

Near-Term Tax Free Fund (NEARX)

Symbol: NEARX **CUSIP:** 911476-85-1
Inception Date: 12/04/90
Lipper Category: Short/Intermediate
Municipal Debt

About the Fund

The Near-Term Tax Free Fund invests in municipal bonds with relatively short maturity. The fund seeks to provide tax-free monthly income and stability by investing in debt securities issued by state and local governments from across the country.

Fund Objective

The Near-Term Tax Free fund seeks current income that is exempt from federal income tax and also seeks preservation of capital.

Fund Strategy

Under normal market conditions, the Near-Term Tax Free Fund invests at least 80 percent of its net assets in investment grade municipal securities whose interest is free from federal income tax, including the federal alternative minimum tax. The Near-Term Tax Free Fund will maintain a weighted-average portfolio maturity of five years or less.

The fund's portfolio team applies a two-step approach in choosing investment, beginning by analyzing various macroeconomic factors in an attempt to forecast interest rate movements, and then positioning the fund's portfolio by selecting investments that it believes fit that forecast.

Portfolio Team

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

John Derrick, CFA
Years of Experience: 18

Potential Risk/Reward

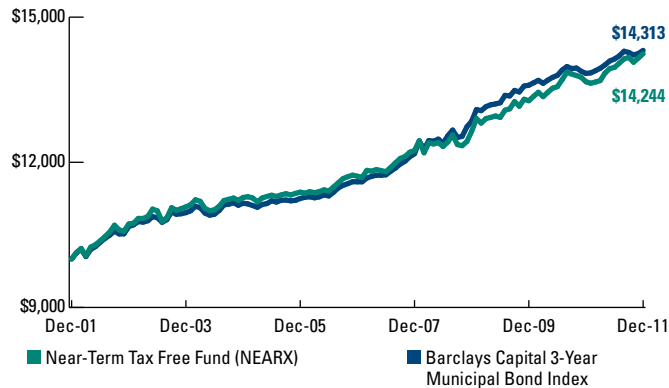
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December 2011 Fund Fact Sheet

Growth of \$10,000 from 12/31/2001 to 12/31/2011



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.

Risk Measures & Statistics (3-Year)

Sharpe Ratio	1.70	30-day SEC Yield	1.08%
Standard Deviation	2.28%	Tax Equivalent Yield (Based on 35% Tax Rate)	1.86%
Year-to-date Distributions (\$ per share)	\$0.053		

Returns

	Average Annual						Expense Ratio		
	1 Month	Year to Date	1-year	3-year	5-year	10-year	Since Inception (12/4/90)	Gross	After Waivers
Near-Term Tax Free Fund (as of 12/31/11)	0.62%	4.24%	4.24%	4.06%	3.99%	3.59%	4.50%	1.30%	0.45%
Barclays Capital 3-Year Municipal Bond Index (as of 12/31/11)	0.46%	3.46%	3.46%	3.67%	4.31%	3.65%	n/a	n/a	n/a

Expense ratios as stated in the most recent prospectus. The expense ratio after waivers 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 which, if applicable, would lower your total returns. Performance quoted for periods of one year or less is cumulative and not annualized. Obtain performance data current to the most recent month-end at www.usfunds.com or 1-800-US-FUNDS.

Tax-exempt income is federal income tax free. A portion of this income may be subject to state and local income taxes, and if applicable, may subject certain investors to the Alternative Minimum Tax as well. Each tax free fund may invest up to 20% of its assets in securities that pay taxable interest. Income or fund distributions attributable to capital gains are usually subject to both state and federal income taxes. Bond funds are subject to interest-rate risk; their value declines as interest rates rise. The tax free funds may be exposed to risks related to a concentration of investments in a particular state or geographic area. These investments present risks resulting from changes in economic conditions of the region or issuer.



Top 10 Holdings

City of Chicago IL	2.72%
State of Illinois	2.45%
Springfield Metropolitan Sanitation District	1.75%
Chicago Board of Education	1.72%
City of New York NY	1.30%
City of Detroit MI Sewage Disposal System Revenue	1.24%
Illinois Finance Authority	1.21%
Iowa State Board of Regents	1.21%
City of Atlanta GA	1.20%
Lake County School Board	1.18%
Percentage of total net assets in top 20 holdings	26.84%
Total number of holdings	102
Total Net Assets	\$35.05 Million

Maturity

<1 Year	21%
1-3 Years	22%
3-5 Years	45%
5-10 Years	12%
10-20 Years	0%
20+ Years	0%
Average Maturity	2.98
Average Duration	2.73

Sector Breakdown

General Obligation	17%
General	14%
School District	11%
Cash Equivalents	10%
Medical	10%
Water	6%

Top 5 States

Illinois	13.79%
Florida	11.08%
Texas	9.93%
Arizona	4.92%
California	4.20%

Quality

AAA	10%
AA	50%
A	36%
BBB	3%
Other	1%



★★★★
5-year Rating™

Among 161, 161, 145 and 87 Municipal Short-term funds, the Near-Term Tax Free Fund earned 3 stars, 3 stars, 4 stars and 3 stars for the overall, 3-, 5- and 10-year periods ending 12/31/11.

- 5** Lipper Leader Preservation
- 5** Lipper Leader Expense
- 5** Lipper Leader Tax Efficiency

Lipper ratings for Preservation reflect funds' historical loss avoidance relative to other funds within the same asset class, as of 12/31/2011. Preservation ratings are relative, rather than absolute, measures, and funds named Lipper Leaders for Preservation may still experience losses periodically; those losses may be larger for equity and mixed equity funds than for fixed income funds. Lipper ratings for Expense reflect funds' expense minimization relative to peers with similar load structures as of 12/31/2011. Lipper ratings for Tax Efficiency reflect funds' historical success in postponing taxable distributions relative to peers as of 12/31/2011. Tax Efficiency offers no benefit to investors in tax-sheltered accounts such as retirement plans. Past performance does not guarantee future results.

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. Distributed by U.S. Global Brokerage, Inc.

There is no guarantee that the investment objectives will be met. The Barclays Capital 3-Year Municipal Bond Index is a total return benchmark designed for long-term municipal assets. The index includes bonds with a minimum credit rating BAA3, are issued as part of a deal of at least \$50 million, have an amount outstanding of at least \$5 million and have a maturity of 8 to 12 years. All information is unaudited and, unless otherwise indicated, is as of 12/31/2011. Fund composition data provided is calculated as a percentage of net assets. Sharpe ratio is a measure of risk-adjusted performance calculated by subtracting the risk-free rate from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. 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. Morningstar Ratings are based on risk-adjusted return. The Overall Morningstar Rating for a fund is derived from a weighted-average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Past performance does not guarantee future results. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Lipper ratings are subject to change every month and are based on an equal-weighted average of percentile ranks for the Preservation, Expense and Tax Efficiency metrics over three-, five-, and ten-year periods (if applicable). The highest 20% of funds in each peer group are named Lipper Leader or a score of 5, the next 20% receive a score of 4, the middle 20% are scored 3, the next 20% are scored 2, and the lowest 20% are scored 1. Near-Term Tax Free Fund, in Lipper's Short-Intermediate Municipal Debt classification, received the following ratings for the 3-, 5-, and 10-year periods, respectively: Preservation (in Fixed Income asset class): 4 (4358 funds), 5 (3720 funds) and 5 (2573 funds). Expense: 5 (15 funds), 5 (14 funds) and 4 (11 funds). Tax Efficiency: 5 (32 funds), 5 (27 funds) and 5 (20 funds). (Lipper ratings are not intended to predict future results, and Lipper does not guarantee the accuracy of this information. More information is available at www.lipperweb.com. Lipper Leader Copyright 2011, Reuters, All Rights Reserved. 12-008