	ConocoPhillips	0.6%	1.1%	Integrated Oil
14	Mosaic Co	0.6%	1.1%	Agribusiness
15	Royal Dutch Shell PLC	0.6%	1.1%	Integrated Oil
16	Southwestern Energy Co	0.6%	1.0%	Oil & Gas E&P
17	BP PLC	0.6%	1.0%	Integrated Oil
18	Suncor Energy Inc	0.5%	1.0%	Oil & Gas E&P
19	Rio Tinto	0.5%	1.0%	Diversified Mining
20	Anadarko Petroleum Corp	0.5%	0.9%	Oil & Gas E&P
Top 20		14.7%	26.2%	
Top 50		26.5%	47.1%	

Note: as at 30 September 2009

Portfolio – key physicals

Rank	Name	% Total Portfolio	% Physical Portfolio	Sector
1	Crude Oil	5.7%	20.6%	Energy
2	Gold	2.9%	10.7%	Precious Metals
3	Soybeans	2.1%	7.8%	Agriculture
4	Natural Gas	2.1%	7.7%	Energy
5	Corn	1.5%	5.4%	Agriculture
6	Sugar	1.4%	5.3%	Agriculture
7	Copper	1.4%	5.1%	Metals & Mining
8	Gasoline	1.3%	4.6%	Energy
9	Coffee	1.2%	4.4%	Agriculture
10	Wheat	1.1%	4.1%	Agriculture
11	Heating Oil	1.1%	3.9%	Energy
12	Cotton	0.8%	2.9%	Agriculture
13	Silver	0.7%	2.6%	Precious Metals
14	Soybean Oil	0.7%	2.6%	Agriculture
15	Aluminium	0.6%	2.3%	Metals & Mining
16	Zinc	0.5%	1.7%	Metals & Mining
17	Live Cattle	0.4%	1.5%	Agriculture
18	Nickel	0.4%	1.4%	Metals & Mining
19	Lean Hogs	0.3%	1.0%	Agriculture
20	Cocoa	0.3%	1.0%	Agriculture
Total		26.6%	96.8%	

Note: as at 30 September 2009



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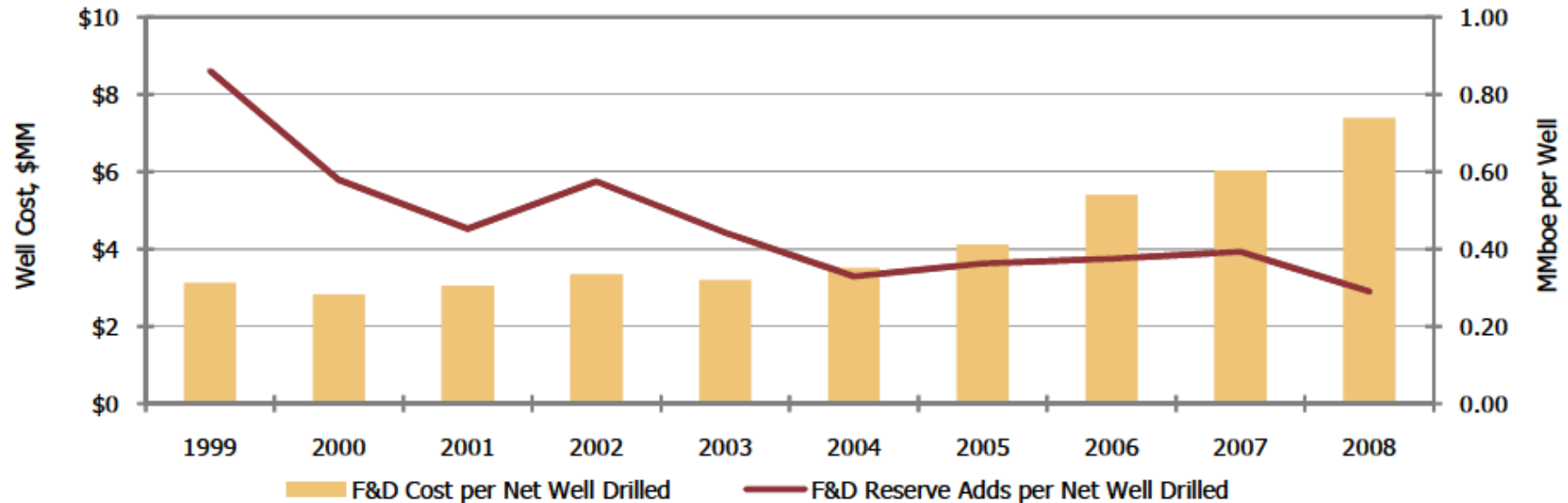


Sector outlook



Energy sector outlook

Costs per well rise...

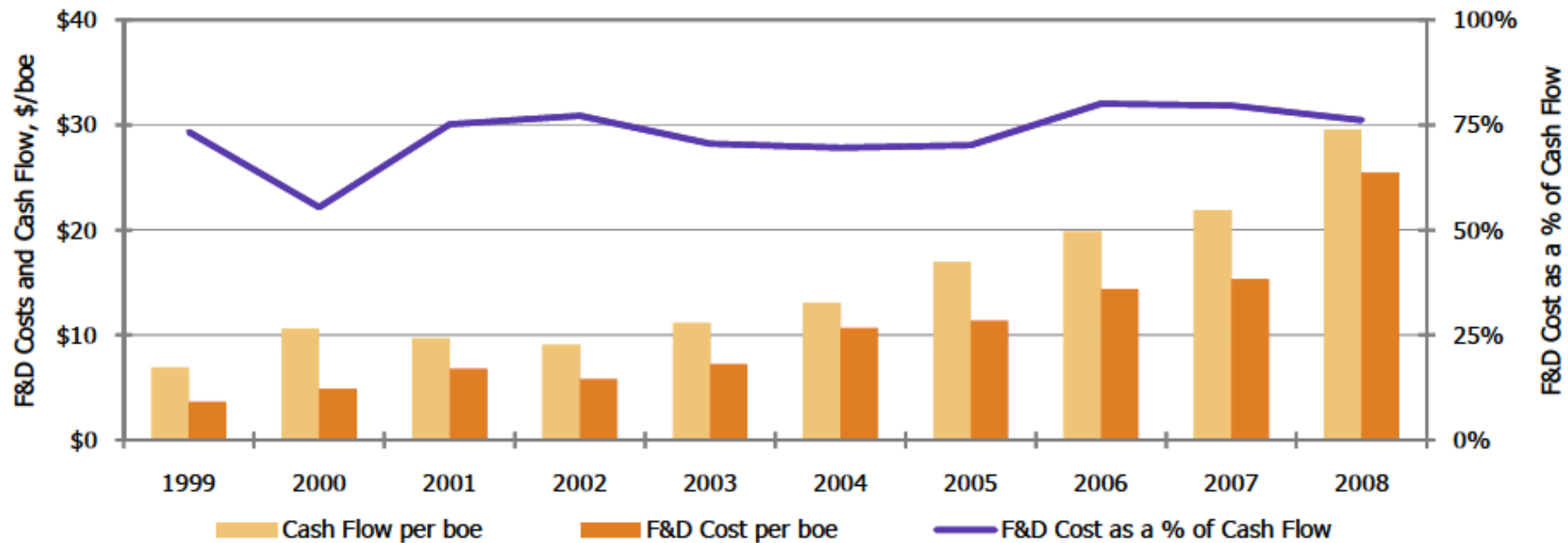


Source: IHS Herold

...while reserve adds per well drop

Energy sector outlook

Resulting in F&D costs rising by 70%

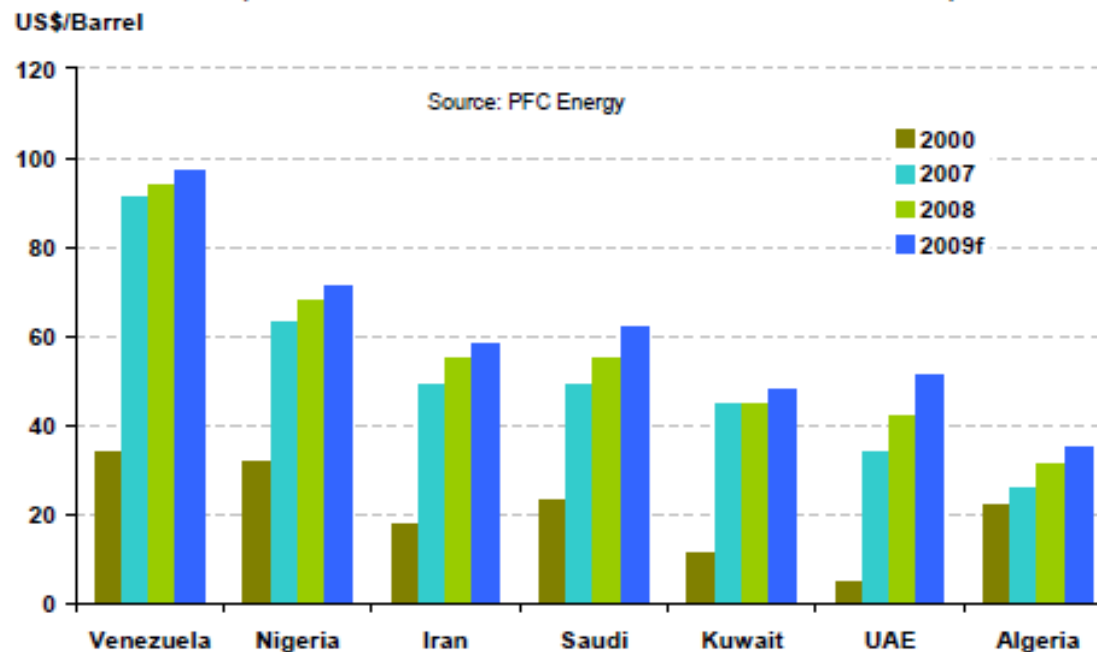


Source: IHS Herold

Energy sector outlook

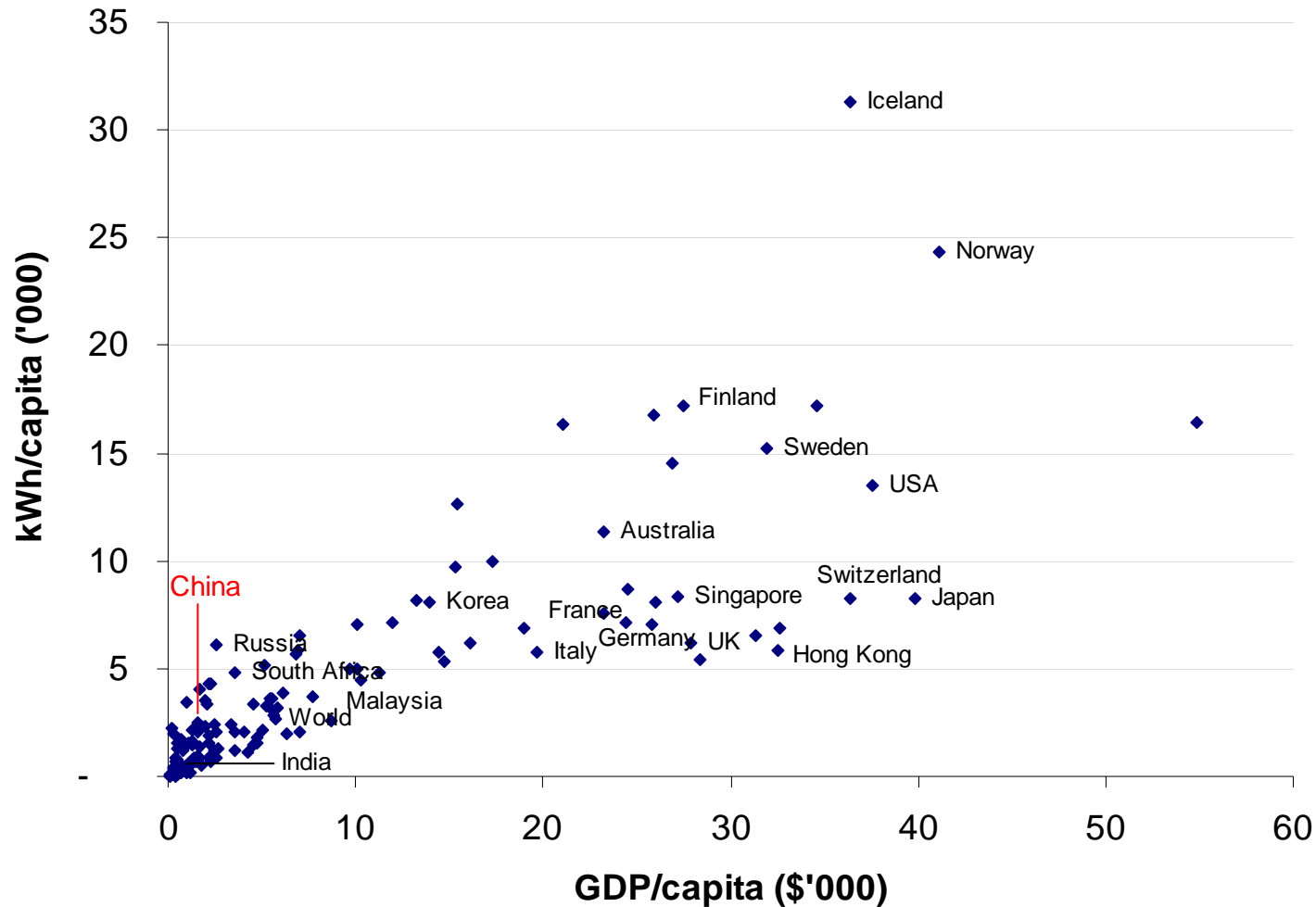
“Aside from OPEC curtailments, the world has virtually no excess capacity to meet demand growth that could result from synchronous economic expansions...” (IHS Herold)

OPEC External Account Price Thresholds
(WTI Price Needed to Balance the External Accounts)



Source: ETF Securities

Energy sector outlook



Source: International Energy Agency Key World Energy Statistics



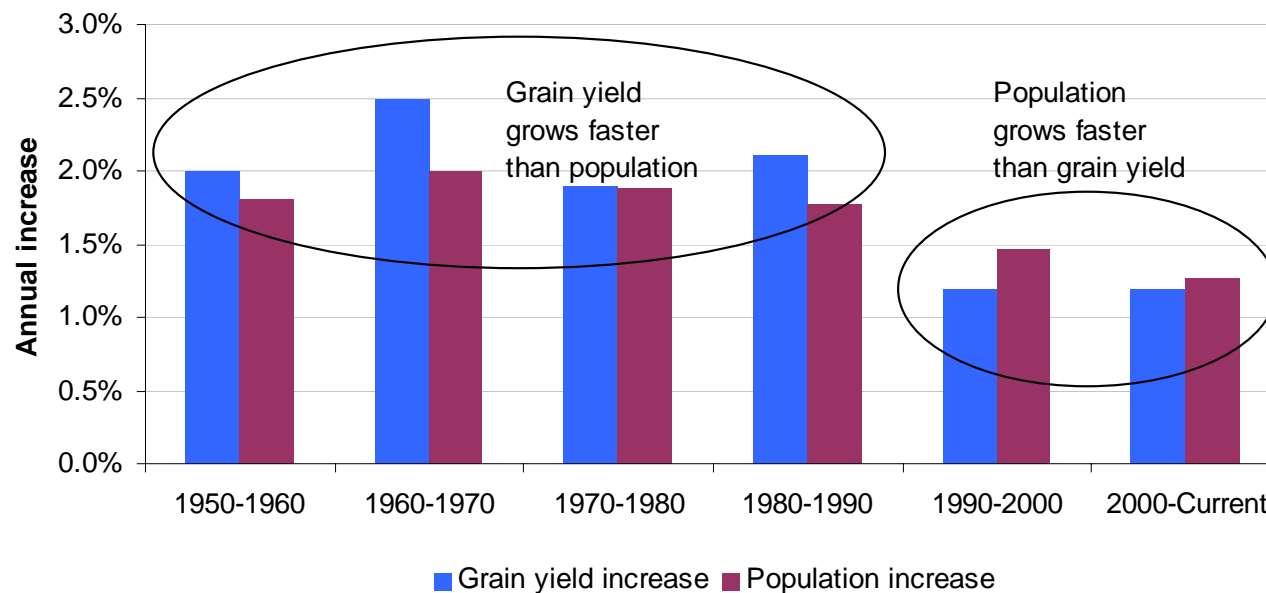
Agriculture sector outlook

- Rising population and income per capita
- Increasing demand for meat
- New demand from biofuels
- Limited land and water
- Underinvestment
- Extreme weather events
- Low world inventories
- Rising costs



Agriculture sector outlook

Since the 1950's to 1990's, world grain production has outpaced world population growth...

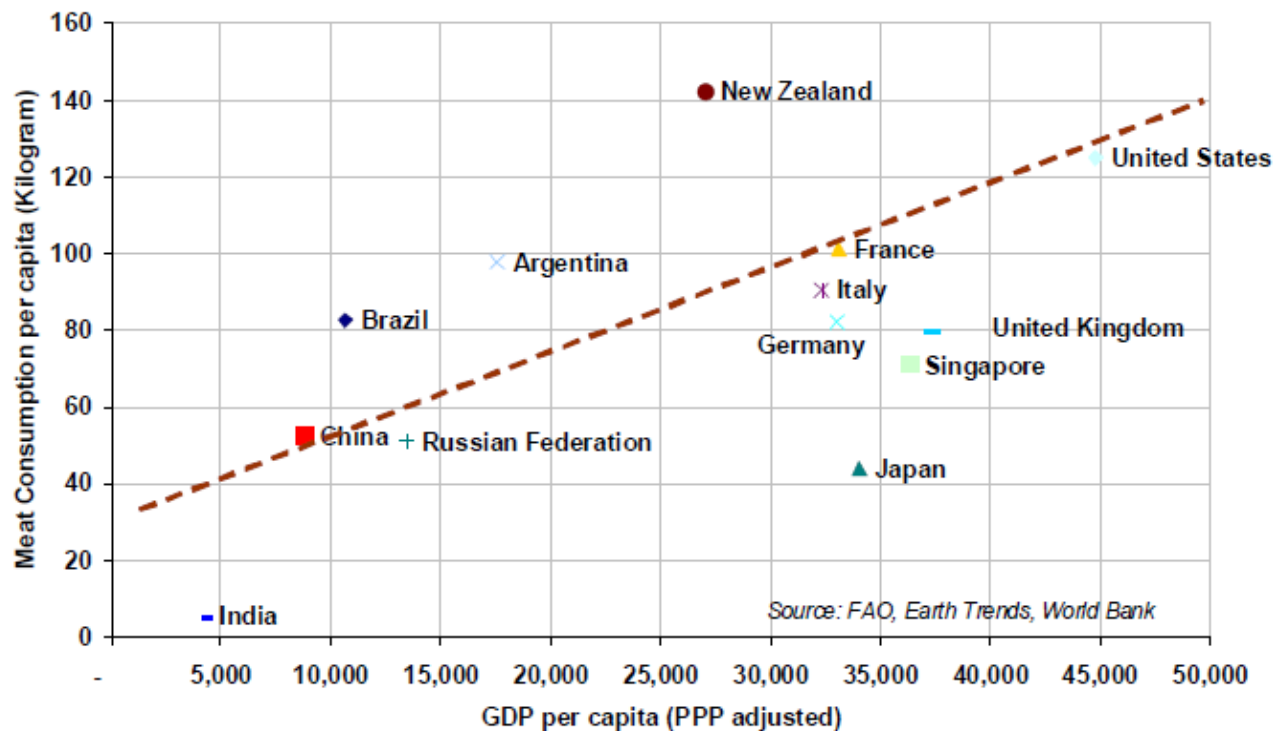


Note: Grain yield data to 2007, population data to 2005
Source: Earth Policy Institute, United Nations

...but since the 1990's, world population growth has consistently outpaced world grain growth

Agriculture sector outlook

Emerging markets a key driver of demand...

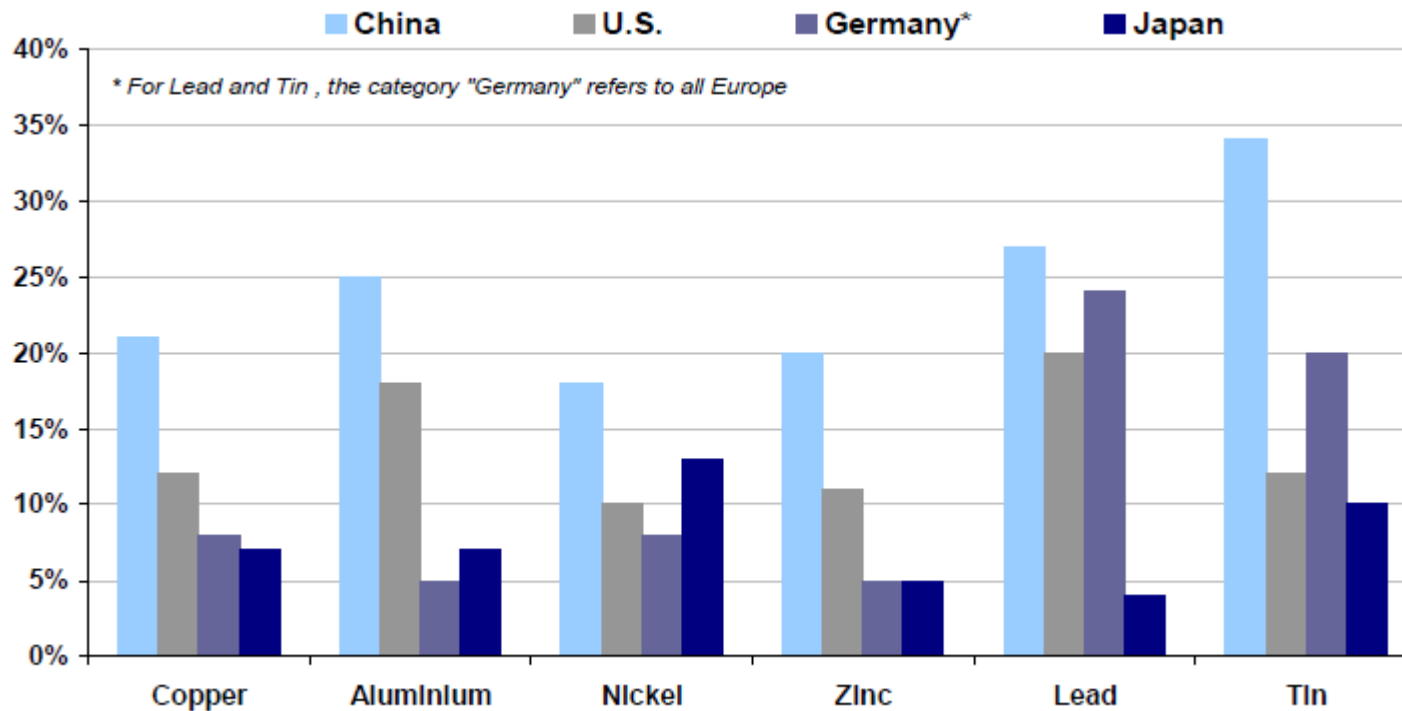


Source: ETF Securities

...1 ton of meat: 7 tons of corn: 7,000 gallons water

Mining sector outlook

China is the largest consumer of most metals



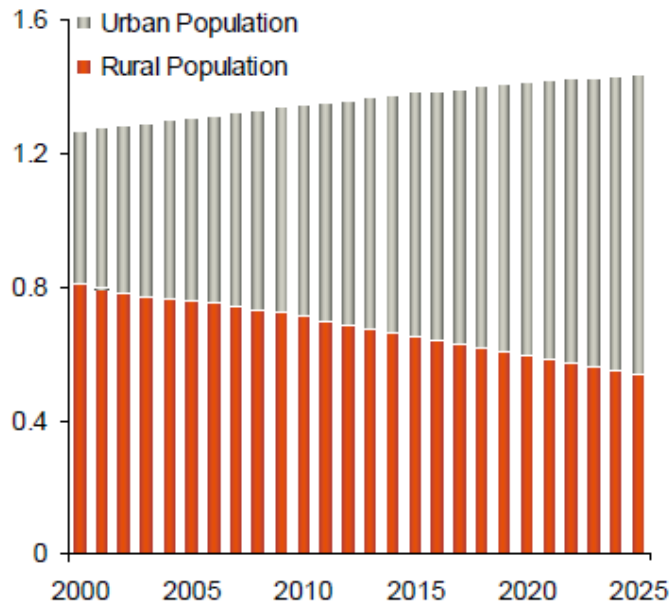
Source: ABARE, ITRI, ICSG, Morgan Stanley

Source: ETF Securities



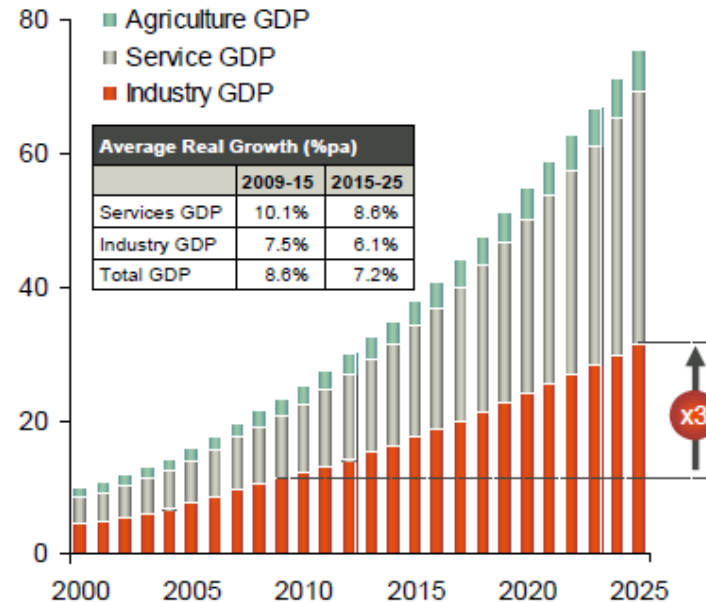
Mining sector outlook

China Population Breakdown 2000-25
(billion)



An average of 17 million people added to China's urban population each year between 2000-25

China GDP Breakdown 2000-25
(Real 2000 RMB trillion)

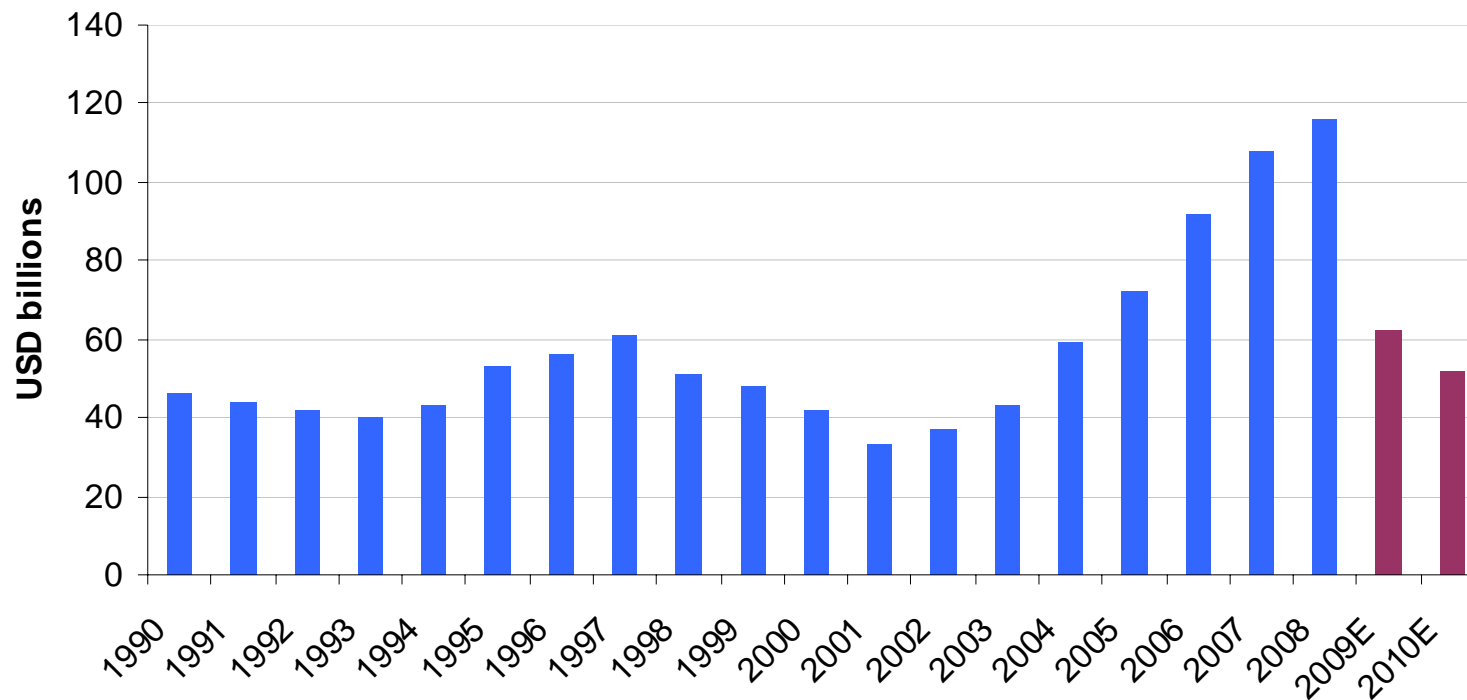


China's Industry GDP estimated to increase three-fold between 2008-25

Source: BHP Billiton estimates, McKinsey analysis.

Mining sector outlook

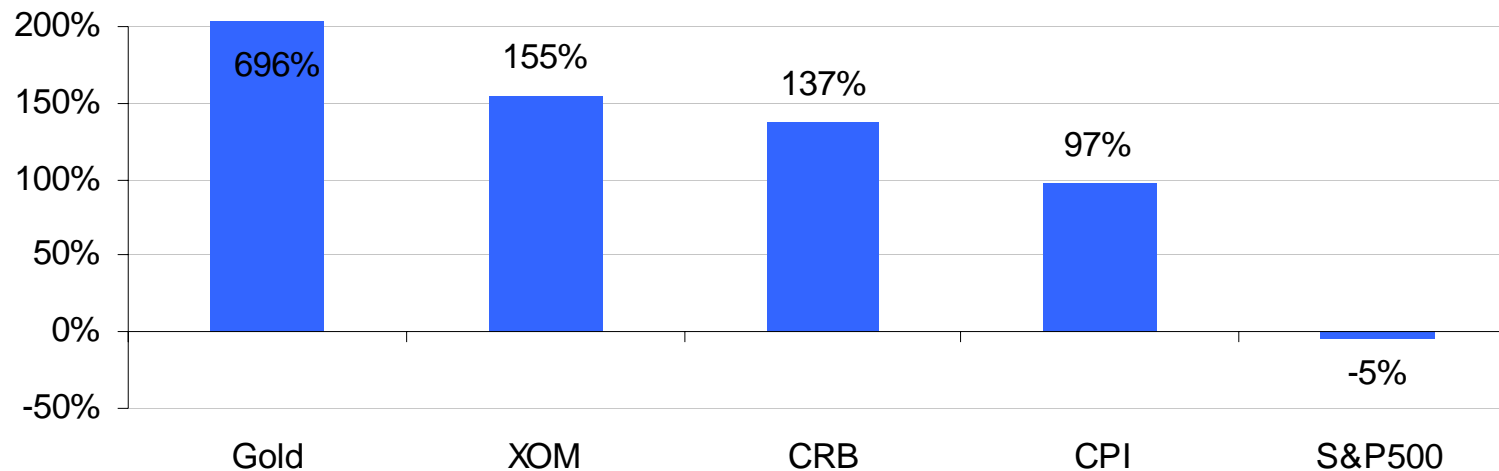
Capital expenditure for global mining industry



Source: McKinsey Mining Database

Gold sector outlook

Performance during high inflation
(06/72 - 03/80)



Source: Bloomberg

- “A rebound [in the US economy] could kindle inflation worse than that experienced in the late 1970’s” – Warren Buffett
- “We are very vulnerable to an inflation explosion” – William Poole, St. Louis Fed
- “The current rescue plans, which will force governments to issue more debt, print money and flood the markets with liquidity, will flare up inflation” – Jim Rogers



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Concluding remarks



Summary of performance

- After bottoming in February/March, commodity markets have recovered solidly
 - Fiscal and monetary stimulus
 - Improving economic data
 - China restocking and growth
 - Financial flows
- GRF has delivered solid and relatively stable performance in volatile times
- Successfully established world-class portfolio of resources equities and commodities
- Hurt by A\$ strength, but continue to believe 'unhedged' best for long term investors



Outlook

- Initial phase of China restocking largely played out, economic situation remains challenging
 - potential for near term consolidation
- Medium to longer term outlook remains positive
 - materials-intensive growth, particularly China & India
 - ongoing asset depletion and underinvestment
 - other issues: resource nationalism, climate change, currency concerns





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Ordinary and special business

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Ordinary and special business

- Financial statements and reports
- Resolution 1
 - Re-election of director – Daryl Dixon
- Resolution 2
 - Re-election of director – Alan Dixon
- Resolution 3
 - Re-election of director – Nirav Desai
- Resolution 4
 - Remuneration report
- Resolution 5
 - Share issue





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Closing remarks and questions Max Walsh

