



Ambrogio Lorenzetti's fresco, "The Allegory of Good Government"

There's No Place Like America



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A conference with CEOs from around the globe recently brought me to Europe — the center of Western Civilization, the cradle of democracy, innovation and creativity, and the crux of today's debt crisis. In Siena, I came across a medieval reminder of the effects of good and bad government inside the Palazzo Pubblico among the beautifully painted frescoes.

One mural, "The Allegory of Good Government," personifies the virtues of justice, peace, virtue and wisdom, emphasizing the importance of a stable government. Two more frescoes flank this painting, one depicting the effects of good government and another showing the effects of bad government.

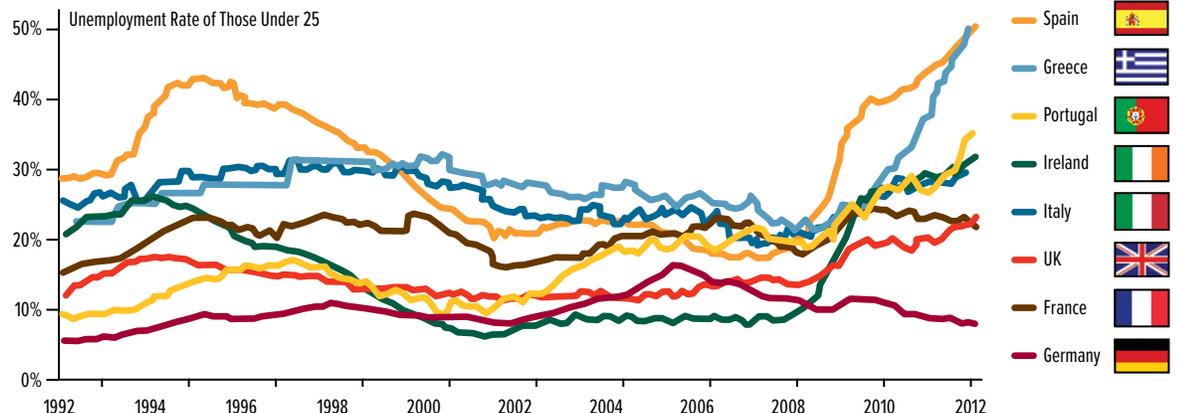
Surrounded by historic beauty, it's sad to see the disillusioned faces on the streets of Europe. If a picture is worth a thousand words, the one below might be more monumental than that. **Business**

Insider featured this chart showing the rising unemployment rate among the youth throughout Europe. Since the 2009 global crisis through April 2012, youth unemployment has skyrocketed in Spain, Greece, Portugal, Italy and Ireland.

Ian McAvity recently shared some words of wisdom related to Europe's colossal challenges: "When times get tough, economic nationalism and protectionism tends to rise because it is always easier to blame someone else for self-inflicted problems."

The contrast of historic beauty against tragedy is one for Shakespeare. Back in the U.S., I am thankful for the entrepreneurial heart that beats throughout America. As the election grows closer, I'm confident it'll beat louder to persuade the U.S. government to pursue thoughtful policies that embody essential American principles.

European Youth Unemployment Skyrockets



Source: Thomson Reuters Datastream, Eurostat Reuters graphic/Scott Barber 4/2/2012

One should not underestimate what it means to be American; you don't find a feeling quite like it outside the nation. In fact, emerging countries such as Singapore and China are now striving to replicate what my friend Alexander Green calls "American exceptionalism."

He says the U.S. is the world's economic superpower today not only because of geography, but, more importantly, the fact that entrepreneurs were free to innovate and create. Alex writes, "America cultivates, celebrates and rewards the habits that make men and women successful. It promises that anyone with ambition and grit can move up the economic ladder, that everyone has a chance to better his or her lot, regardless of circumstances."

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This feeling of empowerment has created a national group of well-informed and very engaged individuals. On the Organisation for Economic Cooperation and Development (OECD) "**Your Better Life Index**" based on 11 diverse measures of well-being, the U.S. is highly ranked. Each element measures a feeling of satisfaction with life, including health, education, environment, personal security, life satisfaction, and work-life balance. Here are a few of the highlights from OECD's summary of the U.S.:

- The average income in the U.S. is nearly \$38,000 a year, considerably more than the OECD average income of about \$22,000.
- Almost 90 percent of adults in the U.S. have a high-school degree (or equivalent); the OECD average is 74 percent.
- Americans have a strong sense of community, as 92 percent know someone they could rely on in a time of need. The OECD average is 91 percent.
- Voter turnout was significantly higher than the world average: 90 percent of those registered participate in the U.S. political process, compared to 73 percent for the rest of the world.
- American households spend an average of only 20 percent of net disposable income on rent/home loans, gas, electricity, water, furnishings or repairs. The OECD average is 22 percent.

While a 2 percent difference in household spending isn't striking, pennies add up. In a Deutsche Bank survey of **how much a variety of goods cost around the world**, the research firm found that New York "was found to be significantly cheaper than other major financial hubs even after accounting for taxes and other additional charges."

According to its study, if I wanted to buy Apple's iPhone in Europe, it would've cost me \$845; filling a car with a liter of petrol would cost over \$1 more

HOW MUCH GOODS COST AROUND THE WORLD

How Far Will Your Money Go Compared to the United States?

\$ Pizza at Pizza Hut

Country	Price
New York	\$15.00
Paris	\$21.36
London	\$23.50
Tokyo	\$24.80
Sao Paulo	\$27.54

\$ Two Liter Bottle of Soft Drink

Country	Price
New York	\$2.49
Moscow	\$5.59
Tokyo	\$6.99
Frankfurt	\$17.20
Sao Paulo	\$19.05

\$ A Pair of Jeans

Country	Price
United States	\$64.00
Japan	\$92.17
Brazil	\$106.89
Germany	\$119.58
Australia	\$140.35

\$ A Liter of Petrol

Country	Price
United States	\$0.98
Russia	\$1.01
Australia	\$1.55
Brazil	\$1.88
France	\$2.20

\$ iPhone

Country	Price
United States	\$649.00
Hong Kong	\$656.05
Germany	\$845.14
Brazil	\$1,054.82
Russia	\$1,099.82

Source: Survey of selected goods and countries from Deutsche Bank AG/Hong Kong. Costs for two liters of soft drink served at Pizza Hut; in some cases proportionate pricing was used. Prices for iPhone and jeans found online. Petrol prices from mytravelcost.com. • www.usfunds.com



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than it does in the U.S. A pair of Levis is nearly double the price than the same pair in New York City. On multiple measures, New York City offers more for your money compared to Paris, Sao Paolo or Tokyo.

See "How Far Will Your Money Go" Infographic Now.

Nonetheless, consumers on the other side of the world willingly line up to purchase American-made goods, even at a premium price.

Affordability is partially why 60 million international tourists choose to immerse themselves in American culture each year. While Canada and Mexico make up the majority of these visitors, tourists from Brazil and China have been visiting in record numbers, according to data from the U.S. International Trade Administration. In 2011, visitors from Brazil increased 26 percent to 1.5 million people. About 1 million Chinese visited the U.S. in 2011, which was an increase of 36 percent over the previous year.

As the rising middle class in emerging markets gain more disposable income, they desire the same

financial and social mobility that Americans take for granted. For that mobility, each visitor spends about \$4,000 on travel, clothes, food and attractions.

Invest in America

In his article, Alex Green describes the traits that a typical American embodies: "an optimistic attitude, a can-do spirit, and an enthusiastic endorsement of the pursuit of happiness through individual initiative and self-reliance."

Investors aren't endorsing U.S. equities these days. With all the positive aspects mentioned above, today's **low participation in the U.S. stock market** is perplexing. Here are two more reasons to invest today:

- About 620 companies in the S&P 1500 Index are growing their revenues at more than 10 percent; and
- 428 stocks in the index have an annualized dividend yield higher than the 10-year Treasury.



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