

14 October 2015

**Global Resource Masters Fund**

**ASX: GRF**

**NTA & Investment Update – 30 September 2015**

**Overview**

The unaudited net tangible asset (NTA) backing before tax on unrealised gains or losses at 30 September 2015 was \$1.42 per share (31 August 2015 was \$1.48 per share).

GRF is a long-term equity investor and does not intend to dispose of its total portfolio. If estimated tax at 30% on unrealised portfolio gains or losses were recognised, the unaudited NTA backing after tax at 30 September 2015 would be \$1.45 per share.

At 30 September 2015, GRF was approximately 74% invested. During the month, GRF increased its cash reserves given concerns about commodity markets.

GRF's portfolio at 30 September 2015:

FUND	% INVESTED (30 September 2015)*	ASSET CLASS	RESOURCES FOCUS
Martin Currie Global Resources Fund	14.2%	Equity	Broad
RS Global Natural Resources Fund	7.6%	Equity	Broad
Invesco Energy Fund	6.8%	Equity	Energy
Investec Energy Fund	4.9%	Equity	Energy
Market Vectors Agribusiness ETF	14.5%	Equity	Agriculture
GTP Global Agribusiness Fund	6.7%	Equity	Agriculture
ETFS Physical Gold	14.2%	Physical	Precious Metals
Credit Suisse Gains Fund	4.3%	Physical	Broad
<b>Total investments</b>	<b>73.7%</b>		
Cash	26.3%		
<b>Total</b>	<b>100.0%</b>		

\* Note: Numbers may not add due to rounding.

**Market Update<sup>1</sup>**

The Bloomberg Commodities Index declined 2.0% during the month.

The **Agriculture commodities** sector performed well in September, up 3.8%, and was the only sub-sector to post a gain in US dollar (USD) terms. Sugar and Rough Rice were the top performers across all commodities, up 15.4% and 12.6%, respectively. Sugar prices rallied on expectations of demand surpassing supply for the coming year, while slower production due to heavy rainfall in Brazil further

boosted prices. Lean Hogs (+9.6%) and Corn (+8.1%) prices also increased. Orange Juice (-17.4%) was the worst performer across all commodities as strong weather conditions in Florida increased supply. Live Cattle (-13.1%) was also down on the back of a lower demand outlook.

**Precious metals** posted a modest gain of 0.2%, but lost 1.3% in USD terms. Gold declined 0.1% as expectations of an interest rate hike in the US continued to influence prices. Volkswagen's diesel emission scandal had a negative impact on Platinum (-9.0%) which is used extensively in diesel vehicles. Conversely, Palladium, used in gasoline vehicles, rose 9.7% in anticipation of higher demand.

**Industrial metals** gained marginally, up 0.1%, but fell 1.4% in USD terms, as demand remained sluggish on worries of slowing growth in China. After a decline in inventories, London Metal Exchange (LME) Tin was up 11.6%. LME North American Special Aluminum Alloy Contract (NASAAC) gained 7.1% while LME Nickel was up 5.7%. LME Zinc (-5.0%) was the worst performer within the sub-sector falling to five year lows, after a surge in inventories. Plans by major producer Glencore to liquidate some of its commodity inventories is expected to further increase Zinc supply in the market. LME Lead lost 1.6% during the month.

The **Energy complex** was the weakest performer, falling 8.5% with all commodities in the sub sector declining. Oil prices fell as markets remained oversupplied while the slowdown in China weighed on demand. RBOB Gasoline fell 14.1% after a higher-than-expected surge in stockpiles. Brent Crude and WTI Crude posted significant losses, declining 9.4% and 7.1% respectively, while Natural Gas and ICE Gasoil lost 4.8% and 3.2%, respectively.

In the equities space, material equities fell 7.7% while energy equities were down 6.2%, during September.

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1. All figures in Australian dollars unless specified otherwise.