UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended September 30, 2013

OR

[ ] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from ________ to _________

Commission File Number 0-13928

U.S. GLOBAL INVESTORS, INC.
(Exact name of registrant as specified in its charter)

Texas (State or other jurisdiction of incorporation or organization)	**74-1598370** (IRS Employer Identification No.)
7900 Callaghan Road **San Antonio, Texas** (Address of principal executive offices)	**78229-1234** (Zip Code)

(210) 308-1234
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address, and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES [X] NO [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES [X] NO [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer [ ] Accelerated filer [X] Non-accelerated filer [ ] Smaller Reporting Company [ ]
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES [ ] NO [X]

On October 21, 2013, there were 13,865,757 shares of Registrant's class A nonvoting common stock issued and 13,399,699 shares of Registrant's class A nonvoting common stock issued and outstanding, no shares of Registrant's class B nonvoting common shares outstanding, and 2,069,791 shares of Registrant's class C voting common stock issued and outstanding.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

Assets	September 30, 2013 (UNAUDITED)	June 30, 2013
Current Assets		
Cash and cash equivalents	$ 18,822,531	$ 18,085,226
Trading securities, at fair value	4,866,924	4,758,220
Receivables		
Mutual funds	886,658	964,461
Offshore clients	14,700	21,000
Income tax	482,281	140,792
Employees	-	5,500
Other	30,402	16,140
Prepaid expenses	393,405	604,701
Deferred tax asset	177,921	195,871
Total Current Assets	25,674,822	24,791,911
Net Property and Equipment	3,022,117	3,084,860
Other Assets		
Deferred tax asset, long term	490,431	677,539
Investment securities available-for-sale, at fair value	8,223,809	9,053,111
Investment in Galileo	647,340	654,528
Total assets held related to discontinued operations	278,449	420,853
Total Other Assets	9,640,029	10,806,031
Total Assets	$ 38,336,968	$ 38,682,802
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	$ 145,157	$ 71,289
Accrued compensation and related costs	703,733	686,562
Dividends payable	232,324	232,402
Other accrued expenses	799,777	770,024
Total liabilities held related to discontinued operations	64,648	73,284
Total Current Liabilities	1,945,639	1,833,561
Commitments and Contingencies		
Shareholders' Equity		
Common stock (class A) - $0.025 par value; nonvoting; authorized, 28,000,000 shares; issued, 13,865,757 and 13,865,021 shares at September 30, 2013, and June 30, 2013, respectively	346,644	346,626
Common stock (class B) - $0.025 par value; nonvoting; authorized, 4,500,000 shares; no shares issued	-	-
Convertible common stock (class C) - $0.025 par value; voting; authorized, 3,500,000 shares; issued, 2,069,791 and 2,070,527 shares at September 30, 2013, and June 30, 2013, respectively	51,745	51,763
Additional paid-in-capital	15,662,317	15,654,397
Treasury stock, class A shares at cost; 460,928 and 463,958 shares at September 30, 2013, and June 30, 2013, respectively	(1,126,302)	(1,128,704)
Accumulated other comprehensive income, net of tax	453,404	652,218
Retained earnings	21,003,521	21,272,941
Total Shareholders' Equity	36,391,329	36,849,241
Total Liabilities and Shareholders' Equity	$ 38,336,968	$ 38,682,802

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (UNAUDITED)

	Three Months Ended September 30,	
	2013	**2012**
Operating Revenues		
Mutual fund advisory fees	$ 2,036,800	$ 2,916,863
Distribution fees	530,921	771,562
Shareholder service fees	260,658	379,331
Administrative services fees	171,344	254,224
Other advisory fees	52,278	90,562
	3,052,001	4,412,542
Operating Expenses		
Employee compensation and benefits	1,882,265	2,157,691
General and administrative	1,526,271	1,340,870
Platform fees	508,763	715,406
Advertising	133,195	160,623
Depreciation	62,743	67,038
Subadvisory fees	15,000	15,000
	4,128,237	4,456,628
Operating Loss	(1,076,236)	(44,086)
Other Income (Loss)		
Investment income	1,060,650	200,651
Equity in earnings of Galileo	(7,188)	-
Income (Loss) from Continuing Operations Before Income Taxes	(22,774)	156,565
Provision for Federal Income Taxes		
Tax expense (benefit)	(14,006)	63,526
Income (Loss) from Continuing Operations	(8,768)	93,039
Discontinued Operations (Note 12)		
Loss from operations of discontinued transfer agent	(43,401)	(67,029)
Tax benefit	(14,756)	(22,790)
Loss on Discontinued Operations	(28,645)	(44,239)
Net Income (Loss)	(37,413)	48,800
Other Comprehensive Income (Loss), Net of Tax:		
Unrealized gains on available-for-sale securities arising during period (net of tax expense of $195,198)	378,914	101,800
Less: reclassification adjustment for gains/losses included in investement income (net of tax benefit of $297,617)	(577,728)	-
Comprehensive Income (Loss)	$ (236,227)	$ 150,600
Basic Net Income (Loss) per Share		
Income (loss) from continuing operations	$ 0.00	$ 0.00
Loss from discontinued operations	0.00	0.00
Net income (loss)	$ 0.00	$ 0.00
Diluted Net Income (Loss) per Share		
Income (loss) from continuing operations	$ 0.00	$ 0.00
Loss from discontinued operations	0.00	0.00
Net income (loss)	$ 0.00	$ 0.00
Basic weighted average number of common shares outstanding	15,471,268	15,475,887
Diluted weighted average number of common shares outstanding	15,471,268	15,475,887

The accompanying notes are an integral part of this statement.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Three Months Ended September 30	
	2013	**2012**
Cash Flows from Operating Activities:		
Net income (loss)	$ (37,413)	$ 48,800
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	64,452	68,747
Net recognized gain on securities	(875,346)	-
Net loss from equity method investment	7,188	-
Provision for deferred taxes	307,477	2,428
Stock bonuses	2,607	53,189
Stock-based compensation expense	610	7,710
Changes in operating assets and liabilities:		
Accounts receivable	(125,453)	(163,462)
Prepaid expenses	211,296	129,451
Trading securities	(108,704)	(171,580)
Accounts payable and accrued expenses	112,156	22,728
Total adjustments	(403,717)	(50,789)
Net cash used in operating activities	(441,130)	(1,989)
Cash Flows from Investing Activities:		
Purchase of available-for-sale securities	(500,000)	(32,446)
Proceeds on sale of available-for-sale securities	1,903,415	-
Net cash provided by (used in) investing activities	1,403,415	(32,446)
Cash Flows from Financing Activities:		
Issuance of common stock	44,314	46,198
Repurchases of common stock	(37,209)	-
Dividends paid	(232,085)	(928,438)
Net cash used in financing activities	(224,980)	(882,240)
Net increase (decrease) in cash and cash equivalents	737,305	(916,675)
Beginning cash and cash equivalents	18,085,226	20,612,721
Ending cash and cash equivalents	$ 18,822,531	$ 19,696,046
Supplemental Disclosures of Cash Flow Information		
Cash paid for income taxes	$ -	$ -

The accompanying notes are an integral part of this statement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1. BASIS OF PRESENTATION

U.S. Global Investors, Inc. (the "Company" or "U.S. Global") has prepared the consolidated financial statements pursuant to accounting principles generally accepted in the United States of America ("U.S. GAAP") and the rules and regulations of the United States Securities and Exchange Commission ("SEC") that permit reduced disclosure for interim periods. The financial information included herein reflects all adjustments (consisting solely of normal recurring adjustments), which are, in management's opinion, necessary for a fair presentation of results for the interim periods presented. The Company has consistently followed the accounting policies set forth in the notes to the consolidated financial statements in the Company's Form 10-K for the fiscal year ended June 30, 2013.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, United Shareholder Services, Inc. ("USSI"), U.S. Global Investors (Guernsey) Limited ("USGG") (on August 3, 2013, USGG was dissolved), U.S. Global Brokerage, Inc., U.S. Global Investors (Bermuda) Limited, U.S. Global Investors (Canada) Limited, and U.S. Global Indices, LLC.

All significant intercompany balances and transactions have been eliminated in consolidation. Certain amounts have been reclassified for comparative purposes. The results of operations for the three months ended September 30, 2013, are not necessarily indicative of the results to be expected for the entire year.

The unaudited interim financial information in these condensed financial statements should be read in conjunction with the consolidated financial statements contained in the Company's annual report.

Recent Accounting Pronouncements

On February 5, 2013, the FASB issued Accounting Standard Update (ASU) 2013-02, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*. ASU 2013-02 that does not change the current requirement for reporting net income or other comprehensive income but requires additional disclosures about significant amounts reclassified out of accumulated other comprehensive income. ASU 2013-02 is effective for fiscal years and interim periods within those years beginning after December 31, 2012 and did not have a material impact on the consolidated financial statements.

In July 2013, the FASB issued ASU 2013-11, *Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists*. Under this standard, an unrecognized tax benefit should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss or a tax credit carryforward, rather than as a liability, when the uncertain tax position would reduce the net operating loss or other carryforward under the tax law. The standard is effective for interim and annual periods beginning after December 15, 2013, and should be applied prospectively to all unrecognized tax benefits that exist at the effective date. Retrospective application is permitted. The Company is currently evaluating the impact of the standard on its consolidated results of operations and financial condition.

NOTE 2. INVESTMENTS

As of September 30, 2013, the Company held investments with a market value of approximately $13.1 million and a cost basis of approximately $13.0 million. The market value of these investments is approximately 34.1 percent of the Company's total assets.

Investments in securities classified as trading are reflected as current assets on the consolidated balance sheet at their fair market value. Unrealized holding gains and losses on trading securities are included in earnings in the consolidated statements of operations and comprehensive income.

Investments in securities classified as available-for-sale, which may not be readily marketable, are reflected as non-current assets on the consolidated balance sheet at their fair value. Unrealized holding gains and losses on available-for-sale securities are excluded from earnings and reported in other comprehensive income as a separate component of shareholders' equity until realized.

The Company records security transactions on trade date. Realized gains (losses) from security transactions are calculated on the first-in/first-out cost basis, unless otherwise identifiable, and are recorded in earnings on the date of sale.

The following summarizes the market value, cost, and unrealized gain or loss on investments as of September 30, 2013, and June 30, 2013.

Securities	Market Value	Cost	Unrealized Gain (Loss)	Unrealized holding gains on available-for-sale securities, net of tax
Trading[1]	$ 4,866,924	$ 5,457,989	$ (591,065)	N/A
Available-for-sale[2]	8,223,809	7,536,833	686,976	$ 453,404
Total at September 30, 2013	$ 13,090,733	$ 12,994,822	$ 95,911	
Trading[1]	$ 4,758,220	$ 5,457,989	$ (699,769)	N/A
Available-for-sale[2]	9,053,111	8,064,902	988,209	$ 652,218
Total at June 30, 2013	$ 13,811,331	$ 13,522,891	$ 288,440	

[1] Unrealized and realized gains and losses on trading securities are included in earnings in the statement of operations.

[2] Unrealized gains and losses on available-for-sale securities are excluded from earnings and recorded in other comprehensive income as a separate component of shareholders' equity until realized.

The following details the components of the Company's available-for-sale investments as of September 30, 2013, and June 30, 2013.

	September 30, 2013 (in thousands)			
		Gross Unrealized		
	Cost	Gains	(Losses)	Market Value
Available-for-sale securities				
Common stock	$ 842	$ 900	$ (3)	$ 1,739
Venture capital investments	168	-	(5)	163
Offshore fund	5,000	-	(222)	4,778
Mutual funds	1,527	20	(3)	1,544
Total available-for-sale securities	$ 7,537	$ 920	$ (233)	$ 8,224

	June 30, 2013 (in thousands)			
		Gross Unrealized		
	Cost	Gains	(Losses)	Market Value
Available-for-sale securities				
Common stock	$ 870	$ 529	$ (5)	$ 1,394
Venture capital investments	168	-	(5)	163
Offshore fund	5,000	-	(288)	4,712
Mutual funds	2,027	760	(3)	2,784
Total available-for-sale securities	$ 8,065	$ 1,289	$ (301)	$ 9,053

The following tables show the gross unrealized losses and fair values of available-for-sale investment securities with unrealized losses aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position:

	September 30, 2013 (in thousands)					
	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Available-for-sale securities						
Common stock	$ 97	$ (3)	$ -	$ -	$ 97	$ (3)
Venture capital investments	163	(5)	-	-	163	(5)
Offshore fund	-	-	4,778	(222)	4,778	(222)
Mutual funds	4	(3)	-	-	4	(3)
Total available-for-sale securities	$ 264	$ (11)	$ 4,778	$ (222)	$ 5,042	$ (233)

	June 30, 2013 (in thousands)					
	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Available-for-sale securities						
Common stock	$ 95	$ (5)	$ -	$ -	$ 95	$ (5)
Venture capital investments	163	(5)	-	-	163	(5)
Offshore fund	-	-	4,712	(288)	4,712	(288)
Mutual funds	3	(3)	-	-	3	(3)
Total available-for-sale securities	$ 261	$ (13)	$ 4,712	$ (288)	$ 4,973	$ (301)

Investment income can be volatile and varies depending on market fluctuations, the Company’s ability to participate in investment opportunities, and timing of transactions. A significant portion of the unrealized gains and losses for the three months ended September 30, 2013, is concentrated in a small number of issuers. The Company expects that gains and losses will continue to fluctuate in the future.

Investment income (loss) from the Company’s investments includes:

- realized gains and losses on sales of securities;
- unrealized gains and losses on trading securities;
- realized foreign currency gains and losses;
- other-than-temporary impairments on available-for-sale securities; and
- dividend and interest income.

The following summarizes investment income reflected in earnings for the periods discussed:

Investment Income	Three Months Ended September 30,	
	2013	2012
Realized gains on sales of available-for-sale securities	$ 875,346	$ -
Unrealized gains on trading securities	108,704	171,581
Realized foreign currency gains (losses)	4,979	(25)
Dividend and interest income	71,621	29,095
Total Investment Income	$ 1,060,650	$ 200,651

NOTE 3. FAIR VALUE DISCLOSURES

Accounting Standards Codification (ASC) 820, *Fair Value Measurement and Disclosures*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value and requires companies to disclose the fair value of their financial instruments according to a fair value hierarchy (i.e., Levels 1, 2, and 3 inputs, as defined below). The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. Additionally, companies are required to provide enhanced disclosures regarding instruments in the Level 3 category (which have inputs to the valuation techniques that are unobservable and require significant management judgment), including a reconciliation of the beginning and ending values separately for each major category of assets or liabilities.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories:

> Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities at the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, value of these products does not entail a significant degree of judgment.
>
> Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.
>
> Level 3 – Valuations based on inputs that are unobservable and significant to the fair value measurement.

The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

For actively traded securities, the Company values investments using the closing price of the securities on the exchange or market on which the securities principally trade. If the security is not actively traded, it is valued based on the last bid and/or ask quotation. Securities that are not traded on an exchange or market are generally valued at cost, monitored by management and fair value adjusted as considered necessary. The Company values the mutual funds, offshore funds and a venture capital investment at net asset value.

The following table presents fair value measurements, as of September 30, 2013, for the three major categories of U.S. Global's investments measured at fair value on a recurring basis:

	Fair Value Measurement using (in thousands)			
	September 30, 2013			
	Quoted Prices (Level 1)	**Significant Other Inputs** (Level 2)	**Significant Unobservable Inputs** (Level 3)	**Total**
Trading securities				
Common stock	$ 23	$ -	$ -	$ 23
Offshore fund	-	902	-	902
Mutual funds	3,942	-	-	3,942
Total trading securities	3,965	902	-	4,867
Available-for-sale securities				
Common stock	1,642	-	97	1,739
Venture capital investments	-	-	163	163
Offshore fund	-	4,778	-	4,778
Mutual funds	1,544	-	-	1,544
Total available-for-sale securities	3,186	4,778	260	8,224
Total Investments	$ 7,151	$ 5,680	$ 260	$ 13,091

Approximately 55 percent of the Company's financial assets measured at fair value are derived from Level 1 inputs including SEC-registered mutual funds and equity securities traded on an active market, 43 percent of the Company's financial assets measured at fair value are derived from Level 2 inputs, including an investment in an offshore fund, and the remaining two percent are Level 3 inputs. The Company recognizes transfers between levels at the end of each quarter. The Company did not transfer any securities between Level 1 and Level 2 during the three months ended September 30, 2013.

In Level 2, the Company has an investment in an offshore fund with a fair value of $902,009, based on the net asset value per share, which invests in companies in the energy and natural resources sectors. The Company may redeem this investment on the first business day of each month after providing a redemption notice at least forty-five days prior to the proposed redemption date.

The Company also has a Level 2 investment in an offshore fund with a fair value of $4,778,290, based on the net asset value per share, which invests in dividend-paying equity and debt securities of companies located around the world. The Company may redeem this investment on the first business day of each month after providing a redemption notice at least forty-five days prior to the proposed redemption date. The Company has provided notice of redemption and anticipates that the redemption will be fulfilled by receiving securities in-kind before 2013 calendar year end.

In Level 3, the Company held investments in a private company and one venture capital investment. These investments are measured at fair value using significant unobservable inputs at September 30, 2013. Fair value is based on cost adjusted for known changes in value.

The Level 3 venture capital investment has a fair value of approximately $162,841 and primarily invests in companies in the medical and medical technology sectors. The Company may redeem this investment with general partner approval. As of September 30, 2013, the Company has an unfunded commitment of $62,500 related to this investment.

The Company also has an investment in restricted share of a private sports entertainment company with a fair value of approximately $97,000.

The following table presents additional information about investments measured at fair value on a recurring basis and for which the Company has utilized significant unobservable inputs to determine fair value:

Changes in Level 3 Assets Measured at Fair Value on a Recurring Basis				
	Three Months Ended September 30,			
	2013		2012	
(Dollars in Thousands)	Venture Capital Investments	Common Stock	Venture Capital Investments	Common Stock
Beginning Balance	$ 163	$ 95	$ 168	$ -
Return of capital	-	-	-	-
Total gains or losses (realized/unrealized)				
Included in earnings (investment income)	-	-	-	-
Included in other comprehensive income	-	2	-	-
Purchases, sales, issuances, and settlements	-	-	-	-
Transfers in and/or out of Level 3	-	-	-	-
Ending Balance	$ 163	$ 97	$ 168	$ -

NOTE 4. EQUITY INVESTMENT

In January 2013, the Company entered into a Stock Purchase Agreement with Galileo Global Equity Advisors Inc. ("Galileo"), a privately held Toronto-based asset management firm, to purchase 50 percent of the issued and outstanding shares of Galileo for $600,000. The closing date of the transaction was March 31, 2013. Galileo will continue to have overall control of the operations and investment management activities of Galileo, including its management of the Galileo Funds. After one year, Galileo may terminate the agreement or allow the Company to purchase an additional 15 percent of its shares. The Company is continuing to evaluate the transaction, and future changes to the amounts recorded could occur. There was no material basis difference between the cost of the Company's investment in Galileo and the Company's proportionate share of the underlying equity in net assets of Galileo. Frank Holmes, CEO, and Susan McGee, President and General Counsel, serve as directors of Galileo.

As the Company lacks control over the investee, the Company accounts for its interest in Galileo under the equity method with its share of Galileo's profit or loss recognized in earnings. Included in other income for the three months ending September 30, 2013, is $7,188 of equity method losses of Galileo.

NOTE 5. INVESTMENT MANAGEMENT, TRANSFER AGENT AND OTHER FEES

The Company serves as investment adviser to U.S. Global Investors Funds ("USGIF" or the "Funds") and receives a fee based on a specified percentage of net assets under management.

USSI also serves as transfer agent to USGIF and receives fees based on the number of shareholder accounts as well as transaction and activity-based fees. The Company's Board of Directors formally agreed on August 23, 2013, to exit the transfer agency business so that the Company could focus more on its core strength of investment management. On August 23, 2013, the Funds' Board of Trustees agreed to continue the existing transfer agency contract with USSI until conversion to the new transfer agent, which is projected to be in December 2013. The transfer agency fees are included in discontinued operations on the statement of operations. Additionally, the Company receives certain miscellaneous fees directly from USGIF shareholders. The Company will continue to receive the shareholder servicing fees based on the value of assets held thorough broker-dealer platforms.

The advisory agreement for the equity funds provides for a base advisory fee that is adjusted upwards or downwards by 0.25 percent when there is a performance difference of 5 percent or more between a fund's performance and that of its designated benchmark index over the prior rolling 12 months. For the three months ended September 30, 2013 and 2012, the Company realized a decrease in its base advisory fee of $132,611 and $346,914, respectively.

Effective May 1, 2013, the Company agreed to contractually limit the expenses of the two fixed income funds and the institutional class of Global Resources Fund through April 30, 2014. The Company has voluntarily waived or reduced its fees and/or agreed to pay expenses on the remaining funds. These caps will continue on a voluntary basis at the Company's discretion. The aggregate fees waived and expenses borne by the Company for the three months ended September 30, 2013, were $855,370 compared with $850,042 for the corresponding period in the prior fiscal year.

The above waived fees include amounts waived under an agreement whereby the Company has voluntarily agreed to waive fees and/or reimburse the U.S. Treasury Securities Cash Fund and the U.S. Government Securities Savings Fund to the extent necessary to maintain the respective fund's yield at a certain level as determined by the Company (Minimum Yield). For the three months ended September 30, 2013, total fees waived and/or expenses reimbursed as a result of this agreement were $334,764. For the corresponding period in fiscal year 2013, the total fees waived and/or expenses reimbursed were $300,635.

The Company may recapture any fees waived and/or expenses reimbursed within three years after the end of the fund's fiscal year of such waiver and/or reimbursement to the extent that such recapture would not cause the fund's yield to fall below the Minimum Yield. Thus, $678,107 of the waiver for the U.S. Government Securities Savings Fund is recoverable by the Company through December 31, 2013; $736,531 through December 31, 2014; $509,874 through December 31, 2015; and $395,409 through December 31, 2016. The U.S. Treasury Securities Cash Fund also has waivers subject to future recapture; however, because the fund will be liquated in December 2013, no recapture is expected.

The Company provides advisory services for three offshore clients and receives monthly advisory fees based on the net asset values of the clients and monthly performance fees, if any, based on the overall increase in net asset values. The Company recorded advisory and performance fees from these clients totaling $52,278 for the three months ended September 30, 2013, and $90,562 for the corresponding period in the prior fiscal year. Frank Holmes, CEO, serves as a director of the offshore clients.

NOTE 6. BORROWINGS

As of September 30, 2013, the Company has no long-term liabilities.

The Company has access to a $1 million credit facility with a one-year maturity for working capital purposes. The credit agreement requires the Company to maintain certain quarterly financial covenants to access the line of credit. The Company has been in compliance with all financial covenants during the fiscal year. As of September 30, 2013, this credit facility remained unutilized by the Company.

NOTE 7. STOCKHOLDERS' EQUITY

Payment of cash dividends is within the discretion of the Company's board of directors and is dependent on earnings, operations, capital requirements, general financial condition of the Company, and general business conditions. A monthly dividend of $0.005 per share is authorized through December 2013 and will be reviewed by the board quarterly.

The Board of Directors approved a share repurchase program on December 7, 2012, authorizing the Company to purchase up to $2.75 million of its outstanding common shares as market and business conditions warrant on the open market in compliance with Rule 10b-18 of the Securities Exchange Act of 1934. The share repurchase authorization expires at the end of calendar 2013. For the three months ended September 30, 2013, the Company had repurchased 13,219 class A shares using cash of $37,209. There remains approximately $2.539 million available for repurchase under this authorization. The acquired shares may be used for corporate purposes, including shares issued to employees in the Company's stock-based compensation programs.

The Company accounts for stock-based compensation in accordance with ASC 718 *Compensation – Stock Compensation*. Stock-based compensation expense is recorded for the cost of stock options. Stock-based compensation expense for the three months ended September 30, 2013, was $610, compared to $7,710 in the corresponding period in fiscal 2013. As of September 30, 2013, and 2012, respectively, there was approximately $7,117 and $9,557 of total unrecognized share-based compensation cost related to share-based compensation granted under the plans that will be recognized over the remainder of their respective vesting periods.

Stock compensation plans

The Company's stock option plans provide for the granting of class A shares as either incentive or nonqualified stock options to employees and non-employee directors. Options are subject to terms and conditions determined by the Compensation Committee of the Board of Directors. Options outstanding at September 30, 2013, were 29,000 at a weighted average exercise price of $17.03. Options exercisable at September 30, 2013, were 26,000 at a weighted average exercise price of $18.25. There was no option activity for the three months ended September 30, 2013.

NOTE 8. EARNINGS PER SHARE

The basic earnings per share ("EPS") calculation excludes dilution and is computed by dividing net income by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution of EPS that could occur if options to issue common stock were exercised.

The following table sets forth the computation for basic and diluted EPS:

	Three Months Ended September 30,	
	2013	**2012**
Income (loss) from continuing operations	$ (8,768)	$ 93,039
Loss from discontinued operations	(28,645)	(44,239)
Net income (loss)	$ (37,413)	$ 48,800
Weighted average number of outstanding shares		
Basic	15,471,268	15,475,887
Effect of dilutive securities		
Employee stock options	-	-
Diluted	15,471,268	15,475,887
Earnings (loss) per share		
Basic:		
Income (loss) from continuing operations	$ 0.00	$ 0.00
Loss from discontinued operations	$ 0.00	$ 0.00
Net income (loss)	$ 0.00	$ 0.00
Diluted:		
Income (loss) from continuing operations	$ 0.00	$ 0.00
Loss from discontinued operations	$ 0.00	$ 0.00
Net income (loss)	$ 0.00	$ 0.00

The diluted EPS calculation excludes the effect of stock options when their exercise prices exceed the average market price for the period. For the three months ended September 30, 2013, and 2012, 29,000 options were excluded from diluted EPS, respectively.

The Company may repurchase stock from employees. The Company made no repurchases of shares of its class B, or class C common stock during the three months ended September 30, 2013. During the three months ended September 30, 2013, the Company repurchased 13,219 class A shares on the open market using cash of $37,209. The Company did not repurchase any shares of its class A common stock on the open market during the same period in fiscal year 2013. Upon repurchase, these shares are classified as treasury shares and are deducted from outstanding shares in the earnings per share calculation.

NOTE 9. INCOME TAXES

The Company and its subsidiaries file a consolidated federal income tax return. Provisions for income taxes include deferred taxes for temporary differences in the bases of assets and liabilities for financial and tax purposes, resulting from the use of the liability method of accounting for income taxes. The current deferred tax asset primarily consists of unrealized losses on trading securities. The long-term deferred tax asset is composed primarily of capital loss carryover, unrealized losses and other-than-temporary impairments on available-for-sale securities and the difference in tax treatment of stock options.

For federal income tax purposes at September 30, 2013, the Company has capital loss carryovers of approximately $734,000 expiring in fiscal year 2018. The Company also has charitable contribution carryovers of approximately $82,000 expiring in fiscal years 2018 - 2019.

A valuation allowance is provided when it is more likely than not that some portion of the deferred tax amount will not be realized. At September 30, 2013, and June 30, 2013, a valuation allowance of $27,993 and $27,286, respectively, was included related to the charitable contribution carryover.

NOTE 10. FINANCIAL INFORMATION BY BUSINESS SEGMENT

The Company operates principally in two business segments: providing investment management services to the funds it manages and investing for its own account in an effort to add growth and value to its cash position. The following schedule details total revenues and income by business segment:

	Investment Management Services	Corporate Investments	Consolidated
Three months ended September 30, 2013			
Net operating revenues	$ 3,052,001	$ -	$ 3,052,001
Net other income	$ -	$ 1,053,462	$ 1,053,462
Income (loss) from continuing operations before income taxes	$ (1,076,236)	$ 1,053,462	$ (22,774)
Loss from discontinued operations	$ (28,645)	$ -	$ (28,645)
Net income (loss)	$ (1,090,680)	$ 1,053,267	$ (37,413)
Depreciation	$ 64,452	$ -	$ 64,452
Interest expense	$ -	$ -	$ -
Capital expenditures	$ -	$ -	$ -
Gross identifiable assets at September 30, 2013	$ 23,862,044	$ 13,806,572	$ 37,668,616
Deferred tax asset			$ 668,352
Consolidated total assets at September 30, 2013			$ 38,336,968
Three months ended September 30, 2012			
Net operating revenues	$ 4,412,542	$ -	$ 4,412,542
Net other income	$ -	$ 200,651	$ 200,651
Income (loss) from continuing operations before income taxes	$ (44,086)	$ 200,651	$ 156,565
Loss from discontinued operations	$ (44,239)	$ -	$ (44,239)
Net income (loss)	$ (150,810)	$ 199,610	$ 48,800
Depreciation	$ 68,747	$ -	$ 68,747
Interest expense	$ -	$ -	$ -
Capital expenditures	$ -	$ -	$ -

NOTE 11. CONTINGENCIES AND COMMITMENTS

The Company continuously reviews all investor, employee and vendor complaints, and pending or threatened litigation. The likelihood that a loss contingency exists is evaluated through consultation with legal counsel, and a loss contingency is recorded if probable and reasonably estimable.

During the normal course of business, the Company may be subject to claims, legal proceedings, and other contingencies. These matters are subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably. The Company establishes accruals for matters for which the outcome is probable and can be reasonably estimated. Management believes that any liability in excess of these accruals upon the ultimate resolution of these matters will not have a material adverse effect on the consolidated financial statements of the Company.

The Board has authorized a monthly dividend of $0.005 per share through December 2013, at which time it will be considered for continuation by the Board. Payment of cash dividends is within the discretion of the Company's Board of Directors and is dependent on earnings, operations, capital requirements, general financial condition of the Company, and general business conditions. The total amount of cash dividends to be paid to class A and class C shareholders from October to December 2013 will be approximately $232,000.

NOTE 12. DISCONTINUED OPERATIONS

The Company's Board of Directors formally agreed on August 23, 2013, to exit the transfer agency business so that the Company could focus more on its core strength of investment management. On August 23, 2013, the Funds' Board of Trustees agreed to continue the existing transfer agency contract with USSI until conversion to the new transfer agent, which is projected to be in December 2013.

The transfer agency results, together with expenses associated with discontinuing transfer agency operations, are reflected as discontinued operations in the statement of operations and are therefore exclude from continuing operations results. Comparative periods shown in the statement of operations have been adjusted to conform with this presentation.

The assets and liabilities related to the transfer agency business are as follows at September 30, 2013:

	As of September 30, 2013
Assets	
Receivables	$ 240,962
Property and equipment, net	37,487
Total assets held related to discontinued operations	$ 278,449
Liabilities	
Other Accrued expenses	$ 5,002
Accrued compensation	59,646
Total liabilities held related to discontinued operations	$ 64,648

The components of income from discontinued operations were as follows for the three months ended September 30, 2013, and 2012:

	Three Months Ended September 30,	
	2013	2012
Operating revenue	$ 313,592	$ 364,373
Operating expenses	356,993	431,402
Loss from discontinued operations before income taxes	(43,401)	(67,029)
Income tax benefit	(14,756)	(22,790)
Loss from discontinued operations, net of tax	$ (28,645)	$ (44,239)

NOTE 13. SUBSEQUENT EVENTS

As discussed in Notes 5 and 12, the Company anticipates discontinuing its transfer agency business in December 2013.

On August 23, 2013, the Funds' Board of Trustees approved an increase to the administrative services fees paid to the Company. The new fees, projected to be effective in December 2013, will change from an annual rate of 0.08 percent to 0.10 percent per investor class and from 0.06 percent to 0.08 percent per institutional class of each Fund, based on average daily net assets, plus $10,000 per Fund.

Over the next few months, the Company is anticipating several changes to the mutual funds it manages. The Global Emerging Markets Fund liquidated on October 31, 2013. The following activities are anticipated to be completed by the end of 2013: (1) pending shareholder approval, reorganize the MegaTrends Fund into the Holmes Growth Fund (to be named Holmes Macro Trends Fund), (2) reorganize the Tax Free Fund into the Near-Term Tax Free Fund, (3) pending shareholder approval, change the U.S. Government Securities Savings Fund from a money market fund to a U.S. government ultrashort bond fund, and (4) liquidate the U.S. Treasury Securities Cash Fund.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

U.S. Global has made forward-looking statements concerning the Company's performance, financial condition, and operations in this report. The Company from time to time may also make forward-looking statements in its public filings and press releases. Such forward-looking statements are subject to various known and unknown risks and uncertainties and do not guarantee future performance. Actual results could differ materially from those anticipated in such forward-looking statements due to a number of factors, some of which are beyond the Company's control, including: (i) the volatile and competitive nature of the investment management industry, (ii) changes in domestic and foreign economic conditions, (iii) the effect of government regulation on the Company's business, and (iv) market, credit, and liquidity risks associated with the Company's investment management activities. Due to such risks, uncertainties, and other factors, the Company cautions each person receiving such forward-looking information not to place undue reliance on such statements. All such forward-looking statements are current only as of the date on which such statements were made.

BUSINESS SEGMENTS

The Company, with principal operations located in San Antonio, Texas, manages two business segments: (1) the Company offers a broad range of investment management products and services to meet the needs of individual and institutional investors; and (2) the Company invests for its own account in an effort to add growth and value to its cash position. Although the Company generates the majority of its revenues from its investment advisory segment, the Company holds a significant amount of its total assets in investments. The following is a brief discussion of the Company's two business segments.

Investment Management Services

The Company generates substantially all of its operating revenues from managing and servicing USGIF and other advisory clients. These revenues are largely dependent on the total value and composition of assets under its management. Fluctuations in the markets and investor sentiment directly impact the funds' asset levels, thereby affecting income and results of operations.

Detailed information regarding the SEC-registered funds managed by the Company can be found on the Company's website, www.usfunds.com, including performance information for each fund for various time periods, assets under management as of the most recent month end and inception date of each fund.

SEC-registered mutual fund shareholders are not required to give advance notice prior to redemption of shares in the funds; however, the equity funds charge a redemption fee if the fund shares have been held for less than the applicable periods of time set forth in the funds' prospectuses. The fixed income and money market funds charge no redemption fee. Detailed information about redemption fees can be found in the funds' prospectus, which is available on the Company's website, www.usfunds.com.

The Company provides advisory services for three offshore clients and receives monthly advisory fees based on the net asset values of the clients and monthly performance fees, if any, based on the overall increase in net asset values. The Company recorded advisory and performance fees from these clients totaling $52,278 for the three months ended September 30, 2013, and $90,562 for the corresponding period in fiscal 2013. Frank Holmes, CEO, serves as a director of the offshore clients.

At September 30, 2013, total assets under management as of period-end, including both SEC-registered funds and offshore clients, were $1.192 billion versus $1.766 billion at September 30, 2012, a decrease of 32.5 percent. During the three months ended September 30, 2013, average assets under management were $1.199 billion versus $1.664 billion during the three months ended September 30, 2012. Total assets under management as of period-end at September 30, 2013, were $1.192 billion versus $1.162 billion at June 30, 2013, the Company's prior fiscal year end.

The following tables summarize the changes in assets under management for the SEC-registered funds for the three months ended September 30, 2013, and 2012:

(Dollars in Thousands)	Changes in Assets Under Management Three Months Ended September 30, 2013 Equity	 Money Market and Fixed Income	 Total
Beginning Balance	$ 857,302	$ 283,144	$ 1,140,446
Market appreciation	71,184	141	71,325
Dividends and distributions	-	(443)	(443)
Net shareholder redemptions	(30,000)	(15,839)	(45,839)
Ending Balance	$ 898,486	$ 267,003	$ 1,165,489
Average investment management fee	0.96%	0.00%	0.73%
Average net assets	$ 894,411	$ 278,577	$ 1,172,988

(Dollars in Thousands)	Changes in Assets Under Management Three Months Ended September 30, 2012 Equity	 Money Market and Fixed Income	 Total
Beginning Balance	$ 1,289,160	$ 302,770	$ 1,591,930
Market appreciation	190,008	840	190,848
Dividends and distributions	-	(395)	(395)
Net shareholder redemptions	(42,478)	(8,772)	(51,250)
Ending Balance	$ 1,436,690	$ 294,443	$ 1,731,133
Average investment management fee	0.97%	0.00%	0.79%
Average net assets	$ 1,328,897	$ 301,727	$ 1,630,624

As shown above, period-end assets under management were lower at September 30, 2013, compared to September 30, 2012. Also, average net assets for the current quarter were lower than the same quarter in the previous fiscal year. Net shareholder redemptions adversely affected both the current quarter and the same quarter in the previous year. The money market funds in both periods decreased as shareholders sought alternatives to low yields. Both periods had shareholder redemptions and were offset by market appreciation, resulting in an overall increase in net assets.

The average annualized investment management fee rate (total mutual fund advisory fees, excluding performance fees, as a percentage of average assets under management) was 73 basis points in the first quarter of fiscal 2014 and 79 basis points in the same period in fiscal 2013. The average investment management fee for the fixed income funds was nil for the periods. This is due to voluntary fee waivers on these funds as discussed in Note 5 to the financial statements, including a voluntary agreement to support the yields for the money market funds.

Investment Activities

Management believes it can more effectively manage the Company's cash position by broadening the types of investments used in cash management and continues to believe that such activities are in the best interest of the Company. The Company's investment activities are reviewed and monitored by Company compliance personnel, and various reports are provided to certain investment advisory clients. Written procedures are in place to manage compliance with the code of ethics and other policies affecting the Company's investment practices. This source of revenue does not remain consistent and is dependent on market fluctuations, the Company's ability to participate in investment opportunities, and timing of transactions.

As of September 30, 2013, the Company held investments with a market value of approximately $13.1 million and a cost basis of approximately $13.0 million. The market value of these investments is approximately 34.1 percent of the Company's total assets. See Note 2 (Investments) and Note 3 (Fair Value Disclosures) for additional detail regarding investment activities.

RESULTS OF OPERATIONS – THREE MONTHS ENDED SEPTEMBER 30, 2013, AND 2012

The Company posted net loss of $37,413 ($0.00 per share loss) for the three months ended September 30, 2013, compared with net income of $48,800 ($0.00 per share) for the three months ended September 30, 2012, a decrease of $86,213, or 176.7 percent.

Operating Revenues
Total consolidated operating revenues for the three months ended September 30, 2013, decreased $1,360,541, or 30.8 percent, compared with the three months ended September 30, 2012. This decrease was primarily attributable to the following:

- Mutual fund advisory fees decreased by $880,063, or 30.2 percent, as a result of lower assets under management. Mutual fund advisory fees are comprised of two components: a base management fee and a performance fee. The performance fee is a fulcrum fee that is adjusted upwards or downwards by 0.25 percent when there is a performance difference of 5 percent or more between a Fund's performance and that of its designated benchmark index over the prior rolling 12 months.
    - Base management fees decreased $1,094,366 as a result of lower assets under management due to market depreciation and shareholder redemptions in the natural resources and emerging markets funds.
    - This decrease in management fees was offset by a $214,303 decrease in performance fee adjustments paid out in the current period versus the prior period.
- Distribution fee revenue, shareholder service fee revenue and administrative service fee revenue decreased by $240,641, $118,673, and $82,880, or 31.2 percent, 31.3 percent and 32.6 percent, respectively, as a result of lower average net assets under management upon which these fees are based.

Operating Expenses
Total consolidated operating expenses for the three months ended September 30, 2013, decreased $328,391, or 7.4 percent, compared with the three months ended September 30, 2012. This was largely attributable to the following:

- Employee compensation and benefits decreased by $275,426, or 12.8 percent, primarily as a result of lower performance-based bonuses and fewer employees.
- Platform fees decreased $206,643, or 28.9 percent, primarily due to lower assets held through broker-dealer platforms.
- This was offset by an increase in general and administrative expenses of $185,401, or 13.8 percent, primarily due to expenses related to strategic fund changes.

Other Income

- Total consolidated other income for the three months ended September 30, 2013, increased $852,811, or 425.0 percent, compared with the three months ended September 30, 2012. This was largely attributable to gains realized upon sale of available-for-sale securities during the three months ended September 30, 2013.

Loss on Discontinued Operations

Total loss on discontinued operations for the three months ended September 30, 2013, decreased by $15,594, or 35.2 percent, compared to the prior period as a result of a reduction in general and administrative expenses in the current period.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2013, the Company had net working capital (current assets minus current liabilities) of approximately $23.7 million and a current ratio (current assets divided by current liabilities) of 13.2 to 1. With approximately $18.8 million in cash and cash equivalents and approximately $13.1 million in marketable securities, the Company has adequate liquidity to meet its current obligations. Total shareholders' equity is approximately $36.4 million, with cash, cash equivalents, and marketable securities comprising 83.2 percent of total assets.

As of September 30, 2013, the Company has no long-term liabilities. The Company has access to a $1 million credit facility with a one-year maturity for working capital purposes. The credit agreement requires the Company to maintain certain quarterly financial covenants to access the line of credit. The Company has been in compliance with all financial covenants during the fiscal year. As of September 30, 2013, this credit facility remained unutilized by the Company.

Management believes current cash reserves, financing available, and potential cash flow from operations will be sufficient to meet foreseeable cash needs or capital necessary for the above-mentioned activities and allow the Company to take advantage of opportunities for growth whenever available.

With the exception of the mutually agreed upon termination of the transfer agency agreement between USSI and USGIF, the investment advisory and related contracts between the Company or its subsidiaries and USGIF have been renewed through September 2014. The Company provides advisory services to three offshore clients for which the Company receives a monthly advisory fee and performance fee, if any, based on agreed-upon performance measurements. The contracts between the Company and these offshore clients expire periodically, and management anticipates that its offshore clients will renew the contracts.

CRITICAL ACCOUNTING ESTIMATES

For a discussion of critical accounting policies that the Company follows, please refer to the notes to the consolidated financial statements included in the Annual Report on Form 10-K for the year ended June 30, 2013. As discussed in Note 1 of the Notes to Consolidated Financial Statements, the Company has adopted certain recently issued financial accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's balance sheet includes assets whose fair value is subject to market risks. Due to the Company's investments in equity securities, equity price fluctuations represent a market risk factor affecting the Company's consolidated financial position. The carrying values of investments subject to equity price risks are based on quoted market prices or, if not actively traded, management's estimate of fair value as of the balance sheet date. Market prices fluctuate, and the amount realized in the subsequent sale of an investment may differ significantly from the reported market value.

The Company's investment activities are reviewed and monitored by Company compliance personnel, and various reports are provided to certain investment advisory clients. Written procedures are in place to manage compliance with the code of ethics and other policies affecting the Company's investment practices.

The table below summarizes the Company's equity price risks as of September 30, 2013, and shows the effects of a hypothetical 25 percent increase and a 25 percent decrease in market prices.

	Fair Value at September 30, 2013	Hypothetical Percentage Change	Estimated Fair Value After Hypothetical Price Change	Increase (Decrease) in Shareholders' Equity, Net of Tax
Trading securities [1]	$4,866,924	25% increase	$6,083,655	$803,042
		25% decrease	$3,650,193	($803,042)
Available-for-sale [2]	$8,223,809	25% increase	$10,279,761	$1,356,928
		25% decrease	$6,167,857	($1,356,928)

[1]*Unrealized and realized gains and losses on trading securities are included in earnings in the statement of operations.*

[2]*Unrealized and realized gains and losses on available-for-sale securities are excluded from earnings and recorded in other comprehensive income as a component of shareholders' equity until realized.*

The selected hypothetical changes do not reflect what could be considered best- or worst-case scenarios. Results could be significantly different due to both the nature of equity markets and the concentration of the Company's investment portfolio.

ITEM 4. CONTROLS AND PROCEDURES

An evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of September 30, 2013, was conducted under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of September 30, 2013.

There has been no change in the Company's internal control over financial reporting that occurred during the three months ended September 30, 2013, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1A. RISK FACTORS

For a discussion of risk factors which could affect the Company, please refer to Item 1A, "Risk Factors" in the Annual Report on Form 10-K for the year ended June 30, 2013. There has been no material changes since fiscal year end to the risk factors listed therein.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased [1]	Total Amount Purchased	Average Price Paid Per Share [2]	Total Number of Shares Purchased as Part of Publicly Announced Plan [3]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan
07-01-13 to 07-31-13	3,980	$ 9,627	$ 2.42	3,980	$ 2,566,765
08-01-13 to 08-31-13	3,480	10,682	3.07	3,480	2,556,083
09-01-13 to 09-30-13	5,759	16,900	2.93	5,759	2,539,183
Total	13,219	$ 37,209	$ 2.81	13,219	2,539,183

[1] *The Board of Directors of the company approved on December 7, 2012, a repurchase of up to $2.75 million of its outstanding class A common stock from time to time on the open market in calendar year 2013 in accordance with all applicable rules and regulations.*

[2] *The average price paid per share of stock repurchased under the stock repurchase program includes the commissions paid to brokers.*

[3] *The repurchase plan was approved on December 7, 2012, and will continue for twelve months in calendar year 2013.*

ITEM 5. OTHER INFORMATION

Investors and others should note that the Company announces material financial information to its investors using the website, SEC filings, press releases, public conference calls and webcasts. The Company also uses social media to communicate with its customers and the public about the Company. It is possible that the information it posts on social media could be deemed to be material information. Therefore, the Company encourages investors, the media, and others interested in the Company to review the information it posts on social media channels listed below. This list may be updated from time to time.

https://www.facebook.com/USFunds
https://twitter.com/USFunds

Information contained on the Company's website or on social media channels is not deemed part of this report.

ITEM 6. EXHIBITS

1. Exhibits –

31 Certifications of Chief Executive Officer and Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act Of 2002

32 Certifications of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002

101.INS XBRL Instance Document
101.SCH XBRL Taxonomy Extension Schema Document
101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF XBRL Taxonomy Extension Definition Linkbase Document
101.LAB XBRL Taxonomy Extension Labels Linkbase Document
101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereto duly authorized.

U.S. GLOBAL INVESTORS, INC.

DATED: November 7, 2013 BY: /s/ Frank E. Holmes
Frank E. Holmes
Chief Executive Officer

DATED: November 7, 2013 BY: /s/ Lisa C. Callicotte
Lisa C. Callicotte
Chief Financial Officer

EXHIBIT 31 - CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Frank E. Holmes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of U.S. Global Investors, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d–15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2013

/s/ Frank E. Holmes
Frank E. Holmes
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lisa C. Callicotte, certify that:

1. I have reviewed this quarterly report on Form 10-Q of U.S. Global Investors, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d–15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2013

/s/ Lisa C. Callicotte
Lisa C. Callicotte
Chief Financial Officer

EXHIBIT 32 - CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of U.S. Global Investors, Inc. (the "Company") does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: November 7, 2013 /s/ Frank E. Holmes
Frank E. Holmes
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of U.S. Global Investors, Inc. (the "Company") does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: November 7, 2013 /s/ Lisa C. Callicotte
Lisa C. Callicotte
Chief Financial Officer