



# GLOBAL RESOURCE MASTERS FUND LIMITED

ACN 134 268 821

## INVESTMENT OVERVIEW

The natural resources sector's importance to the world economy has been highlighted in recent years by the tremendous growth in the world's emerging economies, in particular China, and by the growing tightness in the supply of natural resources.

Ever-rising global demand for raw materials, limits to the world's finite natural resources, and climate change are all creating investment opportunities in the natural resources sector. At the same time, a slowdown in global growth has resulted in a significant fall in commodity prices. The Board of Global Resource Masters Fund Limited (Company) believes current market conditions provide an excellent opportunity for investors to gain exposure to the natural resources sector.

Global Resource Masters Fund Limited, provides Australian investors the opportunity to invest in physical commodities and global natural resource companies. With a "fund of funds" investment style, the Company will seek to build a diversified investment portfolio by combining leading specialist investment funds from around the world, with the aim of providing consistent long term performance while reducing risk and preserving capital.

## INVESTMENT HIGHLIGHTS

<b>Attractive industry fundamentals</b>	The Company believes the long term outlook for the natural resources sector is very attractive due to increasing demand growth from the continued industrialisation and urbanisation in Asia along with significant supply issues, particularly in the energy sector. The current credit crisis is expected to further constrain the supply side, with a significant number of projects being delayed or cancelled.
<b>Core investment attributes</b>	An investment across both physical commodities and natural resources equities offers important benefits to a diversified portfolio by providing potential attractive returns, lowering overall volatility, and a level of protection from inflation due to its link to input costs to most goods and services within the economy.
<b>Globally diversified portfolio</b>	The Company's Portfolio will aim to provide diversity across a range of areas including: i) asset class (physical commodities and stocks of natural resources companies); ii) commodity type (traditional energy and mining commodities, agricultural commodities, and renewable energy); and iii) fund products (commodity funds, equity funds, fixed income funds, and other fund products).
<b>Access to leading global fund managers</b>	Through the experience and knowledge of the Manager and the Investment Committee, the Company will be able to access leading global natural resources sector fund managers that do not have products directly available to Australian based investors.
<b>Investment Strategy</b>	The Manager will implement a disciplined investment process that identifies and selects a portfolio of products and managers based on investment fundamentals, fund manager skills and appropriate diversification. The Board will review information, research and analysis compiled by the Manager. The Manager will regularly monitor and refine the Portfolio.
<b>Experienced Board and Manager</b>	The Board will comprise Maximilian Walsh, Alex MacLachlan, Nirav Desai, Jeffrey Whalan, Daryl Dixon and Alan Dixon. The Manager is Dixon Advisory & Superannuation Services Pty Limited (Dixon Advisory) (AFSL 231143). The Board and Manager bring together significant experience and expertise both in the natural resources sector and in providing comprehensive financial and investment advice.

Investors should note an investment in the Company involves a number of risks. Investors should consider the risk factors identified in the Prospectus before applying for shares.

# INVITATION TO INVEST FROM OUR CHAIRMAN, MAX WALSH



11 December 2008

Dear Investor

The directors of Dixon Advisory Limited, Daryl Dixon, Alan Dixon and myself have contemplated for some time the creation of a resources fund. We see this as an investment vehicle of value to many types of investors, particularly trustees of self-managed superannuation funds.

Despite Australia's reputation as being a "commodity-based" economy, the opportunities for investment in listed resource equities with a significant operational record are surprisingly limited.

We have a handful of major miners and even fewer players of scale in the oil and gas sector. Although we are the world's largest coal exporter, the number of publicly listed coal producing companies is small and contracting as overseas operators have been active acquirers across the Australian industry. And while we are a major force in the global grain, meat and wool markets, the actual equity investment opportunities remain quite limited. Even when it comes to new resource opportunities in the alternative energy sector we have much more limited local investment prospects than is the case in larger developed markets.

While the case for developing a more broadly based resource fund has been compelling in theory, there have been significant practical challenges for Australian investors to overcome.

An unprecedented boom across almost the entire range of resource assets which began in 2002 was quickly reflected in the market by the limited pool of suitably credentialed resource analysts.

Global Resource Masters Fund Limited (Company) has been fortunate on this front to find such a person in the form of Alex MacLachlan who not only possesses the formal and practical qualifications necessary in this market sector but also shares the Company's vision of how such a fund should be structured and operate.

We are also very fortunate to have Nirav Desai and Jeffrey Whalan join us as independent directors of the Company. Both Nirav and Jeffrey bring important and complementary skills to the Company - Nirav as an experienced global investor in the public and private equity markets and Jeffrey as former chief executive officer of Centrelink and Medicare Australia, two of our country's most important public service agencies.

The Manager was able to be patient in its search to find a suitably qualified Managing Director for the Company because it had to contend with the significant hurdle of the resources boom itself. While sharply rising prices would have offered the most propitious environment to launch such a fund, there were concerns about the extent to which those prices were being driven by speculative activities as distinct from fundamentals.

It appears that those reservations have now been vindicated, though the market in resource assets could now overshoot on the downside.

The history of resource booms testifies to wild swings in prices as modest increases in demand run up against capacity restraints only to be followed by price-destroying increases in supply.

But the experience of the last few years spotlights elements of a historical discontinuity that now need to be factored into the global resource equation.

The first is the emergence of China as a major global economy that has demonstrated over the last 30 years its capacity to deliver high average growth. One of the key drivers of that record has been the country's commitment to urbanisation which generates disproportionate demand for raw materials.

The second development that indicates a sharp change in the global resources market as we move forward is that it is evident that the era of cheap oil is now effectively over. Slowing growth in the world's developed economies has seen a sharp decline in oil demand in recent months. That has encouraged an exodus of speculators from the financial markets which have flourished through the resource boom.

However, the directors expect that when the global economy moves back into trend growth the known fundamentals of oil reserves and production mean that oil (and as a result of oil's behaviour other energy) prices are expected to bounce back.

The third and least predictable but prospectively the most significant factor that needs to be taken into account when looking at the outlook for resources is climate change.

While we are already witnessing the impact this is having in the energy area, especially power generation, climate change has the potential to have a disruptive effect across a whole range of soft commodities. Food security has shot to the top of the political agenda in some emerging economies.

Food, textile and water are expected to be affected in even the wealthier developed economies.

Economic discontinuities provide rare investment opportunities. That is why we are launching Global Resource Masters Fund Limited. The Company has been established to use a “fund of funds” investment style to provide Australian investors the opportunity to gain exposure to the global natural resources sector. The Company will be listed on the ASX.

As a “fund of funds” style operation, the Company will invest in managed investment schemes and other funds equipped with the specialist knowledge to undertake direct investment in their area of expertise.

The advantages of this approach include:

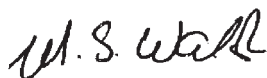
- Many funds operating in this sector have minimum investment requirements, usually at least US\$500,000 and often over US\$5 million. This is too high a hurdle for most retail investors, especially when a number of individual investments are required to build a balanced portfolio.
- Most of the funds in which the Company intends to invest operate off-shore. As such, if investors were to make direct investments in these funds there would be tax and compliance requirements which could impose a significant cost disadvantage to individual Australian investors.
- It may be possible to negotiate lower entry costs and on-going management fee discounts based on the scale of the Company's investment activity.
- Investors will be investing in an Australian company listed on the ASX.
- The Company will have the day-to-day services of the Manager and an investment committee with specialised experience and skills in the global resources sector and in the broader investment management industry.
- The Company and the Manager will have the ability to closely and actively monitor fund managers to enable regular rebalancing of the investments to keep it within the agreed investment profile and allocation strategy.

The Investment Committee for the Company will initially comprise Maximilian Walsh, Alex MacLachlan and Nirav Desai. The Investment Committee will be responsible for reviewing and approving the selection of the Company's portfolio of funds by the Manager.

Global Resource Masters Fund Limited is a product that has been designed for the long-term investor who is seeking to gain exposure to the global natural resources sector. However, there are specific risks associated with investing in a “fund of funds” product. Some of these are set out in Section 4 of the Prospectus. I encourage you to read the Prospectus carefully before making your investment decision, as it contains detailed information about the Company and the offer of shares to investors.

I am pleased to invite you to become a shareholder in Global Resource Masters Fund Limited.

Yours sincerely



Maximilian Walsh  
Chairman

## DIRECTORS



**MAXIMILIAN WALSH AM**  
BEC (Sydney)  
**NON EXECUTIVE CHAIRMAN**

Max is one of Australia's leading economists and business journalists. He has specialised in the areas of business, economics and politics in a journalistic career spanning nearly 50 years. He has been editor and

managing editor of The Australian Financial Review and Editor-in-Chief of The Bulletin. Max will be the Chairman of the Company's Investment Committee.



**ALEX MACLACHLAN**  
BA (Cornell), MBA (Wharton)  
**MANAGING DIRECTOR**

Alex MacLachlan is the Managing Director of Global Resource Masters Fund Limited and Managing Director, Funds Management of Dixon Advisory. Prior to joining the Manager, Alex was an investment banker specialising in the natural resources sector,

most recently serving as Head of Energy, Australasia, for UBS AG in Sydney. During his career as an investment banker, Alex advised on over \$100 billion in announced M&A and capital markets transactions for over 30 leading Australian and international natural resources companies including BHP, Woodside and Santos.



**NIRAV DESAI**  
BA (Uni of Michigan), MBA (Wharton)  
**INDEPENDENT DIRECTOR**

Nirav is currently the Managing Director of Sparta Group LLC, an ultra high net worth private family investment office based outside of Boston, Massachusetts (USA). He is responsible for managing a global investment portfolio across asset

classes including hedge funds, private equity, direct investments, real assets, and public securities. Prior to Sparta Group LLC, Nirav was a principal investor at a US-based private equity fund focused on middle market transactions and homeland security and clean technologies.



**JEFFREY WHALAN AO**  
BA (UNSW), FAICD, FAIM  
**INDEPENDENT DIRECTOR**

Jeffrey is the Managing Director of the Executive Intelligence Group Pty Ltd, a specialist human resources company. Jeffrey has been the CEO of Centrelink, the largest agency of the Australian Public Service, responsible for \$70 billion of

government outlays and 27,000 staff. Prior to this he was CEO of Medicare Australia. Jeffrey has held Deputy Secretary positions in the Department of the Prime Minister and Cabinet, the Department of Defence and the Department of Family and Community Services.



**DARYL DIXON**  
MA (Hons) (Cambridge), BA (Hons) (UQ)  
**NON EXECUTIVE DIRECTOR**

Daryl is a graduate in economics of Cambridge and Queensland Universities. He is now the Executive Chairman of Dixon Advisory. Daryl has extensive experience in the areas of taxation, retirement incomes and social welfare

policy. He is a leading financial expert, particularly in the area of superannuation. Prior to founding Dixon Advisory in 1986, Daryl spent 20 years in public policy positions in Academia, for the IMF and for the Australian Government.



**ALAN DIXON**  
BCom (ANU) CA  
**NON EXECUTIVE DIRECTOR**

Alan has been providing financial advisory services to corporations, institutions and individuals for the last 14 years. Since 2001, he has operated as Managing Director of Dixon Advisory. Dixon Advisory provides a complete suite of financial

services with over 260 employees and has over \$2.5 billion of funds under administration. Prior to Dixon Advisory, Alan spent 6 years in corporate finance and was an Associate Director of ABN AMRO Corporate Finance Limited.

## KEY OFFER DETAILS

Issuer of shares	<b>GLOBAL RESOURCE MASTERS FUND LTD</b>
Offer to open	<b>18 DECEMBER 2008</b>
<b>Offer to close</b>	<b>5.00PM (AEST) 16 JANUARY 2009</b>
Offer size	<b>\$35.2 MILLION</b>
Over subscriptions	<b>UP TO A FURTHER \$35.2 MILLION</b>
Issue price per share	<b>\$1.60</b>
Pro forma NTA post issue	<b>\$1.53</b>

The Prospectus contains all of the details of the offer. Copies of the Prospectus are available from Dixon Advisory on **1300 667 654** or at **[www.dixon.com.au/globalresources](http://www.dixon.com.au/globalresources)**.

The offers of shares in the Company will be made in the Prospectus. Investors should consider the Prospectus in deciding whether to acquire shares in the Company and to assess whether the investment is suitable for an individual's investment needs. Any person who wishes to subscribe for shares in the Company will need to complete the application form contained in the Prospectus.