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2011

GLOBAL
RESOURCE

MASTERS FUND



ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2011



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CHAIRMAN'S LETTER

OVERVIEW

Welcome to the Annual Report for the Global Resource Masters Fund (the **Company**) for the financial year ended 30 June 2011 (**FY11**).

As at 30 June 2011, the pre-tax net tangible assets (NTA) of the Company was \$1.66 per share and the post-tax NTA was \$1.64 per share. This compares to the pre-tax NTA of \$1.53 cents per share and the post-tax NTA of \$1.56 per share as at 30 June 2010.

During FY11, the Company's net asset value per share finished the year with an 8.2% gain. This compares very favourably with physical commodities which lost 0.5% during the year as measured by the Dow Jones UBS Commodity Index, and is comparable to a broader basket of physical commodities and global resource equities, as measured by an average of the Dow Jones UBS Commodity Index and the MSCI World Energy and Materials Indices, which returned 9.3%. Since inception, the Company has outperformed the broader basket of physical commodities and global resource equities by 5.3%.

COMPANY UPDATES

During FY11, the Company successfully raised A\$16.2 million through placements during August 2010, October 2010, December 2010, March 2011 and June 2011.

In early April 2011, the Company announced an on-market share buyback program. The buyback commenced on 17 May 2011 and was undertaken as an active capital management tool to provide liquidity to existing shareholders should they seek to exit their investment at, or near, net tangible assets. On 7 June, the buyback was suspended indefinitely. The Company purchased a total of 201,313 shares for a value of \$338,181 over the course of the buyback.

We believe the small amount of shares bought back under the buyback program and the successful placements throughout the year reflect shareholders' support of the management and investment proposition of the Company.

We would like to take this opportunity to thank you for your continued support of the Global Resource Masters Fund.

Yours sincerely,



Mr Maximilian Sean Walsh
CHAIRMAN



MANAGING DIRECTOR'S REPORT

OVERVIEW

Commodity markets began FY11 on a solid note, underpinned by the recovery of developed market economic growth, easy monetary policies imposed by central banks in the developed world and strong economic growth in emerging markets to pre-GFC levels. Markets then entered a period of volatility and downward momentum towards the end of the financial year, as a batch of soft economic data emerged from the United States and Europe's sovereign debt problems again came to the fore. Commodities finished the year down slightly at 0.5%.

However, within the commodity complex, there was a striking divergence of performance, with agriculture and precious metals performing well, base metals posting moderate returns and energy underperforming.

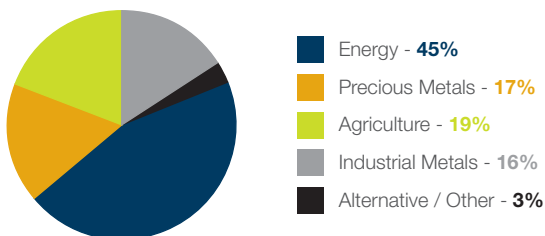
Agricultural commodities posted gains of 17.8% for the year. There were a number of weather-related events driving agriculture prices higher, with adverse weather conditions causing a series of crop failures around the world, from severe droughts in Russia, China, and the US to flood and storm damage in Asia, Indonesia, and Australia. Politics also played a role, with trade restrictions (including a Russian ban on wheat exports) and political unrest across the Middle East and North Africa adding to supply constraints and spikes in demand in agricultural commodity markets. However, in our view, the real driver of agriculture prices is the inescapable reality that demand for agricultural products will continue to rise substantially to meet the demands of the world's increasing population. The United Nations forecasts that world agricultural output will need to double by 2050 to meet the growth in the world's population from 6.9 billion to 9 billion. Agriculture is the Company's second largest exposure, at nearly 20% of the portfolio.

Precious metals also performed well, up 6.8% for the year, driven by the almost continuous rise in the price of gold which ended the period at just over US\$1,500 per ounce and hit a record of \$1,921 after the period end at the time of writing. Investors are buying gold in increasing numbers as sentiment towards paper currencies continues to deteriorate, particularly as the situation in Europe unravels. Post period end, reflecting gold's rising status among the investment community, the market value of the US gold exchange traded fund (ETF) briefly overtook that of the S&P 500 Index ETF, which had been the largest ETF since 1993. Precious metals are the Company's largest overweight exposure, relative to the broader basket of physical commodities and global resource equities, and taken together, agriculture and precious metals exposure represents nearly 40% of the Company's exposure.

Industrial commodities performed strongly coming into the new calendar year but succumbed to deteriorating market conditions and finished the year with a relatively modest gain of 3.3%. Energy markets were the weakest performing sub-market. Energy markets are the most sensitive to economic developments in the developed world, and continued weakness in the US and Europe weighed heavily on this segment.

PORTFOLIO POSITIONING

As at 30 June 2011, the aggregate sector allocation of the investment portfolio was:



The Company was 87% invested as at 30 June 2011, with investments spread across 10 active managers and eight internationally listed sector funds. These investments are presented below:

Fund	% Invested	Asset Class	Resources Focus
PIMCO Commodity Real Return Strategy Fund	11.2%	Physical	Broad
Schroders Alternative Strategies Commodity Fund	9.1%	Physical	Broad
iShares S & P Global Energy	8.9%	Equity	Energy
Martin Currie Global Resources Fund	7.9%	Equity	Broad
Blackrock Small Cap Energy Fund	7.8%	Equity	Energy
Market Vectors Agribusiness ETF	7.2%	Equity	Agriculture
RS Global Natural Resources Fund	6.6%	Equity	Broad
Credit Suisse Gains Fund	5.8%	Physical	Broad
Tocqueville Gold Fund	4.2%	Equity	Precious
Market Vectors Gold Miners ETF	3.9%	Equity	Precious
Falcon Global Resources Fund – I USD	3.3%	Equity	Broad
Invesco Energy Fund	3.3%	Equity	Energy
iShares S & P Global Materials Index Fund	2.8%	Equity	Materials
Taurus Precious Metals Fund	2.4%	Physical	Precious
Powershares Global Water Resources ETF	0.7%	Equity	Renewable
Powershares Water Resources US ETF	0.6%	Equity	Renewable
Market Vectors Nuclear Energy	0.5%	Equity	Renewable
Market Vectors Global Alternative Energy	0.5%	Equity	Renewable
Investments	86.6%		
Cash	13.4%		
Total	100.0%		

MANAGING DIRECTOR'S REPORT CONT

The Company's equity investment portfolio was broadly diversified across the energy, precious metals, agriculture, metals & mining, and alternatives sectors, with the top 50 holdings representing nearly 50% of the total equity portfolio.

Rank	Name	% Total Portfolio	% Equity Portfolio	Sector
1	Exxon Mobil Corp	1.9%	3.2%	Integrated Oil
2	Goldcorp Inc	1.1%	1.8%	Precious Metals
3	Peabody Energy Corp	0.9%	1.6%	Coal
4	Syngenta AG	0.9%	1.5%	Agribusiness
5	Halliburton Co	0.9%	1.5%	Oil Services
6	Schlumberger Ltd	0.9%	1.5%	Oil Services
7	Barrick Gold Corp	0.8%	1.4%	Precious Metals
8	Potash Corp of Saskatchewan	0.8%	1.4%	Agribusiness
9	Massey Energy Co	0.8%	1.3%	Coal
10	Chevron Corp	0.7%	1.3%	Integrated Oil
11	Occidental Petroleum Corp	0.7%	1.2%	Oil & Gas E&P
12	Royal Dutch Shell PLC	0.7%	1.2%	Integrated Oil
13	Apache Corp	0.6%	1.1%	Oil & Gas E&P
14	Monsanto Co	0.6%	1.1%	Agribusiness
15	BG Group PLC	0.6%	1.0%	Oil & Gas E&P
16	Deere & Co	0.6%	1.0%	Agribusiness
17	Newmont Mining Corp	0.5%	0.9%	Precious Metals
18	Southwestern Energy Co	0.5%	0.9%	Oil & Gas E&P
19	Baker Hughes Inc	0.5%	0.9%	Oil Services
20	Suncor Energy Inc	0.5%	0.9%	Oil & Gas E&P
21	Alpha Natural Resources	0.5%	0.9%	Coal
22	Mosaic Co	0.5%	0.9%	Agribusiness
23	Weatherford International	0.5%	0.8%	Oil Services
24	Rio Tinto	0.5%	0.8%	Diversified Mining
25	Consol Energy Inc	0.5%	0.8%	Coal
26	Agnico-Eagle Mines Ltd	0.5%	0.8%	Precious Metals
27	Total SA	0.5%	0.8%	Integrated Oil

Rank	Name	% Total Portfolio	% Equity Portfolio	Sector
28	Arch Coal Inc	0.4%	0.7%	Coal
29	BP PLC	0.4%	0.7%	Integrated Oil
30	Range Resources Corp	0.4%	0.7%	Oil & Gas E&P
31	Petroleo Brasileiro SA	0.4%	0.7%	Integrated Oil
32	PetroHawk Energy Corp	0.4%	0.7%	Oil & Gas E&P
33	Plains Exploration	0.4%	0.7%	Oil & Gas E&P
34	Anadarko Petroleum Corp	0.4%	0.7%	Oil & Gas E&P
35	National Oilwell Varco	0.4%	0.7%	Oil Services
36	BHP Billiton	0.4%	0.7%	Diversified Mining
37	QEP Resources Inc	0.4%	0.7%	Oil & Gas E&P
38	Silver Wheaton Corp	0.4%	0.6%	Precious Metals
39	IAMGOLD Corp	0.4%	0.6%	Precious Metals
40	Wilmar International Ltd	0.3%	0.6%	Agribusiness
41	Yara International ASA	0.3%	0.6%	Agribusiness
42	EQT Corp	0.3%	0.6%	Oil & Gas E&P
43	Randgold Resources Ltd	0.3%	0.6%	Precious Metals
44	ENI SpA	0.3%	0.6%	Integrated Oil
45	Anglo American PLC	0.3%	0.6%	Diversified Mining
46	ConocoPhillips	0.3%	0.6%	Integrated Oil
47	Clayton Williams Energy	0.3%	0.5%	Oil & Gas E&P
48	Canadian Natural Resources	0.3%	0.5%	Oil & Gas E&P
49	Eldorado Gold Corp	0.3%	0.5%	Precious Metals
50	BRF - Brasil Foods SA	0.3%	0.5%	Agribusiness
	Total	27.2%	46.6%	

MANAGING DIRECTOR'S REPORT CONT

The Company's physical commodity investments were similarly diversified across various sector segments, with the top 20 holdings representing just over 95% of the total physical commodity portfolio.

Rank	Name	% Total Portfolio	% Equity Portfolio	Sector
1	Crude Oil	4.8%	17.1%	Energy
2	Gold	3.8%	13.6%	Precious Metals
3	Corn	1.8%	6.3%	Agriculture
4	Copper	1.8%	6.2%	Industrial Metals
5	Natural Gas	1.6%	5.8%	Energy
6	Aluminium	1.6%	5.7%	Industrial Metals
7	Soybeans	1.6%	5.7%	Agriculture
8	Gasoline	1.3%	4.6%	Energy
9	Coal	1.2%	4.1%	Industrial Metals
10	Heating Oil	1.1%	4.0%	Energy
11	Wheat	1.0%	3.7%	Agriculture
12	Sugar	0.9%	3.2%	Agriculture
13	Silver	0.8%	3.0%	Precious Metals
14	Live Cattle	0.7%	2.4%	Agriculture
15	Zinc	0.6%	2.0%	Industrial Metals
16	Coffee	0.5%	1.9%	Agriculture
17	Gas Oil	0.5%	1.8%	Energy
18	Nickel	0.5%	1.8%	Industrial Metals
19	Cotton	0.4%	1.5%	Agriculture
20	Soybean Oil	0.4%	1.4%	Agriculture
	Total	27.1%	96.0%	

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PERFORMANCE REVIEW

The company provided a total return to shareholders of 8.2% during the year. While the Company is not benchmark constrained, and there is no single benchmark that captures the Company's unique strategy of investing in both physical commodities and natural resource company equities, these gains do compare very favourably with physical commodities, which lost 0.5% during the year and is comparable to a broader basket of physical commodities and global resource equities, which returned 9.3%. Since inception, the Company has outperformed the broader basket of physical commodities and global resource equities by 5.3%.

During the year, the Company added to several of its existing investment managers, increasing its investments with the Invesco, Marin Currie, Tocqueville, Blackrock and RS investments funds.

The Company also added two new global commodity funds to the line-up, CS GAINS, managed by Credit Suisse in conjunction with Glencore, the leading global commodity trading firm, and the Taurus Precious Metals Fund, managed by Taurus Funds Management, one of the leading resources specialist investment managers. The CS GAINS fund is uniquely positioned to capitalise on the physical trading expertise of Glencore and provides direct access to commodities such as coal which are generally not available to commodity fund investors, while the Taurus fund utilises a unique system of investing across both physical precious metals and precious metal global equities, with the goal of outperforming a passive investment in gold.

After the period end, the Company also added three new resource equity sector funds run by Passport Capital, representing the first long-short investments for the Company. Passport Capital, based out of San Francisco, is one of the world's leading hedge fund managers, and their global materials, energy, and agriculture strategies are among the best managed long-short resources funds in the world. These new investments are not available to retail investors in Australia and significantly enhance the investment profile of the Company.

MARKET OUTLOOK

The events of the past year and in the months post financial year end have demonstrated the importance of maintaining globally diversified commodity holdings as part of a balanced investment portfolio. For example, while equity markets were dragged lower in July and August of 2011, physical commodities posted gains as investors sought the relative safety of certain real assets. In addition, for Australian investors, avenues to gaining exposure to highly attractive areas such as agriculture remain largely unavailable, while exposure to areas such as precious metals, energy and mining are highly concentrated in a select few local names. The Company's global resources portfolio is highly complementary to most Australian investors' existing local resources exposure.

Looking forward, we remain confident that the longer-term outlook for commodities is intact, driven primarily by limited spare capacity and rising marginal costs of supply. Supply costs for many commodities continue to rise for geological reasons, excess capacity remains relatively low, the longer-term demand trends from emerging market countries remain favourable and the risk of inflation in basic commodities keeps increasing. So long as these dynamics are in place, the global natural resources sector will continue to be an attractive destination for investors.

CORPORATE GOVERNANCE STATEMENT

Global Resource Masters Fund Limited (the Company) is a listed investment company whose shares are traded on the Australian Securities Exchange (ASX). The Company has no employees and its day-to-day functions and investment activities are managed by Dixon Advisory & Superannuation Services Limited (the Manager) in accordance with the Management Agreement.

The Company's directors and the Manager's directors and senior management recognise the importance of good corporate governance. The Company's corporate governance framework, policies and practices are designed to ensure the effective management and operation of the Company and will remain under regular review.

A description of the Company's practices in respect of the 8 Principles and Recommendations from the ASX Corporate Governance Council's Revised Corporate Governance Principles and Recommendations (ASX Recommendations) are set out below; all these practices, unless otherwise stated, were in place for the entire year.

1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

BOARD ROLES AND RESPONSIBILITIES

The Board is responsible for the overall operation, strategic direction, leadership and integrity of the Company and in particular, is responsible for the Company's growth and success. In meeting its responsibilities, the Board undertakes the following functions:

- Providing and implementing the Company's strategic direction;
- Reviewing and overseeing the operation of systems of risk management ensuring that the significant risks facing the Company are identified, that appropriate control, monitoring and reporting mechanisms are in place and that risk is appropriately dealt with;
- Ensuring the Board is comprised of individuals who are best able to discharge the responsibilities of directors having regard to the law and the best standards of governance;
- Reviewing and overseeing internal compliance and legal regulatory compliance;
- Ensuring compliance with the Company's Constitution and with the continuous disclosure requirements of the ASX Listing Rules and the *Corporations Act*; and
- Communicating with and protecting the rights and interests of all Shareholders.

Subject to legal or regulatory requirement and the Company's Constitution, the Board may delegate any of the above powers to individual directors, committees of the Board or the Manager. Any such delegation shall be in compliance with the law and the Company's Constitution.

2. STRUCTURE THE BOARD TO ADD VALUE

BOARD COMPOSITION

The composition of the Board is structured to maintain a mix of directors from different backgrounds with complementary skills and experience. Details of each director at the date of this report are given in the Directors' Report, including the period in office, skills, experience, and expertise relevant to the position of director.

The directors of the Company at the date of this report are:

Mr Maximilian Walsh (non-executive chairman)

Mr Jeffrey Whalan (independent non-executive director)

Mr Nirav Desai (independent non-executive director)

Ms Moira Daw (independent non-executive director)

Mr Alexander MacLachlan (managing director)

The Company's Constitution provides that there must be a minimum of 3 and a maximum of 10 directors. Having regard to the size of the Company and the nature of its business, the Board has determined that a Board with 5 members is the appropriate composition for the Board and will enable it to continue to effectively discharge its responsibilities to the Company. However, the composition of the Board and its independence will be reviewed periodically.

The majority of the Board is independent with three independent non-executive directors, Jeffrey Whalan, Nirav Desai, and Moira Daw. An independent non-executive director is a non-executive director who is independent of the Manager and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their judgement.

Maximilian Walsh is the non-executive chairperson and is associated with the Manager. The Board has determined that Maximilian Walsh's experience as a director and chairperson is of benefit to the Company and given the Company's size there are no immediate plans to appoint an independent non-executive chairperson.

The Company is committed to diversity in the composition of the Board. The current composition is well-balanced and it remains the Company's objective to maintain diversity as well as including members who can add to the skill set of the Company's Board. The Directors will continue to monitor the composition of the Board.

The Company recognises the ASX Recommendations with respect to establishing remuneration and nomination Committees as good corporate governance. However, considering the size of the Company, the functions that would be performed by these Committees are best undertaken by the Board.

The Board will review its view on Committees in line with the ASX Recommendations and in light of any changes to the size or nature of the Company and if required may establish Committees to assist it in carrying out its functions. At that time the Board will adopt a charter for such Committees in accordance with the ASX Recommendations and industry best practices.

It is the Board's policy to determine the terms and conditions relating to the appointment and retirement of non-executive directors on a case-by-case basis and in conformity with the requirements of the Listing Rules and the *Corporations Act 2001*. In accordance with the corporate governance policy, Directors are entitled to seek independent advice at the expense of the Company. Written approval must be obtained from the chair prior to incurring any expense on behalf of the Company.

PERFORMANCE EVALUATION

The Board conducts a review of its collective performance and the performance of its Directors annually. This process includes consideration of feedback provided by directors via a questionnaire. The Board and individual directors, including the chairperson, were evaluated during the year to 30 June 2011 in accordance with these processes.

CORPORATE GOVERNANCE STATEMENT CONT

3. PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

CODE OF CONDUCT

The Company is committed to maintaining ethical standards in the conduct of its business activities. The Company's reputation as an ethical business organisation is important to its ongoing success and it expects all its officers and employees to be familiar with, and have a personal commitment to meeting these standards. In this regard the directors have adopted a Code of Conduct to define basic principles of business conduct. The Code requires officers and employees to abide by the policies of the Company and the law. The Code is a set of principles giving direction and reflecting the Company's approach to business conduct and is not a prescriptive list of rules for business behaviour. The Code of Conduct covers ethical operations, compliance with laws, dealings with customers and public officials, conflicts of interest, confidential and proprietary information and insider trading. A copy of the Code is available on the Company website in the corporate governance section.

SHARE TRADING POLICY

The Board of the Company has established a Share Trading Policy to apply to trading in the Company's shares on the ASX. This policy outlines the permissible dealing of the Company's shares while in possession of price sensitive information and applies to all Directors of the Company.

The Policy places restrictions and notification requirements, including the imposition of blackout periods, trading windows and the need to obtain pre-trade approval.

A copy of the Company's Share Trading Policy is available on the Company's website.

In addition, the Manager has also established its own Share Trading Policy, which is applicable to its staff in the Funds Management division. This Policy places restrictions and notification requirements, including the imposition of blackout periods, trading windows and the need to obtain pre-trade approval.

4. SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

AUDIT & RISK COMMITTEE

The Company has established an Audit & Risk Committee ('Audit Committee'). The members of the Audit Committee during the year were:

- Jeffrey Whalan AO, BA – Independent Non Executive Chairman
- Alex MacLachlan BA, MBA – Managing Director
- Nirav Desai BA, MBA – Independent Non Executive Director

Particulars of Audit Committee meetings held during the year ended 30 June 2011 and the attendance of each committee member is set out in the accompanying Directors' Report.

The chairperson of the Audit Committee is an independent non-executive director and is not the chairperson of the Board. The Committee also consists of non non-executive directors.

The primary function of the Audit Committee is to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to the following areas:

- application of accounting policies to the Company's financial reports and statements;
- monitoring the integrity of the financial information provided to shareholders, regulators and the general public;
- corporate conduct and business ethics, including Auditor independence and ongoing compliance with laws and regulations;
- maintenance of an effective and efficient audit;
- appointment, compensation and oversight of the external Auditor, and ensuring that the external Auditor meets the required standards for Auditor independence; and
- regularly monitoring and reviewing corporate governance policies and codes of conduct.

The Audit Committee meets 4 times a year. The chairperson of the Audit Committee will report to the Board at a minimum of 2 times a year.

The Audit Committee's Charter is available on the Company's website.

INVESTMENT COMMITTEE

The Investment Committee of the Company comprises Maximilian Walsh, Alex MacLachlan, and Nirav Desai. Maximilian Walsh, in his capacity as Chairman of the Investment Committee, has a casting vote.

The primary role of the Investment Committee is to:

- Review information, research and analysis compiled by the Manager with respect to the global natural resources sector.
- Determine the allocation of the Company's capital in terms of the investment in various funds.

The Investment Committee meets monthly. Particulars of committee meetings held during the year ended 30 June 2011 and the attendance of each committee member is set out in the accompanying directors' report.

5. MAKING TIMELY AND BALANCED DISCLOSURE

The Company is committed to complying with its continuous disclosure obligations under the *Corporations Act 2001* and the Listing Rules and releasing relevant information to the market and shareholders in a timely and direct manner and to promoting investor confidence in the Company and its securities.

The Board has adopted a Continuous Disclosure Policy to ensure the Company complies with its continuous disclosure obligations under the *Corporations Act* and the Listing Rules.

This policy is administered by the Board of the Company and the Manager as follows:

- the Board is involved in reviewing significant ASX announcements and ensuring and monitoring compliance with this policy;
- the Company Secretary is responsible for the overall administration of this policy and all communications with the ASX;
- Senior management of the Manager is responsible for reporting any material price sensitive information to the Company Secretary and observing the Company's no comments policy.

CORPORATE GOVERNANCE STATEMENT CONT

6. RESPECT THE RIGHTS OF SHAREHOLDERS

RIGHTS OF SHAREHOLDERS

The Company promotes effective communication with shareholders. The Board of Directors has developed a strategy within its Continuous Disclosure Policy to ensure that shareholders are informed of all major developments affecting the Company's performance, activities and state of affairs. This includes using a website to facilitate communication with shareholders via electronic methods. Information is communicated to shareholders through announcements to the ASX, releases to the media and dispatch of financial reports. Shareholders are provided with an opportunity to access such reports and releases electronically; copies of all such ASX announcements are linked to the Company's website at www.globalresourcemasters.com.au.

These include:

- monthly net tangible asset backing announcements;
- quarterly investment reports;
- the half year report;
- the full year report;
- the annual report;
- the notice of annual general meeting, explanatory memorandum and the Chairman's address;
- occasional ASX announcements made to comply with the Company's continuous disclosure requirements; and
- occasional correspondence sent to Shareholders on matters of significance to the Company.

The Board encourages full participation of shareholders at the general meetings to ensure a high level of accountability and identification with the Company's strategy. The external auditor is also invited to attend the annual general meeting of shareholders and is available to answer any questions concerning the conduct, preparation and content of the auditor's report.

7. RECOGNISE AND MANAGE RISK

RISK MANAGEMENT

The Board has accepted the role of identification, assessment, monitoring and managing the significant areas of risk applicable to the Company and its operations. It has not established a separate committee to deal with these matters as the directors consider the size of the Company and its operations does not warrant a separate committee at this time. The Board liaises with the Manager to identify and manage risk. The Board also monitors and appraises financial performance, including the approval of annual and half year financial reports and liaising with the Company's auditors.

The Board receives a letter half yearly from the Company's external auditor regarding their procedures, and reporting that the financial records have been properly maintained and the financial statements comply with the Accounting Standards.

The Manager provides half yearly the declarations required by Section 295A of the *Corporations Act* and confirms that in its opinion the financial statements and accompanying notes comply with the Accounting Standards and give a true and fair view, based on its review of the internal control systems, management of risk, the financial statements and the letter from the Company's external auditor.

Details of the Company's financial risk management are set out in the notes to the financial statements in the Annual Report.

8. REMUNERATE FAIRLY AND RESPONSIBLY

REMUNERATION POLICIES

Due to the relatively small size of the Company and its operations, the Board does not consider it appropriate, at this time, to form a separate committee to deal with the remuneration of the Directors.

In accordance with the Company's constitution, each Director may be paid remuneration for ordinary services performed as a Director. Under ASX Listing Rules, the maximum fees payable to Directors may not be increased without the prior approval from the Company in general meeting. Directors will seek approval from time to time as deemed appropriate.

The maximum total remuneration of the Directors has been set at \$300,000 per annum to be divided among them in such proportions as they agree. However, Maximilian Walsh, and Alexander MacLachlan have agreed not to be paid any remuneration for the services they perform as Director.

Remuneration of the directors during the year ended 30 June 2011 is set out in the directors' report and in the notes to the financial statements.

OTHER INFORMATION

Further information relating to the company's corporate governance practices and policies has been made publicly available on the company's website at www.globalresourcemasters.com.au.

DIRECTORS' REPORT

Your directors present their report together with the financial report of Global Resource Masters Fund Limited ("the Company") for the financial year ended 30 June 2011.

DIRECTORS

The names of the directors in office at any time during, or since the end of, the year are:

Mr Maximilian Sean Walsh – non executive chairman

Ms Moira Eileen Daw – independent director

Mr Nirav Gautam Desai – independent director

Mr Alexander Gen MacLachlan – managing director

Mr Jeffrey Robert Whalan – independent director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

The name of the Company Secretary in office at the date of this report is Ms Hannah Chan.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activities of the Company during the financial year were to provide Australian investors the opportunity to gain access to leading global fund products and managers specialising in the natural resources sector.

There were no significant changes in the nature of these activities of the Company that occurred during the year.

RESULTS AND REVIEW OF OPERATIONS

The total comprehensive income of the Company for the financial year was \$4,068,545 (2010: \$267,247). The loss of the Company for the financial year after providing for income tax amounted to \$276,469 (2010: loss of \$531,916). The Company is in a strong position with total assets of \$102.5 million and no borrowings.

As at 30 June 2011, the NTA of the Company was \$1.64 per ordinary share after unrealised losses and adjustment for tax. This compares to the NTA of \$1.56 per ordinary share after unrealised losses and adjustment for tax as at 30 June 2010.

As at 30 June 2011, the Company had either invested or had commitments to invest 97% of its total funds (excluding cash retained for working capital as well as non cash assets).

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid during the year and no recommendation is made as to dividends.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the state of affairs of the Company occurred during the financial year ended 30 June 2011.

AFTER BALANCE DATE EVENTS

There have not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company, in future financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Company will continue to undertake its activities described in this report.

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

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.

OPTIONS

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

INDEMNIFYING OFFICERS OR AUDITOR

Indemnities have been given and insurance premiums paid, during or since the end of the financial year, for all of the directors of the Company. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for the auditor of the Company.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

DIRECTORS' REPORT CONT

INFORMATION ON DIRECTORS



MAXIMILIAN SEAN WALSH AM, BEC

Non-Executive Chairman of Directors and Chairman of the Investment Committee

Maximilian is regarded as one of Australia's leading economics 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. He has also served on the board of Northern Star TV (predecessor to Channel Ten) and RuleBurst Holdings Pty Ltd and is presently Deputy Chairman of Dixon Advisory & Superannuation Services Limited. Max is also Chairman of Asian Masters Fund Limited and Chairman of its Investment Committee, and Chairman of Australian Masters Corporate Bond Fund No 1 Limited, Australian Masters Corporate Bond Fund No 2 Limited, Australian Masters Corporate Bond Fund No 3 Limited, Australian Masters Corporate Bond Fund No 4 Limited, Australian Masters Corporate Bond Fund No 5 Limited, Australian Masters Yield Fund No 1 Limited, Australian Masters Yield Fund No 2 Limited and director of Dixon Advisory & Superannuation Services Limited. Dixon Advisory & Superannuation Services Limited is the Manager of Australian Governance Masters Index Fund Limited, Asian Masters Fund Limited, Global Resource Masters Fund Limited, Australian Masters Corporate Bond Fund No 1 Limited, Australian Masters Corporate Bond Fund No 2 Limited, Australian Masters Corporate Bond Fund No 3 Limited, Australian Masters Corporate Bond Fund No 4 Limited, Australian Masters Corporate Bond Fund No 5 Limited, Australian Masters Yield Fund No 1 Limited, Australian Masters Yield Fund No 2 Limited and the Responsible Entity for US Masters Residential Property Fund.

- Appointed as director and non-executive chairman on 20 November 2008.
- Directly holds 1 and beneficially holds 210,000 fully paid ordinary shares in the capital of the Company.
- During the past three years has acted as a non-executive director of the following Australian listed public companies:
 - Asian Masters Fund Limited since 10 October 2007;
 - Australian Masters Corporate Bond Fund No 1 Limited since 18 March 2008;
 - Australian Masters Corporate Bond Fund No 2 Limited since 7 August 2008;
 - Australian Masters Corporate Bond Fund No 3 Limited since 23 December 2008;
 - Australian Masters Corporate Bond Fund No 4 Limited since 23 December 2008;
 - Australian Masters Corporate Bond Fund No 5 Limited since 3 September 2009; and
 - Australian Governance Masters Index Fund Limited since 30 November 2009.



MOIRA EILEEN DAW

Independent Director

Moira currently runs an independent consultancy specialising in investor relations advice and equity research for small companies. Her career has included periods in professional accounting, academia, investment banking, corporate finance and more recently financial markets and research with periods spent working in London and Hong Kong.

Moira has more than 20 years experience in the financial markets, primarily in corporate finance with PriceWaterhouse and in research with Credit Suisse and AME Mineral Economics. At PriceWaterhouse, Moira was a Senior Manager in corporate finance specialising in infrastructure, tourism and leisure. During the seven years she spent at PriceWaterhouse, Moira established the financial modelling group which is now recognised as one of the pre-eminent groups in the field. Following her time at PriceWaterhouse, Moira spent 11 years at Credit Suisse as an Executive Director in equities research and was a Top 3 ranked analyst in both the tourism and leisure sector and the small cap sector. Moira also worked with AME Mineral Economics where she was Head of Research and in this role presented papers on base metals and coal at international conferences held in Brussels, Bali, Hong Kong and Seoul.

Moira has had extensive experience as a Chartered Accountant working for the Big 4 Accounting Firms in Adelaide, London, Hong Kong and Sydney. She has also spent time as an academic at ANU (Australian National University), Canberra and as a Development Executive with Australian Industry Development Corporation.

- Appointed as independent director on 8 June 2010.
- Holds no shares in the capital of the Company.
- During the past three years has not acted as director of any other Australian listed public company.



NIRAV GAUTAM DESAI BA (UNIVERSITY OF MICHIGAN), MBA (WHARTON)

Independent Director, Member of Investment Committee and Member of Audit Committee

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. In addition, he has experience as an investment banker and naval intelligence officer. Nirav has a BA from the University of Michigan, Ann Arbor and a Masters of Business Administration from The Wharton School, University of Pennsylvania.

- Appointed as independent director on 4 December 2008.
- Holds no shares in the capital of the Company.
- During the past three years has not acted as director of any other Australian listed public company.

DIRECTORS' REPORT CONT



ALEXANDER GEN MACLACHLAN BA (CORNELL), MBA (WHARTON)

Managing Director, Member of Investment Committee and Member of Audit Committee

Alex MacLachlan is managing director of Global Resource Masters Fund Limited and Managing Director, Funds Management of Dixon Advisory Group Limited. He is also director of Asian Masters Fund Limited, director of Australian Masters Corporate Bond Fund No 1 Limited, Australian Masters Corporate Bond Fund No 2 Limited, Australian Masters Corporate Bond Fund No 3 Limited, Australian Masters Corporate Bond Fund No 4 Limited, Australian Masters Corporate Bond Fund No 5 Limited, Australian Masters Yield Fund No 1 Limited, Australian Masters Yield Fund No 2 Limited and director of Dixon Advisory & Superannuation Services Limited. Dixon Advisory & Superannuation Services Limited is the Manager of Australian Governance Masters Index Fund Limited, Asian Masters Fund Limited, Global Resource Masters Fund Limited, Australian Masters Corporate Bond Fund No 1 Limited, Australian Masters Corporate Bond Fund No 2 Limited, Australian Masters Corporate Bond Fund No 3 Limited, Australian Masters Corporate Bond Fund No 4 Limited, Australian Masters Corporate Bond Fund No 5 Limited, Australian Masters Yield Fund No 1 Limited, Australian Masters Yield Fund No 2 Limited and the Responsible Entity for US Masters Residential Property Fund.

Prior to joining Dixon Advisory, Alex was an investment banker specialising in the natural resources sector, most recently serving as Head of Energy, Australasia, for UBS AG in Sydney and prior to that as an investment banker with Credit Suisse First Boston. During his career as an investment banker, Alex advised many of Australia's and the world's leading natural resources companies, working on over \$100 billion in announced mergers and acquisitions and capital markets transactions for over 30 leading Australian and international natural resources companies including BHP, Woodside and Santos.

Before specialising in natural resources investment banking, Alex worked in the Japanese Government Bond derivatives markets in London, New York and Sydney. Alex has a Bachelor of Arts from Cornell University and a Masters of Business Administration from The Wharton School, University of Pennsylvania.

- Appointed as managing director on 20 November 2008.
- Beneficially holds 93,802 fully paid ordinary shares in the capital of the Company.
- During the past three years has acted as a non-executive director of the following Australian listed public companies:
 - Asian Masters Fund Limited since 23 September 2009;
 - Australian Masters Corporate Bond Fund No 1 Limited since 18 March 2008;
 - Australian Masters Corporate Bond Fund No 2 Limited since 7 August 2008;
 - Australian Masters Corporate Bond Fund No 3 Limited since 23 December 2008;
 - Australian Masters Corporate Bond Fund No 4 Limited since 23 December 2008;
 - Australian Masters Corporate Bond Fund No 5 Limited since 3 September 2009; and
 - van Eyk Three Pillars Limited since 29 September 2009.



JEFFREY ROBERT WHALAN AO, BA

Independent Director and Chairman of Audit Committee

Jeffrey is Managing Director of the Jeff Whalan Learning Group, a specialist human resources company. Jeffrey is also chairman of Australian Governance Masters Index Fund Limited, a company whose portfolio is managed by the Company's placement manager, Dixon Advisory & Superannuation Services Limited. He was a senior executive officer in the Australian Public Service from 1990 to 2008.

Jeffrey was appointed an Officer in the Order of Australia in 2008 for his work as chief executive officer of Centrelink. Among other things, the award recognised his achievements in 'the development of corporate accountability processes'.

Jeffrey is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Management. He is also the chair of the Code Compliance Committee which monitors compliance with the mutual Banking Code of Practice.

Jeffrey has been the chief executive officer 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 chief executive officer of Medicare Australia. Jeffrey has held Deputy Secretary positions in the department of Prime Minister and Cabinet, the Department of Defence and the then Department of Family and Community Services. He has also held senior executive positions in the Department of Transport and the Department of Health.

- Appointed as independent director on 20 November 2008.
- Beneficially holds 60,194 fully paid ordinary shares in the capital of the Company.
- During the past three years has acted as non-executive director of the following Australian listed public company:
 - Australian Governance Masters Index Fund Limited since 30 November 2009.

DIRECTORS' REPORT CONT

INFORMATION ON COMPANY SECRETARY

HANNAH CHAN BCOM, MCOM, CA

Company Secretary

Hannah has a Bachelor of Commerce degree in Finance from the University of NSW and a Master of Commerce degree in Accounting from the University of Sydney. She is also a Chartered Accountant with the Institute of Chartered Accountants in Australia. Prior to joining the Manager, Hannah gained extensive audit experience whilst working with Deloitte Touche Tohmatsu and Ernst & Young. She is also company secretary of Australian Masters Corporate Bond Fund No 1 Limited, Australian Masters Corporate Bond Fund No 2 Limited, Australian Masters Corporate Bond Fund No 3 Limited, Australian Masters Corporate Bond Fund No 4 Limited, Australian Masters Corporate Bond Fund No 5 Limited, Australian Masters Yield Fund No 1 Limited, Australian Masters Yield Fund No 2 Limited, Asian Masters Fund Limited and Australian Governance Masters Index Fund Limited, and joint company secretary of Dixon Advisory & Superannuation Services Limited.

- Appointed as Company Secretary on 10 October 2009.

DIRECTORS' MEETINGS

Attendance of individual directors at board meetings held during the year ended 30 June 2011 was as follows:

	No. of Meetings Attended	No. of Meetings Eligible
Maximilian Walsh	12	12
Moira Daw	11	12
Nirav Desai	11	12
Alexander MacLachlan	12	12
Jeffrey Whalan	12	12

In addition, meetings of the Investment Committee were attended by directors as follows:

	No. of Meetings Attended	No. of Meetings Eligible
Maximilian Walsh	12	12
Nirav Desai	11	12
Alexander MacLachlan	12	12

Meetings of the Audit Committee were attended by directors as follows:

	No. of Meetings Attended	No. of Meetings Eligible
Jeffrey Whalan	4	4
Nirav Desai	4	4
Alexander MacLachlan	4	4

REMUNERATION REPORT

A) REMUNERATION POLICY

Under the Company's constitution, each director may be paid remuneration for ordinary services performed as a director. Under ASX Listing Rules, the maximum fees payable to directors may not be increased without the prior approval from the Company in general meeting. Directors will seek approval from time to time as deemed appropriate.

The maximum total remuneration of the directors has been set at \$300,000 per annum, to be divided among them in such proportions as they agree.

Under the Company's constitution, each director may be paid remuneration for ordinary services performed as a director. However, Maximilian Walsh and Alexander MacLachlan have agreed not to be paid any remuneration for the services they performed as directors from 1 July 2009.

The three independent directors, Moira Daw, Nirav Desai and Jeffrey Whalan, each received \$50,000 in the year ended 30 June 2011.

These fees exclude any additional fee for any service based agreement which may be agreed upon from time to time, and also excludes reimbursement of out of pocket expenses. These fees are inclusive of statutory superannuation.

B) KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel include the directors who have authority and responsibility for planning, directing and controlling the activities of the Company. No other executive personnel are employed or remunerated by the Company.

DIRECTORS' REPORT CONT

Details of remuneration paid during the year to key management personnel are set out in the table below.

2011

Directors	Salary, fees & Commission	Superannuation Contributions	Cash bonus	Non-cash benefits	Other	Total
	\$	\$	\$	\$	\$	\$
Maximilian Walsh	-	-	-	-	-	-
Moira Daw	49,702	298	-	-	-	50,000
Nirav Desai	50,000	-	-	-	-	50,000
Alexander MacLachlan	-	-	-	-	-	-
Jeffrey Whalan	45,500	4,500	-	-	-	50,000
Total	145,202	4,798	-	-	-	150,000

2010

Directors	Salary, fees & Commission	Superannuation Contributions	Cash bonus	Non-cash benefits	Other	Total
	\$	\$	\$	\$	\$	\$
Maximilian Walsh	-	-	-	-	-	-
Daryl Dixon	-	-	-	-	-	-
Alan Dixon	-	-	-	-	-	-
Moira Daw	3,014	-	-	-	-	3,014
Nirav Desai	50,000	-	-	-	-	50,000
Alexander MacLachlan	-	-	-	-	-	-
Jeffrey Whalan	50,000	-	-	-	-	50,000
Total	103,014	-	-	-	-	103,014

C) SERVICE AGREEMENTS

The Company does not presently have formal service agreements or employment contracts with any key management personnel.

D) DIRECTORS PROTECTION DEEDS

The Company has agreed to provide access to board papers and minutes to current and former directors of the Company while they are directors and for a period of 7 years after they cease to be directors.

The Company has agreed to indemnify, to the extent permitted by the *Corporations Act 2001*, each officer in respect of certain liabilities, which the director may incur as a result of, or by reason of (whether solely or in part), being or acting as a director of the Company. The Company has also agreed to maintain in favour of each director, a directors' and officers' policy of insurance for the period that he or she is a director and for a period of 7 years after the officer ceases to be a director.

E) BENEFICIAL AND RELEVANT INTEREST OF DIRECTORS IN SHARES

As at the date of this report, details of directors who hold shares for their own benefit or who have an interest in holdings through a third party and the total number of such shares held are listed as follows:

Director	No. of shares
Maximilian Walsh	210,001
Moira Daw	–
Nirav Desai	–
Alexander MacLachlan	93,802
Jeffrey Whalan	60,194

NON-AUDIT SERVICES

During the year Deloitte Touche Tohmatsu, the Company's auditor did not perform any other services in addition to their statutory duties for the Company. Deloitte Private Pty Ltd, a related party of the Company's auditor, performed tax review services for the Company.

The Board of Directors are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board of Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

DIRECTORS' REPORT CONT

The fees paid or payable to Deloitte Touche Tohmatsu and its related parties for tax compliance services during the year ended 30 June 2011 were:

	\$
Tax compliance	1,500
	1,500

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the lead auditor's independence declaration for the period ended 30 June 2011 as required under Section 307C of the *Corporations Act 2001* is set out on page 25.

Signed in accordance with a resolution of the Board of Directors:



Mr Maximilian Sean Walsh
CHAIRMAN

Dated this 30th day of August 2011

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

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The Board of Directors
Global Resource Masters Fund Limited
Level 15
100 Pacific Highway
NORTH SYDNEY NSW 2060

30 August 2011

Dear Board Members

Global Resource Masters Fund Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Global Resource Masters Fund Limited.

As lead audit partner for the audit of the financial statements of Global Resource Masters Fund Limited for the financial year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Michael Kaplan

Michael Kaplan
Partner
Chartered Accountant

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

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STATEMENT OF COMPREHENSIVE INCOME

	Notes	2011	2010
		\$	\$
Revenue	2	1,200,425	777,608
Net foreign currency exchange loss		(69,656)	(227,195)
Auditor's remuneration	3	(46,208)	(55,882)
Directors' fees		(150,000)	(103,014)
Software subscriptions		(70,146)	(56,731)
Legal costs		(9,117)	(35,615)
Listing and registry fees		(56,160)	(86,350)
Management fee expense		(947,230)	(750,271)
Due diligence expenses		(123,533)	(116,623)
Other expenses		(101,429)	(74,578)
Loss before income tax		(373,054)	(728,651)
Income tax benefit	4	96,585	196,735
Loss for the year		(276,469)	(531,916)
Other comprehensive income			
Gain on revaluation of investments		6,207,163	1,141,659
Tax attributable to the above		(1,862,149)	(342,496)
Total other comprehensive income for the year, net of tax		4,345,014	799,163
Total comprehensive income for the year		4,068,545	267,247
Basic (loss) per share	13	(0.49) cents	(1.10) cents
Diluted (loss) per share	13	(0.49) cents	(1.10) cents

The Statement of Comprehensive Income is to be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION

	Notes	2011	2010
		\$	\$
Assets			
<i>Current</i>			
Cash and cash equivalents	5	13,344,717	4,066,393
Other receivables	6	90,096	137,337
Prepayments		43,859	37,609
Current tax assets	7	400,833	–
Total Current Assets		13,879,505	4,241,339
<i>Non Current</i>			
Financial assets	8	88,686,150	77,388,267
Deferred tax assets	9	–	1,406,779
Total Non-current Assets		88,686,150	78,795,046
Total Assets		102,565,655	83,036,385
Liabilities			
<i>Current</i>			
Trade and other payables	10	120,589	183,661
Total Current Liabilities		120,589	183,661
<i>Non Current</i>			
Deferred tax liabilities	9	148,081	–
Total Non-current Liabilities		148,081	–
Total Liabilities		268,670	183,661
Net Assets		102,296,985	82,852,724
Equity			
Issued capital	11	98,910,676	83,534,960
Reserves	12	4,436,471	91,457
Accumulated losses		(1,050,162)	(773,693)
Total Equity		102,296,985	82,852,724

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY

	Notes	Issued capital	Asset revaluation reserve	Capital profits reserve	Retained earnings / (Accumulated Losses)	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2009		49,943,763	(707,706)	-	23,951	49,260,008
Loss for the year		-	-	-	(531,916)	(531,916)
<i>Other comprehensive income</i>						
Net change in fair value of investments, net of tax		-	799,163	-	-	799,163
Total comprehensive income for the year		-	799,163	-	(531,916)	267,247
Transfer to Capital Profits Reserve of cumulative realised gain on disposal of investments, net of tax		-	(730,926)	730,926	-	-
Shares issued	11	34,629,936	-	-	-	34,629,936
Issue costs (net of tax)	11	(1,038,739)	-	-	-	(1,038,739)
Dividends paid	14	-	-	-	(265,728)	(265,728)
Balance at 30 June 2010		83,534,960	(639,469)	730,926	(773,693)	82,852,724

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	Notes	Issued capital	Asset revaluation reserve	Capital profits reserve	Retained earnings / (Accumulated Losses)	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2010		83,534,960	(639,469)	730,926	(773,693)	82,852,724
Loss for the year		-	-	-	(276,469)	(276,469)
<i>Other comprehensive income</i>						
Net change in fair value of investments, net of tax		-	4,345,014	-	-	4,345,014
Total comprehensive income for the year		-	4,345,014	-	(276,469)	4,068,545
Transfer to Capital Profits Reserve of cumulative realised gain on disposal of investments, net of tax		-	(595,542)	595,542	-	-
Shares issued	11	16,206,406	-	-	-	16,206,406
Share buy-backs	11	(339,047)	-	-	-	(339,047)
Issue costs (net of tax)	11	(491,643)	-	-	-	(491,643)
Balance at 30 June 2011		98,910,676	3,110,003	1,326,468	(1,050,162)	102,296,985

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

STATEMENT OF CASH FLOWS

	Notes	2011	2010
		\$	\$
Cash flows from operating activities			
Receipts from ATO		180,163	380,731
Payments to suppliers		(1,740,096)	(1,777,475)
Dividends received		363,169	316,097
Interest received		203,970	501,887
Other income received		21,807	17,745
Income tax paid		(400,834)	(173,660)
Net cash flows (used in) operating activities	15 (b)	(1,371,821)	(734,675)
Cash flows from investing activities			
Payments for purchase of investments		(20,600,922)	(62,721,014)
Proceeds from sale of investments		16,155,709	19,931,274
Net cash flows (used in) investing activities		(4,445,213)	(42,789,740)
Cash flows from financing activities			
Proceeds from share issues		16,206,406	34,546,284
Dividend paid		–	(182,076)
Payments for share buyback		(339,047)	–
Payments of issue costs		(702,345)	(1,483,911)
Net cash flows provided by financing activities		15,165,014	32,880,297
Net increase / (decrease) in cash and cash equivalents		9,347,980	(10,644,118)
Effects of exchange rate changes on cash and cash equivalents		(69,656)	17,764
Cash and cash equivalents at beginning of the year		4,066,393	14,692,747
Cash and cash equivalents at end of the year	15 (a)	13,344,717	4,066,393

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

The financial report covers Global Resource Masters Fund Limited as an individual entity. Global Resource Masters Fund Limited is a company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX).

The financial report has been approved for issue in accordance with a resolution of the Directors on 30 August 2011.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

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

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

STANDARDS AND INTERPRETATIONS AFFECTING THE REPORTED RESULTS OF FINANCIAL POSITION

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Australian Accounting Standards and Interpretations that have recently been issued or amended, and may be applicable to, but are not yet effective and have not been adopted by the Company for the annual reporting period ended 30 June 2011, are outlined in the table below:

NOTES TO THE FINANCIAL STATEMENTS CONT

Standard / Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 124 Related Party Disclosures (2009), AASB 2009-12 Amendments to Australian Accounting Standards	1 January 2011	30 June 2012
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement	1 January 2011	30 June 2012
AASB 2010-5 Amendments to Australian Accounting Standards	1 January 2011	30 June 2012
AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets	1 July 2011	30 June 2012
AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets	1 January 2012	30 June 2013
AASB 1054 Australian Additional Disclosures	1 July 2011	30 June 2012
AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project	1 July 2011	30 June 2012
At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.		
IFRS 10 Consolidated Financial Statements	1 January 2013	30 June 2014
IFRS 11 Joint Arrangements	1 January 2013	30 June 2014
IFRS 12 Disclosure of Involvement with Other Entities	1 January 2013	30 June 2014
IFRS 13 Fair Value Measurement	1 January 2013	30 June 2014
IAS 19 Employee Benefits	1 January 2013	30 June 2014
IAS 27 Separate Financial Statements (2011)	1 January 2013	30 June 2014
IAS 28 Investments in Associates and Joint Ventures	1 January 2013	30 June 2014

a) Income Tax

The income tax expense (benefit) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantively enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated 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 enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off of current tax assets and liabilities exists and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

b) Financial Instruments

Financial Instruments, incorporating financial assets and financial liabilities, are recognised when the Company becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by market place convention.

In the previous year, the Company early adopted "AASB 9 – Financial Instruments", which was issued on 7 December 2009. AASB 9 includes requirements for the classification and measurement of financial assets. The revised standard was adopted from that date. There were no adjustments required upon initial adoption of the revised standard.

i) Financial assets

Initial recognition and measurement

When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs.

The Company determines the classification of its financial assets at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS CONT

Subsequent measurement

The Company has irrevocably elected to present subsequent changes in fair value of equity instruments in other comprehensive income through the asset revaluation reserve after deducting a provision for the potential deferred capital gains tax liability as these investments are long term holdings of equity instruments.

Gains or losses on all other financial assets at fair value are recognised in profit or loss.

ii) Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

When an investment is disposed, the cumulative gain or loss, net of tax thereon, is transferred from the asset revaluation reserve to the capital profits reserve.

iii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as derivative and non-derivative instruments, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value.

Subsequent Measurement

Non-derivative instruments are subsequently measured at amortised cost using the effective interest rate method.

iv) Fair value

Fair value is the amount for which an asset could be sold or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value is determined as the redemption value for investments. When the redemption price is not available, alternative techniques are applied to determine the fair value of these investments, including recent arm's length transactions, reference to similar instruments and option pricing models.

c) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of the entity is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit and loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in profit or loss.

d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

e) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income is recognised in profit or loss using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend revenue is recognised when the right to receive a dividend has been established.

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

f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

In most cases, the Company qualifies for Reduced Input Tax Credits (RITCs) at a rate of 75%; hence listing fees, registry fees and other expenses have been recognised in profit and loss net of the amount of GST recoverable from the Australian Taxation Office.

The net amount of GST recoverable from the Australian Taxation Office is included in Other Receivables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

g) Other Receivables

Other receivables are recorded at amounts due less any allowance for impairment.

h) Trade and Other Payables

Trade payables and other payables are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services. The balance is unsecured and is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

NOTES TO THE FINANCIAL STATEMENTS CONT

i) Provisions

Provisions are recognised where the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

j) Earnings Per Share

Basic earnings per share is determined by dividing the profit/(loss) after income tax excluding any cost of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is the same because there are no dilutive potential ordinary shares.

k) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the Company.

l) Key Estimates and Judgments

Provision for impairment of receivables

No provision for impairment of receivables has been recognised in the financial statements, on the expectation that all outstanding amounts will be recovered in full.

Fair value of investments

Fair value of investments in equity instruments are determined based on year end published redemption prices of the investments on the basis that the prices reflect the fair value of which the investments could be sold at balance date.

2. REVENUE

	2011	2010
	\$	\$
Operating activities		
Dividend revenue	1,008,677	371,390
Interest revenue	169,941	388,473
Other income	21,807	17,745
Total revenue	1,200,425	777,608
Dividend revenue from		
Investment funds	1,008,677	371,390
Total dividend revenue	1,008,677	371,390
Interest revenue from		
Cash at bank	169,941	388,473
Total interest revenue	169,941	388,473

3. AUDITOR'S REMUNERATION

	2011	2010
	\$	\$
Audit and review of the financial statements	34,000	24,500
Tax compliance services performed by related company	1,500	12,500
Tax and other advice	-	18,882
Underprovision prior year – Moore Stephens – Audit	10,708	-
	46,208	55,882

The auditor of the Company in 2011 is Deloitte Touche Tohmatsu. The previous auditor of the Company in 2010 was Moore Stephens Sydney.

NOTES TO THE FINANCIAL STATEMENTS CONT

4. INCOME TAX BENEFIT

	2011	2010
	\$	\$
a) The components of tax benefit comprise		
Current tax	-	-
Deferred tax	91,019	404,959
Over / (under) provision from previous years	5,566	(208,224)
	96,585	196,735
b) Prima facie tax benefit on (loss) from ordinary activities before income tax at 30% (2010: 30%)	111,916	218,595
Add / (less) tax effect of		
Foreign exchange loss	-	(21,137)
Other	(20,897)	(4,254)
Over provision of prior year income tax	5,566	3,531
	96,585	196,735
c) Income tax recognised in other comprehensive income		
Deferred tax		
Fair value movement of equity investments	1,862,149	342,498
	1,862,149	342,498

5. CASH AND CASH EQUIVALENTS

	2011	2010
	\$	\$
Current		
Cash at bank	13,344,717	4,066,393
	13,344,717	4,066,393

The effective interest rate on short term bank deposits was 4.45% (2010: 3.21%).

A payment of \$10,570,469 for purchases of investments was in transit at 30 June 2011. This was subsequently settled in July 2011.

6. OTHER RECEIVABLES

	2011	2010
	\$	\$
Current		
GST refundable	63,969	78,042
Interest receivable	25,264	58,632
Other receivables	863	663
	90,096	137,337

7. CURRENT TAX ASSETS

	2011	2010
	\$	\$
Current		
Current tax assets	400,833	-
	400,833	-

NOTES TO THE FINANCIAL STATEMENTS CONT

8. FINANCIAL ASSETS

	2011	2010
	\$	\$
Non Current Equity Investments – at fair value		
Schroders Alternative Strategies Commodity Fund	9,211,528	10,475,819
PIMCO Global Commodity Real Return Fund	12,061,258	10,381,576
Martin Currie Global Resources Funds	7,975,620	7,403,128
Market Vectors Agribusiness ETF	7,282,620	6,677,860
iShares S & P Global Energy	8,995,096	5,827,040
Blackrock Small Cap Energy Fund	7,905,897	5,805,220
iShares S & P Global Materials Index Fund	2,866,194	4,853,622
Market Vectors Gold Miners ETF	3,931,580	4,722,625
Tocqueville Gold Fund	4,331,815	4,355,310
RS Global Natural Resources Fund	6,677,856	4,137,323
Falcon Global Resources Fund – I USD	3,402,042	3,016,993
Invesco Energy Fund	3,321,407	1,956,976
iShares DJ Oil & Gas Index Fund	–	1,284,663
ETFS Physical Gold	–	1,277,427
SPDR Oil & Gas Equipment & Services ETF	–	1,233,944
Vanguard Energy ETF	–	1,182,523
Energy Select Sector SPDR	–	1,164,597
Powershares Global Water Resources ETF	674,578	438,499
Powershares Water Resources US ETF	653,639	415,547
Market Vectors Nuclear Energy	551,949	396,480
Market Vectors Global Alternative Energy	515,695	381,095
Taurus Precious Metals Fund	2,465,315	–
Credit Suisse Gains Fund	5,862,061	–
Investments at fair value	88,686,150	77,388,267

	2011	2010
	\$	\$
Reconciliation of Financial Assets		
Carrying amount at the beginning of the year	77,388,267	33,401,576
Additions – cost	21,246,429	62,776,306
Revaluation to fair value	6,207,163	1,141,659
Disposals	(16,155,709)	(19,931,274)
	88,686,150	77,388,267
	Fair value at disposal dates	Realised gain on disposal transferred to Capital Profits Reserve
	\$	\$
Investments disposed of during the year		
Equity investments	16,155,709	595,542

NOTES TO THE FINANCIAL STATEMENTS CONT

9. DEFERRED TAX (LIABILITIES)/ASSETS

	2011	2010
	\$	\$
Non Current		
Deferred tax (liabilities) / assets comprise		
Fair value adjustments	(1,332,857)	274,056
Deemed foreign investment fund income	296,620	299,909
Deferred distribution	(156,987)	–
Provisions	6,600	7,350
Transaction costs on equity issue	691,935	740,540
Losses on revenue account	354,187	102,454
Interest receivable	(7,579)	(17,530)
	(148,081)	1,406,779
Movements		
Balance at 1 July	1,406,779	933,707
Charged to the profit and loss	91,019	57,145
(Charged) / credited to equity	(1,645,879)	415,927
	(148,081)	1,406,779

10. TRADE AND OTHER PAYABLES

	2011	2010
	\$	\$
Current		
Trade payables	112,494	144,603
Other payables	8,095	39,058
	120,589	183,661

Trade and other payables above are unsecured, non-interest bearing and payable on 30 day terms.

11. ISSUED CAPITAL

	2011	2010
	\$	\$
62,336,536 (2010: 53,199,326) fully paid ordinary shares		
a) Issued Shares		
Balance at beginning of the year	83,534,960	49,943,763
11,162,890 Fully Paid Ordinary Shares of \$1.63	–	18,195,511
6,618,800 Fully Paid Ordinary Shares of \$1.63	–	10,788,644
1,052,091 Fully Paid Ordinary Shares of \$1.73	–	1,820,117
2,240,974 Fully Paid Ordinary Shares of \$1.67	–	3,742,427
53,840 Fully Paid Ordinary Shares of \$1.546 ⁱ⁾	–	83,237
1,817,170 Fully Paid Ordinary Shares of \$1.61	2,925,643	–
1,043,985 Fully Paid Ordinary Shares of \$1.61	1,680,816	–
925,965 Fully Paid Ordinary Shares of \$1.78	1,648,218	–
1,821,334 Fully Paid Ordinary Shares of \$1.88	3,424,108	–
3,730,069 Fully Paid Ordinary Shares of \$1.75	6,527,621	–
Share buybacks	(339,047)	–
Issue costs	(702,347)	(1,483,913)
Tax effect on issue costs	210,704	445,174
Balance at end of the year	98,910,676	83,534,960

i) In respect of the dividend paid on 10 June 2010, 53,840 ordinary shares were issued at \$1.546 each as part of the Dividend Reinvestment Plan of the Company.

NOTES TO THE FINANCIAL STATEMENTS CONT

		2011	2010
		No.	No.
b) Movement in Ordinary Shares			
Date	Details		
1 July	Opening balance	53,199,326	32,070,731
3 August 2009	Ordinary shares issues	–	11,162,890
16 September 2009	Ordinary shares issues	–	6,618,800
27 January 2010	Ordinary shares issues	–	1,052,091
29 March 2010	Ordinary shares issues	–	2,240,974
10 June 2010	Ordinary shares issues ⁽ⁱ⁾	–	53,840
10 August 2010	Ordinary shares issues	1,817,170	–
12 October 2010	Ordinary shares issues	1,043,985	–
20 December 2010	Ordinary shares issues	925,965	–
1 March 2011	Ordinary shares issues	1,821,334	–
17 May 2011	Ordinary share buyback	(95,532)	–
18 May 2011	Ordinary share buyback	(11,842)	–
19 May 2011	Ordinary share buyback	(31,474)	–
26 May 2011	Ordinary share buyback	(10,083)	–
27 May 2011	Ordinary share buyback	(24,170)	–
7 June 2011	Ordinary share buyback	(28,212)	–
29 June 2011	Ordinary shares issues	3,730,069	–
30 June	Closing balance	62,336,536	53,199,326

i) In respect of the dividend paid on 10 June 2010, 53,840 ordinary shares were issued at \$1.546 each as part of the Dividend Reinvestment Plan of the Company.

Holders of ordinary shares participate in dividends and the proceeds on a winding up of the Company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

CAPITAL MANAGEMENT

The Company's objective in managing capital is to continue to provide shareholders with dividends and capital appreciation over the longer term.

The Company's capital may fluctuate with prevailing market movements and it may undertake a buy-back of its shares in the event that they trade at a sizable discount to NTA backing.

The Company's capital consists of shareholders' equity plus financial liabilities. The movement in equity is shown in the Statement of Changes in Equity. At 30 June 2011, financial liabilities were \$120,589 (2010: \$183,661). There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

12. RESERVES

NATURE AND PURPOSE OF RESERVES

ASSET REVALUATION RESERVE

Increments and decrements on the revaluation of long term investments after provision for deferred tax are recorded in this reserve. When an investment has been sold or de-recognised, realised gains or losses (after tax) are transferred from the asset revaluation reserve to capital profits reserve.

CAPITAL PROFITS RESERVE

The capital profits reserve records realised gains and losses (after tax) from sale of investments which are transferred from asset revaluation reserve when an investment is sold or de-recognised.

NOTES TO THE FINANCIAL STATEMENTS CONT

	2011	2010
	\$	\$
Asset Revaluation Reserve		
Balance at the beginning of the year	(639,469)	(707,706)
Gain on investment revaluations	6,207,163	1,141,661
Tax on the above	(1,862,149)	(342,498)
Transfer to Capital Profits Reserve	(850,774)	(1,044,180)
Tax on the above	255,232	313,254
Balance at the end of the year	3,110,003	(639,469)
Capital Profits Reserve		
Balance at the beginning of the year	730,926	-
Transfers from Asset Revaluation Reserve, net of tax	595,542	730,926
Balance at the end of the year	1,326,468	730,926

13. EARNINGS PER SHARE

	2011	2010
	\$	\$
a) Earnings used in calculating earnings per share		
(Loss) from continuing operations used to calculate basic and diluted earnings per share	(276,469)	(531,916)
	No.	No.
b) Weighted average number of ordinary shares		
Weighted average number of ordinary shares outstanding during the year used to calculate basic earnings per share	56,638,454	48,415,996
Effect of dilution	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	56,638,454	48,415,996

There are no instruments that could potentially dilute basic earnings per share in the future.

14. DIVIDENDS PAID

	2011	2010
	\$	\$
Fully franked dividend of 0.5 cent per share paid on 10 June 2010	-	265,728
Total dividends per share for the year	-	0.005
The tax rate at which paid dividends have been franked is 30%.		
Franking credit balance		
The amount of franking credits available for the subsequent financial year are		
Franking account balance as at the end of the financial year at 30% (2010: 30%)	460,614	59,781
Franking debits that will arise from refund of income tax receivable as at the end of the financial year	(400,833)	-
	59,781	59,781

15. CASH FLOW INFORMATION

A) RECONCILIATION OF CASH

For the purpose of the statement of cash flows, cash includes:

- i) cash on hand and at bank, cash on deposit, and
- ii) cash held in investment trading accounts.

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2011	2010
	\$	\$
Cash on hand and at bank	13,344,717	4,066,393
	13,344,717	4,066,393

A payment of \$10,570,469 for purchases of investments was in transit at 30 June 2011. This was subsequently settled in July 2011.

NOTES TO THE FINANCIAL STATEMENTS CONT

B) RECONCILIATION STATEMENT

	2011	2010
	\$	\$
(Loss) after tax	(276,469)	(531,916)
Add / (less)		
Income reinvested	(645,508)	(55,293)
Unrealised loss / (gain) on foreign currency denominated cash balance	69,656	(17,764)
Changes in assets and liabilities		
Decrease in receivables	47,240	221,423
(Increase) in prepayment	(6,250)	(37,609)
(Increase) in deferred tax assets	–	(370,395)
(Increase) in income tax receivables	(400,833)	–
(Decrease) / Increase in trade payables and accruals	(63,072)	56,879
(Decrease) in deferred tax liabilities	(96,585)	–
Cash flows from operations	(1,371,821)	(734,675)

The Company does not have any formal loan facilities in place at the date of these financial statements.

16. SEGMENT REPORTING

The Company operates in Australia and has one business segment, that being investing in global fund products specialising in the natural resources sector.

17. KEY MANAGEMENT PERSONNEL

Names and positions held by key management personnel in office at any time during the financial year are:

Mr Maximilian Sean Walsh – non executive chairman

Ms Moira Eileen Daw – independent director

Mr Nirav Gautam Desai – independent director

Mr Alexander Gen MacLachlan – managing director

Mr Jeffrey Robert Whalan – independent director

KEY MANAGEMENT PERSONNEL REMUNERATION

	Salary, fees & Commission	Other
	\$	\$
2011		
Maximilian Walsh	-	-
Moira Daw	50,000	-
Nirav Desai	50,000	-
Alexander MacLachlan	-	-
Jeffrey Whalan	50,000	-
	150,000	-
2010		
Maximilian Walsh	-	-
Moira Daw	3,014	-
Nirav Desai	50,000	-
Alexander MacLachlan	-	-
Jeffrey Whalan	50,000	-
	103,014	-

Maximilian Walsh and Alexander MacLachlan have agreed not to be paid any remuneration for the services they performed as directors.

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

NOTES TO THE FINANCIAL STATEMENTS CONT

NUMBER OF SHARES HELD BY KEY MANAGEMENT PERSONNEL

	Balance at 1 July 2010	Received as remuneration	Net change other	Balance at 30 June 2011
Directors	No.	No.	No.	No.
Maximilian Walsh	210,001	-	-	210,001
Moira Daw	-	-	-	-
Nirav Desai	-	-	-	-
Alexander MacLachlan	93,802	-	-	93,802
Jeffrey Whalan	60,194	-	-	60,194
Total	363,997	-	-	363,997

18. RELATED PARTY TRANSACTIONS

The names of the persons who were directors of the Company at any time during the year and to the date of these financial statements are:

Mr Maximilian Sean Walsh – non executive chairman

Ms Moira Eileen Daw – independent director

Mr Nirav Gautam Desai – independent director

Mr Alexander Gen MacLachlan – managing director

Mr Jeffrey Robert Whalan – independent director

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated and are as follows:

DIXON ADVISORY & SUPERANNUATION SERVICES LIMITED

Mr Maximilian Walsh and Mr Alexander MacLachlan are directors of the Company and directors of the Manager and Issue Manager, Dixon Advisory & Superannuation Services Limited.

In connection with the provision of services as Issue Manager, the Issue Manager is entitled to receive commission and handling fees of 4% of the total funds raised in share placements. The handling fee and commission on \$16,206,406 (2010: \$34,546,699) in funds raised for the year ended 30 June 2011 were \$713,082 (2010: \$1,520,055), inclusive of GST.

Dixon Advisory & Superannuation Services Limited receives a management fee of 0.08334% of the pre tax value of the Portfolio at the close of the first Business Day of each month (equating to an annualised management fee of 1%). Management fees paid or payable for the year ended 30 June 2011 was \$1,016,540 (2010: \$821,384), inclusive of GST. The management fee owed by the Company to Dixon Advisory & Superannuation Services Limited at 30 June 2011 was \$90,494 (2010: \$76,439), inclusive of GST.

A) KEY MANAGEMENT PERSONNEL RELATED ENTITY TRANSACTION

Key management personnel and their related entities hold directly, indirectly or beneficially as at the reporting date the following interests in the Company:

	Ordinary shares	
	Direct	Indirect
2011		
Maximilian Walsh	1	210,000
Moira Daw	-	-
Nirav Desai	-	-
Alexander MacLachlan	-	93,802
Jeffrey Whalan	-	60,194
2010		
Maximilian Walsh	1	210,000
Moira Daw	-	-
Nirav Desai	-	-
Alexander MacLachlan	-	93,802
Jeffrey Whalan	-	60,194

For key management personnel remuneration, refer to note 17.

19. FINANCIAL RISK MANAGEMENT

A) FINANCIAL RISK MANAGEMENT POLICIES

The Company's financial instruments consist mainly of deposits with banks and equity investments. The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

I) INTEREST RATE RISK

Exposure to interest rate risk arises on financial assets recognised at reporting date whereby a future change in interest rates will affect future cash flows. Any variation in short and long term interest rates, particularly in Australia, could affect the operating results of the Company.

At 30 June 2011, approximately 87% of the financial assets is non interest bearing and 13% of the financial assets are at a floating rate.

NOTES TO THE FINANCIAL STATEMENTS CONT

II) LIQUIDITY RISK

Liquidity risk arises from the financial liabilities of the Company and the Company's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due.

The Company does not invest more than 20% of the gross value of the portfolio in underlying funds where the notice period for withdrawal of invested capital is greater than 30 days notice period. However, to the extent that the underlying funds are invested in illiquid securities that may be difficult to sell at short notice or at desired prices, this can result in diminished redemption prices on the Company, or in declining markets, loss of capital through decline in the value of the investment in the underlying fund.

III) CREDIT RISK

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Company does not have any material credit risk exposure to a single receivable or group of debtors under financial instruments entered into by the Company.

There are no amounts of collateral held as security at 30 June 2011.

IV) FOREIGN EXCHANGE RISK

The Company invests internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

The Company does not undertake hedging of its foreign currency exchange risk exposure arising from commercial transactions.

If the currency in which the Company's investments are denominated changes in value relative to the Australian dollar, the Australian dollar value of the investment will change. For example, a rise in Australian dollar relative to other currencies may negatively impact investment value or returns. Conversely, a decline in Australian dollar relative to other currencies may positively impact investment value or returns.

The Company's exposure to foreign currency risk at the reporting date was USD 82,650,701.

V) MARKET PRICE RISK

Market price risk is the risk that changes in market prices such as interest rates and equity prices will affect the Company's income and the value of its holdings of financial instruments.

Inherently, the Company is exposed to market price risk as it invests its capital in securities whose market prices can fluctuate.

Market risk is moderated by ensuring that the Company's investment portfolio is not over exposed to one company or one particular sector. The relative weightings of the individual funds are reviewed by the Investment Committee frequently.

B) FINANCIAL INSTRUMENTS

I) FINANCIAL INSTRUMENT COMPOSITION AND MATURITY ANALYSIS:

The Company does not hold any fixed period contractual financial instruments at balance date.

Net Fair Values

The net fair values of:

- Term receivables and fixed interest securities are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value.
- Unlisted investments have been valued at the redemption price at balance date. For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment.
- Listed securities included in "Investments" are readily traded on the foreign exchange in a standardised form. The net fair value of listed securities is determined by valuing them at the last quoted sale price as at balance date. The net fair value of investments is set out in note 8.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date are disclosed in the statement of financial position and in the notes to the financial statements.

As of 1 July 2009, the Company has adopted the amendment to AASB 7: Financial Instruments: Disclosures which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- inputs for the asset or liabilities that are not based on observable market data (unobservable inputs) (level 3).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 June 2011				
Financial assets at fair value through other comprehensive income				
Equity investments	–	88,686,150	–	88,686,150
30 June 2010				
Financial assets at fair value through other comprehensive income				
Equity investments	–	77,388,267	–	77,388,267

NOTES TO THE FINANCIAL STATEMENTS CONT

II) SENSITIVITY ANALYSIS

Market Price Risk

The Company has performed sensitivity analysis relating to its exposure to its market price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks on financial assets.

At 30 June 2011, the effect on equity as a result of changes in the value of equity investments, with all other variables remaining constant would be as follows:

	2011	2010
	\$	\$
Change in equity		
Increase in market price by 5%	4,962,831	3,869,413
Decrease in market price by 5%	(4,962,831)	(3,869,413)
Change in NTA per share		
Increase in market price by 5%	0.08	0.07
Decrease in market price by 5%	(0.08)	(0.07)

Foreign Exchange Risk

The following sensitivity is based on the foreign currency risk exposures in existence at the balance date. At the balance sheet date, had the Australian dollar moved, as illustrated in the table below, with all other variables held constant, profit before tax and equity would have been affected as follows:

	2011	2010
	\$	\$
Change in profit before tax		
Appreciation of AUD to USD by 10%	(41,944)	(35,689)
Decline of AUD to USD by 5%	24,283	20,662
Change in equity		
Appreciation of AUD to USD by 10%	(4,876,058)	(4,020,733)
Decline of AUD to USD by 5%	2,822,981	2,327,793

20. CONTINGENT LIABILITIES

The directors are not aware of any potential liabilities or claims against the Company as at the balance date.

21. CAPITAL COMMITMENTS

The Company has no capital commitments, other than an equity purchase commitment totalling \$10,570,469, at balance date.

22. EVENTS AFTER THE REPORTING PERIOD

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the Company, to significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company, in future financial years.

23. COMPANY DETAILS

The registered office of the Company is:

Global Resource Masters Fund Limited

Level 15, 100 Pacific Highway
North Sydney NSW 2060

The principal place of business is:

Global Resource Masters Fund Limited

Level 15, 100 Pacific Highway
North Sydney NSW 2060

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial report as set out in pages 26 to 55 and the additional disclosures included in the Directors' Report designated as "Remuneration Report", as set out on pages 21 to 23, are 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 2011 and of its performance, as represented by the results of the operations and the cash flows, for the financial year ended on that date; and
 - b. In compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements; and
 - c. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. The directors of the Manager, Dixon Advisory & Superannuation Services Limited have declared that:
 - a. The financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporation Act 2001*;
 - b. The financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. The financial statements and notes for the financial year give a true and fair view.
3. As at the date of this declaration, in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 295(5) of the *Corporations Act 2001*:

On behalf of the Directors



Mr Maximilian Sean Walsh
CHAIRMAN

Dated this 30th day of August 2011

INDEPENDENT AUDITOR'S REPORT

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Report to the members of Global Resource Masters Fund Limited

We have audited the accompanying financial report of Global Resource Masters Fund Limited, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company as set out on pages 26 to 56.

Directors' Responsibility 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 is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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Member of Deloitte Touch Tohmatsu Limited

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INDEPENDENT AUDITOR'S REPORT CONT

Deloitte

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Global Resource Masters Fund Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the financial report of Global Resource 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 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 23 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A 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.

Opinion

In our opinion the Remuneration Report of Global Resource Masters Fund Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.


DELOITTE TOUCHE TOHMATSU


Michael Kaplan
Partner
Chartered Accountants
Sydney, 30 August 2011

STOCK EXCHANGE INFORMATION

STOCK EXCHANGE INFORMATION

Statement of quoted securities as at 31 July 2011

- There are 2,159 shareholders holding a total 62,336,536 ordinary fully paid shares.
- The 20 largest shareholders between them hold 6.265% of the total shares on issue.
- Voting rights are each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

DISTRIBUTION OF QUOTED SHARES AS AT 31 JULY 2011

Distribution of Shareholders Category (size of holding)	Number of Shareholders
1 – 1,000	10
1,001 – 5,000	165
5,001 – 10,000	341
10,001 – 100,000	1,585
100,001 – and over	58
Total Holders	2,159

SUBSTANTIAL SHAREHOLDINGS AS AT 31 JULY 2011

There are no substantial shareholders pursuant to the provisions of section 671B of the *Corporations Act 2001*.

DIRECTORS' SHAREHOLDINGS

As at 30 June 2011 directors of the Company held a relevant interest in the following securities on issue by the Company.

Director	Ordinary shares
Maximilian Walsh	210,001 ordinary shares
Moira Daw	0 ordinary share
Nirav Desai	0 ordinary share
Alexander MacLachlan	93,802 ordinary shares
Jeffrey Whalan	60,194 ordinary shares

STOCK EXCHANGE INFORMATION CONT

RESTRICTED SECURITIES

There are no restricted securities on issue by the Company.

TOP 20 HOLDERS OF ORDINARY SHARES AT 31 JULY 2011

Shareholder Name	Number of Shares Held	% of Total
Mr White Pension Fund A/C	526,000	0.844
Dixon Family Super A/C	327,500	0.525
Aristides Family Btml A/C	245,049	0.393
The Bedo Super Fund A/C	233,000	0.374
Hawes Family Super Fund A/C	204,100	0.327
Kiers & Mensh S/F A/C	190,000	0.305
The Lifschitz Super Fund A/C	186,350	0.299
Rosenshul S/F A/C	183,090	0.294
The Gallery Super Fund A/C	165,053	0.265
C & C Pitt Super Fund A/C	160,517	0.258
Brewer Super Fund A/C	159,000	0.255
P & H Russell S/Fund A/C	158,853	0.255
Pettingell & Gillam S/F A/C	154,450	0.248
E & E Shaw Super Fund A/C	150,000	0.241
Heywood Family S/F Account	149,000	0.239
Buoni Amici S/F A/C	147,100	0.236
Collin Family Super Fund A/C	147,080	0.236
D & E Owen Super Fund A/C	145,712	0.234
G & T Johnson Super Fund A/C	137,060	0.220
Goodban Family S/Fund A/C	136,261	0.219
Total Held by Top 20 Holders of Ordinary Shares	3,905,175	6.265

INVESTMENTS AT MARKET VALUE

Investment	Units/Shares	Net Market Value	%
		\$	
PIMCO Global Commodity Real Return Fund	21,668.34	12,061,258	13.60%
Schroders Alternative Strategies Commodity Fund	66,055.38	9,211,528	10.39%
iShares S & P Global Energy	231,007.00	8,995,096	10.14%
Martin Currie Global Resources Funds	324,780.09	7,975,620	8.99%
Blackrock Small Cap Energy Fund	9,923.73	7,905,897	8.91%
Market Vectors Agribusiness ETF	145,165.00	7,282,620	8.21%
RS Global Natural Resources Fund	180,125.71	6,677,856	7.53%
Credit Suisse Gains Fund	52,486.87	5,862,061	6.61%
Tocqueville Gold Fund	56,833.59	4,331,815	4.88%
Market Vectors Gold Miners ETF	77,220.00	3,931,580	4.43%
Falcon Global Resources Fund – I USD	31,535.05	3,402,042	3.84%
Invesco Energy Fund	116,722.79	3,321,407	3.75%
iShares S & P Global Materials Index Fund	41,874.00	2,866,194	3.23%
Taurus Precious Metals Fund	2,282.60	2,465,315	2.78%
Powershares Global Water Resources ETF	35,700.00	674,578	0.76%
Powershares Water Resources US ETF	36,200.00	653,639	0.74%
Market Vectors Nuclear Energy	27,500.00	551,949	0.62%
Market Vectors Global Alternative Energy	29,600.00	515,695	0.58%
Total Portfolio Value		88,686,150	100.00%

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CORPORATE DIRECTORY

The Company's shares are quoted on the official list of the Australian Securities Exchange Limited (ASX).

ASX Code is GRF.

DIRECTORS

Mr Maximilian Sean Walsh (non-executive chairman)

Ms Moira Eileen Daw (non-executive director)

Mr Nirav Gautam Desai (non-executive director)

Mr Alexander Gen MacLachlan (managing director)

Mr Jeffrey Robert Whalan (non-executive director)

SECRETARY

Ms Hannah Chan

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North Sydney NSW 2060

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F 1300 883 159

PRINCIPAL OFFICE

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BANKS

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