Gold and Precious Metals Fund (USERX)

Symbol: USERX   CUSIP: 911478-10-5
Inception Date: 07/01/1974
Lipper Category: Precious Metals Equity

About the Fund
The Gold and Precious Metals Fund is the first no-load gold fund in the U.S. We have a history as pioneers in portfolio management in this specialized sector. Our team brings valuable background in geology and mining finance, important to understanding the technical side of the business. The fund focuses on producers, companies currently pulling gold or other precious minerals out of the ground. These companies, often called “seniors,” generally have the largest market caps in the mining sector.

Fund Objective
The Gold and Precious Metals Fund seeks capital appreciation while protecting against inflation and monetary instability. The fund also pursues current income as a secondary objective.

Fund Strategy
Under normal market conditions, the Gold and Precious Metals Fund will invest at least 80 percent of its net assets in equity securities of companies predominately involved in the mining, fabrication, processing, marketing, or distribution of metals including gold, silver, platinum group, palladium and diamonds. Gold companies include mining companies that exploit gold deposits that are supported by by-products and co-products such as copper, silver, lead and zinc, and also have diversified mining companies which produce a meaningful amount of gold. The fund focuses on selecting companies with established producing mines.

Portfolio Team
Frank Holmes, Chief Investment Officer
Years of Experience: 30+
Ralph Aldis, CFA
Years of Experience: 30+

Potential Risk/Reward
Low [ ] High [ ]
Industry Breakdown

- Gold, Precious Metals and Minerals: 86.90%
- Other: 5.15%
- Cash Equivalents: 7.23%

Top 10 Equity Holdings

- Klondex Mines Ltd: 16.65%
- Kirkland Lake Gold Ltd: 8.88%
- Wesdome Gold Mines Ltd: 5.26%
- St Barbara Ltd: 5.18%
- Leagold Mining Corp: 4.88%
- Westgold Resources Ltd: 4.11%
- Jaguar Mining Inc: 3.13%
- Silver Wheaton Corp: 2.96%
- AuRico Metals Inc: 2.50%
- Rye Patch Gold Corp: 2.44%

Country Breakdown

- Canada: 66.66%
- Australia: 15.88%
- United States: 8.06%
- Other: 1.45%
- Cash Equivalents: 7.23%

Market Capitalization Breakdown

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Large Cap (over $10 Billion)</td>
<td>4.00%</td>
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<tr>
<td>Mid Cap ($1–$10 Billion)</td>
<td>28.89%</td>
</tr>
<tr>
<td>Small Cap (under $1 Billion)</td>
<td>67.11%</td>
</tr>
</tbody>
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Average Weighted Market Capitalization: $1.9 Billion

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Percentage of total net assets in Top 20 holdings: 80.84%
Total number of holdings: 57
Total Net Assets: $105.51 Million
P/E Ratio: 24.50

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.

There is no guarantee that the investment objectives will be met. The FTSE Gold Mines Index Series encompasses all gold mining companies that have a sustainable and attributable gold production of at least 300,000 ounces a year, and that derive 75% or more of their revenue from mined gold. All information is unaudited and, unless otherwise indicated, is as of 3/31/2017. 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. Alpha is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund’s alpha. Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. R-squared is a statistical measure that represents the percentage of a fund or security’s movements that can be explained by movements in a benchmark index. R-squared values range from 0 to 100. An R-squared of 100 means that all movements of a security are completely explained by movements in the index. 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 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 Fund Awards were earned for the fund’s consistent performance over the three-year and five-year periods ending 11/30/16. The award selection process began with Lipper calculating a Consistent Return score for each fund for the three-year and five-year time periods as of 11/30/16. Consistent Return is a quantitative metric that incorporates two characteristics: risk-adjusted return, and the strength of the fund’s performance trend. The top-scoring Consistent Return fund within each classification received the awards. Although Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Lipper. Users acknowledge that they have not relied upon any warranty, condition, guarantee, or representation made by Lipper. Any use of the data for analyzing, managing, or trading financial instruments is at the user’s own risk. This is not an offer to buy or sell securities.