

# Holmes Growth Fund (ACBGX)

October 2009

Symbol: ACBGX CUSIP: 90330L-10-5  
Inception Date: 10/17/94

## About the Fund

The Holmes Growth Fund seeks to identify those companies that have the greatest potential for growth. The portfolio management team uses a variety of investment strategies to search for companies suitable for investment in the fund. The team looks for companies that have proven management and sound financial strength, and whose stock price is low in light of the company's earnings and cash flow.

## Fund Objective

The Holmes Growth Fund seeks long-term growth of capital.

## Fund Strategy

Under normal market conditions, the Holmes Growth Fund invests primarily in a diversified portfolio of common stock, convertible securities, rights and warrants and depository receipts. In general, the fund uses a growth-style process to choose companies for investment. A growth company is one that has had superior growth, profitability, and quality relative to companies in the same industry and that is expected to continue such performance.

## Portfolio Team

**Frank Holmes**, Chief Investment Officer  
Years of Experience: 30

**John Derrick**, CFA  
Years of Experience: 14

**Romeo Dator**, CFA  
Years of Experience: 17

## Potential Risk/Reward

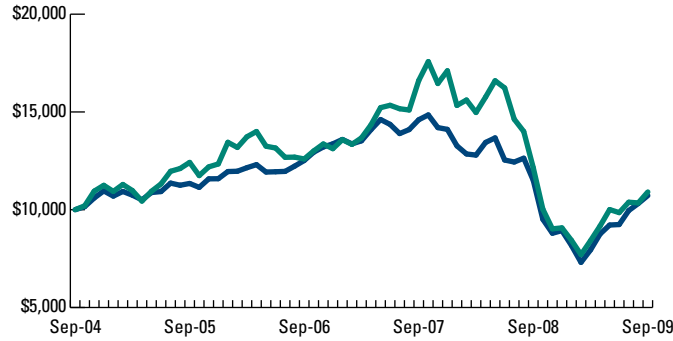
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All information is unaudited and, unless otherwise indicated, is as of 10/31/09

## Growth of \$10,000 from 09/30/2004 to 09/30/2009



The chart illustrates the performance of a hypothetical \$10,000 investment made in the fund during the depicted time frame, compared to its benchmark index. Figures include reinvestment of capital gains and dividends, but the performance does not include the effect of any direct fees described in the fund's prospectus (e.g., short-term trading fees) which, if applicable, would lower your total returns.

■ Holmes Growth Fund (ACBGX) ■ S&P 1500 Composite Index

## Portfolio Statistics

Total Net Assets	\$35.9 Million	Information Ratio	0.046
NAV	\$14.69	Standard Deviation	5.99%
Average Weighted Market Capitalization	\$11.9 Billion	Benchmark Standard Deviation	5.32%
Beta	1.056	Lipper Category	Multi-Cap Growth

## Average Annual Returns

	Average Annual						Expense Ratio		
	1 Month	Year to Date	1-year	3-year	5-year	10-year	Since Inception (10/17/94)	Gross	Capped
Holmes Growth Fund (as of 9/30/09)	5.41%	20.25%	-10.16%	-4.68%	1.75%	0.17%	8.04%	1.98%	2.20%
S&P 1500 Composite Index <sup>1</sup> (as of 9/30/09)	3.94%	20.08%	-6.76%	-5.02%	1.42%	0.64%	n/a	n/a	n/a
Holmes Growth Fund (as of 10/31/09)	-4.49%	14.86%	3.89%	-7.12%	0.43%	-1.08%	7.66%	1.98%	2.20%
S&P 1500 Composite Index <sup>1</sup> (as of 10/31/09)	-2.22%	17.42%	10.27%	-6.78%	0.65%	-0.17%	n/a	n/a	n/a

Gross expense ratio as stated in the most recent prospectus. Capped expense ratio is a voluntary limit on total fund operating expenses (exclusive of any acquired fund fees and expenses, performance fees, taxes, brokerage commissions and interest) that U.S. Global Investors, Inc. can modify or terminate at any time. Performance data quoted above is historical. Past performance is no guarantee of future results. Results reflect the reinvestment of dividends and other earnings. Current performance may be higher or lower than the performance data quoted. The principal value and investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. Performance does not include the effect of any direct fees described in the fund's prospectus (e.g., short-term trading fees of 0.25%) which, if applicable, would lower your total returns. Obtain performance data current to the most recent month-end at [www.usfunds.com](http://www.usfunds.com) or 1-800-US-FUNDS. High double-digit returns are attributable, in part, to unusually favorable market conditions and may not be repeated or consistently achieved in the future.



## Industry Breakdown

as a percentage of total investments

Cash Equivalents	8.36%
Radio	7.45%
Oil Companies - Exploration & Production	6.14%
Diversified Banking Institutions	4.89%
Pharmacy Services	4.55%
Oil & Gas Drilling	3.95%
E-Commerce/Services	3.83%
Retail - Apparel/Shoe	3.70%
Finance - Investment Banker/Broker	3.46%
Applications Software	3.01%
Computers	2.62%
Oil Field Machinery & Equipment	2.36%
E-Services/Consulting	2.24%
Apparel Manufacturers	2.23%
Food - Miscellaneous/Diversified	2.23%
Other	38.97%

## Top 10 Equity Holdings<sup>2</sup>

as a percentage of net assets

Newfoundland Capital Corp Ltd	7.19%
Alange Energy Corp	2.99%
Goldman Sachs Group Inc/The	2.89%
Express Scripts Inc	2.67%
GMP Capital Inc	2.40%
Cyberplex Inc	2.16%
True Religion Apparel Inc	2.15%
Coolbrands International Inc	2.15%
Cree Inc	2.11%
Aeropostale Inc	2.09%
<b>Percentage of total net assets in top 20 holdings</b>	<b>47.43%</b>
<b>Total number of holdings</b>	<b>60</b>

## Fund Composition<sup>3</sup>

as a percentage of total investments

Equities	91.64%
Cash Equivalents	8.36%
Bonds	0.00%

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](http://www.usfunds.com) or by calling 1-800-US-FUNDS (1-800-873-8637). Read it carefully before investing. Distributed by U.S. Global Brokerage, Inc.

There is no guarantee that the investment objectives will be met. <sup>1</sup>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. The index was developed with a base value of 100 as of December 30, 1994. <sup>2</sup>Portfolio holdings will change. <sup>3</sup>Fund assets can include, but are not limited to, equities, bonds, cash, receivables, pre-paid expenses and other miscellaneous assets. Fund composition represents key components only and should not be considered a complete financial picture of a fund's assets. Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. Information Ratio is the ratio of expected return to risk, as measured by standard deviation. Information Ratio is used to measure portfolio management's performance against a benchmark. Standard deviation is a measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Standard deviation is also known as historical volatility. 09-770