

Holmes Macro Trends Fund (MEGAX)



Consumer Discretionary



Consumer Staples



Energy



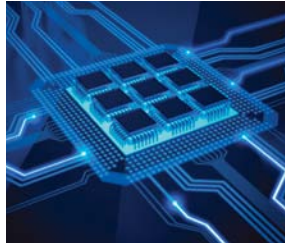
Financials



Health Care



Industrials



Information Technology



Materials



Telecommunications

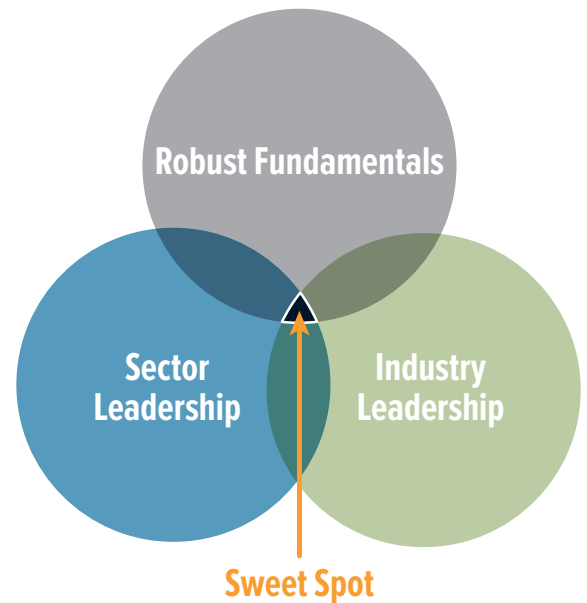


Utilities

The Holmes Macro Trends Fund seeks to identify strong sectors of the U.S. economy, and within those sectors, to identify companies that have the greatest potential for growth.

Why Invest in a Multi-Cap Growth Fund?

- ➔ Investors who allocate a portion of their portfolio to a multi-cap growth fund are gaining exposure to a broad array of company names in the U.S. stock universe. The Holmes Macro Trends Fund is actively managed, so within this universe, only the strongest names with robust fundamentals along with sector and industry leadership make it past our screening process and into the portfolio.
- ➔ Over recent years the market has witnessed convincing signals that the U.S. economy is recovering to pre-recession levels. More Americans are finding quality employment, initial unemployment claims are tapering off and consumer confidence is growing. With powerful American companies leading the charge, the U.S. has a bright future in store. A multi-cap growth fund like the Holmes Macro Trends Fund is one way to play this confidence as we look forward.



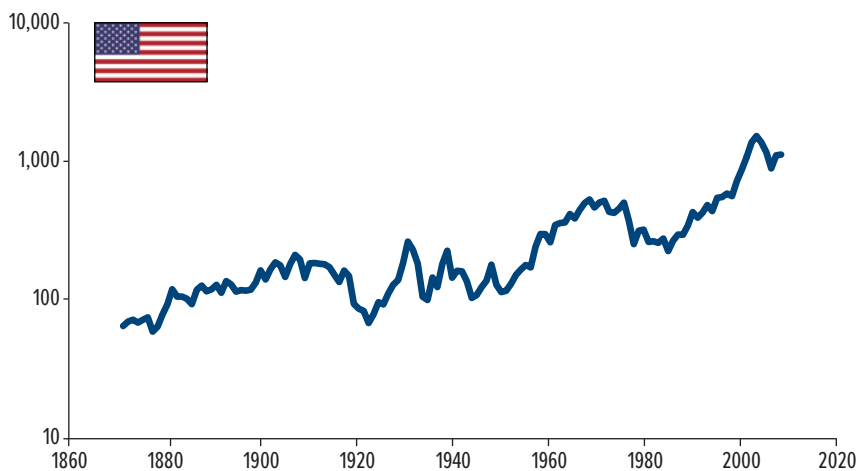
We Pay Attention to What Moves Stock

Based on Investor’s Business Daily’s research, “37% of a stock’s move is tied to its industry group performance. An additional 12% is tied to its broad sector.” This means almost half of an individual stock’s performance is related to its sector and industry group. Our proprietary analysis and testing supports this research.

INVESTOR’S
BUSINESS
DAILY®

Seeking Opportunities for Growth

S&P 500 Actual Real Stock Price



Source: <http://www.econ.yale.edu/~shiller/data>, U.S. Global Investors

How the Fund Fits Into Your Portfolio

Most investors dedicate a percentage of their portfolio to domestic stocks, while allocating the remainder to international stocks, bonds and hard assets such as gold. The Holmes Macro Trends Fund (MEGAX) can be a component of your domestic equity portfolio allocation. At U.S. Global Investors, we believe that investors' stock portfolios should include selective high-quality growth companies trading at reasonable prices and located in the strongest areas of the market.

What Is Our Investment Process?

- The Holmes Macro Trends Fund starts with a top-down, macro view of the S&P 500 Index by analyzing the returns of each of the 10 sectors over different periods of time, and adapting to emphasize the sectors that show leadership. This helps to identify potentially long-term trends before they become widely accepted in the marketplace. Oftentimes, the trends are a result of a change in demographics, market dynamics or government policy.
- Once we identify sector leadership, we can identify the strongest and weakest industry groups, and within these industries we use our growth at a reasonable price (GARP) discipline to screen for fast-growing companies with robust fundamentals. This is the "sweet spot" in our portfolio construction.
- Our model screens for the companies that demonstrate strong earnings and revenue growth, along with a focus on delivering returns to equity investors. This includes valuation as an important determinant in the final selection but not in the initial screen.

Please consider carefully a fund's investment objectives, risks, charges and expenses. For this and other important information, obtain a fund prospectus by visiting www.usfunds.com or by calling 1-800-US-FUNDS (1-800-873-8637). Read it carefully before investing. Foreside Fund Services, LLC, Distributor. U.S. Global Investors is the investment adviser.

Past performance does not guarantee future results.

Stock markets can be volatile and can fluctuate in response to sector-related or foreign-market developments. For details about these and other risks the Holmes Macro Trends Fund may face, please refer to the fund's prospectus.

All opinions expressed and data provided are subject to change without notice. Some of these opinions may not be appropriate to every investor. The S&P 500 Stock Index is a widely recognized capitalization-weighted index of 500 common stock prices in U.S. companies. The S&P 1500 Composite is a broad-based capitalization-weighted index of 1500 U.S. companies and is comprised of the S&P 400, S&P 500, and the S&P 600. 14-406

Investors need to have a growth component in their portfolio, to prepare for future goals and to counteract the potentially destructive effects of inflation. Over time, stocks have been the best opportunity for long-term growth.

Why Invest in the Holmes Macro Trends Fund?

The portfolio managers of the Holmes Macro Trends Fund actively manage the fund to seek profitability from outstanding companies that offer potential capital appreciation. Investing in MEGAX gives you the opportunity to participate in the movement of these companies, while allowing our professional team of money managers to sift through the noise and identify the best opportunities for your portfolio.

Our Fund:

The Holmes Macro Trends Fund (MEGAX)

invests largely in a diversified portfolio of equity and equity-related securities of companies of all sizes. These securities primarily include common stocks, preferred stocks, convertible securities, rights and warrants, and depository receipts. The fund's benchmark is the S&P Composite 1500 Index.

➔ Visit us at www.usfunds.com to read the latest insights from our portfolio management team about the Holmes Macro Trends Fund. While you are there, subscribe to our free, weekly Investor Alert electronic newsletter at www.usfunds.com/subscribe.

Sector Return Variability = Opportunity for Outperformance

Periodic Table of Sector Returns

Annual Returns of S&P 500 Sectors

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
28.77%	29.14%	32.13%	32.38%	-17.66%	59.92%	25.72%	14.84%	26.26%	40.96%
19.60%	12.75%	22.21%	19.99%	-24.48%	45.22%	23.92%	10.53%	21.87%	38.74%
15.97%	4.85%	17.23%	15.81%	-31.55%	38.76%	19.92%	10.18%	15.19%	37.63%
15.95%	3.72%	16.87%	15.53%	-33.61%	17.27%	17.86%	4.41%	13.15%	33.21%
12.14%	2.15%	16.16%	11.60%	-34.72%	17.07%	12.30%	2.77%	12.49%	26.23%
10.79%	1.34%	15.73%	9.83%	-35.93%	14.81%	10.83%	1.33%	12.46%	22.73%
8.23%	0.38%	11.76%	8.45%	-41.52%	11.29%	10.67%	0.84%	12.24%	22.68%
6.04%	0.36%	11.02%	5.39%	-43.68%	11.21%	9.13%	-2.92%	7.52%	22.27%
2.14%	-7.35%	7.70%	-14.32%	-47.05%	6.80%	0.85%	-11.64%	2.33%	8.75%
0.23%	-9.05%	5.78%	-20.84%	-56.95%	2.63%	0.71%	-18.41%	-2.91%	6.49%

Sector Color Key

- Consumer Discretionary
- Consumer Staples
- Energy
- Financials
- Health Care
- Industrials
- Information Technology
- Materials
- Telecommunications
- Utilities

Source: Bloomberg, U.S. Global Investors

The domestic stock market is composed of 10 sectors, each of which has an important role in our daily lives. When building a portfolio of investments, it's important to realize that these sectors can have wide fluctuations over time. Looking at 10 years of history of the S&P 500 Index, the average annual difference between the top and bottom performers is 36 percent. Also, depending on the market cycle, a sector could be in or out of favor, and that trend can last for a significant period of time.

Identifying these trends of leading and lagging sectors is an important part of our investment process. We aim to tactically overweight the leaders and underweight the laggards. We believe this approach gives us the opportunity to outperform.

U.S. Global's Experience

We have long-term experience as investment managers, specializing in actively managed equity strategies. Our portfolio managers have years of experience which they use along with investment models to analyze and adapt to an ever-changing marketplace.