

# Global MegaTrends Fund (MEGAX)

October 2009

Symbol: MEGAX CUSIP: 90330L-20-4  
Inception Date: 10/21/91

## About the Fund

The Global MegaTrends Fund seeks large-scale and sustainable growth opportunities as evidenced by major capital expenditures in a sector, country, or region. We've identified global infrastructure as such a megatrend, making it the key focus for the fund's investments.

Unlike competing infrastructure funds, the Global MegaTrends Fund takes a "picks and shovels" approach. This means not only investing in particular projects but also in the tools, equipment, companies and people that are needed to build or service a project.

## Fund Objective

The Global MegaTrends Fund seeks long-term capital appreciation consistent with the preservation of capital.

## Fund Strategy

The Global MegaTrends Fund seeks to invest in companies that are positioned to grow by providing capital goods, basic materials, professional services or other key inputs to facilitate the design, construction, maintenance, financing, or servicing of global infrastructure properties. In addition to the focus on investments in infrastructure, the funds seeks to invest in companies that meet suitable measures of return on cash flow, growth in revenue, earnings growth and return on equity. There is no constraint upon the markets that the fund management will consider.

## 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

**Jack Dzierwa**  
Years of Experience: 13

## Potential Risk/Reward

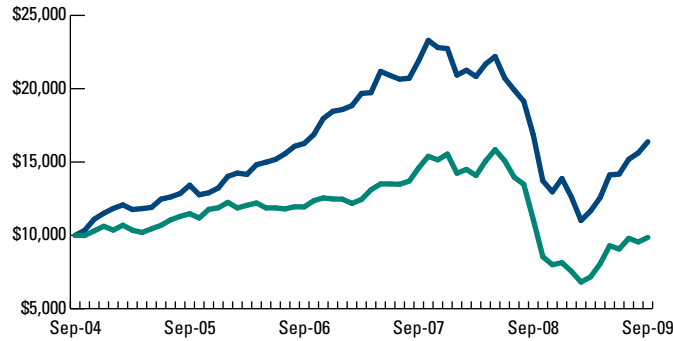
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P.O. Box 781234  
San Antonio, TX  
78278-1234  
1-800-US-FUNDS  
(1-800-873-8637)  
[www.usfunds.com](http://www.usfunds.com)  
[shsvc@usfunds.com](mailto:shsvc@usfunds.com)

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.

■ Global MegaTrends Fund (MEGAX) ■ S&P Global Infrastructure Index

## Portfolio Statistics

Total Net Assets	\$28.4 Million	Standard Deviation	5.95%
NAV	\$7.41	Benchmark Standard Deviation	5.76%
Average Weighted Market Capitalization	\$11.7 Billion	2008 Distributions (\$ per share)	\$0.007
Beta	0.968	Lipper Category	Large Cap Growth
Information Ratio	-0.915		

## Average Annual Returns

	Average Annual						Expense Ratio		
	1 Month	Year to Date	1-year	3-year	5-year	10-year	Since Inception (10/21/91)	Gross	Capped
Global MegaTrends Fund (as of 9/30/09)	3.26%	21.18%	-11.00%	-6.17%	-0.28%	1.50%	4.64%	2.28%	2.35%
S&P Global Infrastructure Index <sup>1</sup> (as of 9/30/09)	4.88%	18.09%	-2.78%	0.24%	10.48%	n/a	n/a	n/a	n/a
Global MegaTrends Fund (as of 10/31/09)	-2.63%	17.99%	12.40%	-8.07%	-0.79%	1.08%	4.46%	2.28%	2.35%
S&P Global Infrastructure Index <sup>1</sup> (as of 10/31/09)	-2.14%	15.57%	16.87%	-1.68%	9.15%	n/a	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.

Foreign and emerging market investing involves special risks such as currency fluctuation and less public disclosure, as well as economic and political risk.



## Industry Breakdown

as a percentage of total investments

Cash Equivalents	16.82%
Electric - Integrated	13.18%
Cellular Telecommunications	10.13%
Engineering/R&D Services	7.39%
Steel - Producers	3.98%
Water Treatment Systems	3.51%
Public Thoroughfares	3.02%
Building - Heavy Construction	2.86%
Airport Development/Maintenance	2.83%
Machinery - Pumps	2.73%
Metal - Iron	2.34%
Energy - Alternate Sources	2.26%
Pipelines	2.23%
Building & Construction - Miscellaneous	1.98%
Reinsurance	1.94%
Other	22.80%

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

as a percentage of net assets

FPL Group Inc	3.46%
Gerdau SA	3.19%
Grupo Aeroportuario del Sureste SAB de CV	2.87%
Flowserve Corp	2.77%
Turkcell Iletisim Hizmet AS	2.61%
Mobile Telesystems OJSC	2.56%
Cia de Concessoes Rodoviaras	2.51%
Novolipetsk Steel OJSC	2.38%
Fluor Corp	2.35%
CPFL Energia SA	2.30%
<b>Percentage of total net assets in top 20 holdings</b>	<b>47.23%</b>
<b>Total number of holdings</b>	<b>56</b>

## Assets by Capitalization

as a percentage of total assets

Small Cap (under \$1 Billion)	9.42%
Mid Cap (\$1 – \$5 Billion)	32.02%
Large Cap (over \$5 Billion)	58.56%

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

as a percentage of total investments

Equities	83.18%
Cash Equivalents	16.82%
Bonds	0.00%

## Top 10 Regional Breakdown

as a percentage of net assets (Country of incorporation)

United States	22.75%
Brazil	12.38%
China	11.76%
Canada	9.30%
Russia	8.37%
Turkey	5.74%
Mexico	4.27%
Switzerland	3.02%
Singapore	2.29%
Poland	1.40%

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 Global Infrastructure Index provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. To create diversified exposure across the global listed infrastructure market, the index has balanced weights across three distinct infrastructure clusters: Utilities, Transportation and Energy. <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