

# China Region Fund (USCOX)

June 2010

Symbol: USCOX CUSIP: 911476-82-8  
Inception Date: 2/10/94

## About the Fund

The China Region Fund invests in one of the world's fastest-growing regions. The China region has experienced many changes since the fund opened in 1994 but we believe the region continues to hold further investment opportunities. Many countries in the region possess characteristics similar to the United States prior to the industrial revolution: a thriving, young workforce, migration from rural to urban areas and shifting sentiment toward consumption.

## Fund Objective

The China Region Fund seeks to achieve long-term capital appreciation.

## Fund Strategy

The fund invests in both new and existing enterprises registered and operating in China and the China region. Under normal market conditions, at least 80 percent of the fund's assets are invested in equity securities, including common stock, preferred stock, convertible securities, rights and warrants and depository receipts of companies located in the China region. The fund will invest in securities in the authorized China securities market; in particular, the Hong Kong, Shenzhen, and Shanghai stock exchanges. The fund will also invest in securities traded on the Taiwan, Korea, Singapore, Malaysia and Indonesia stock exchanges.

## Portfolio Team

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

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

## Potential Risk/Reward

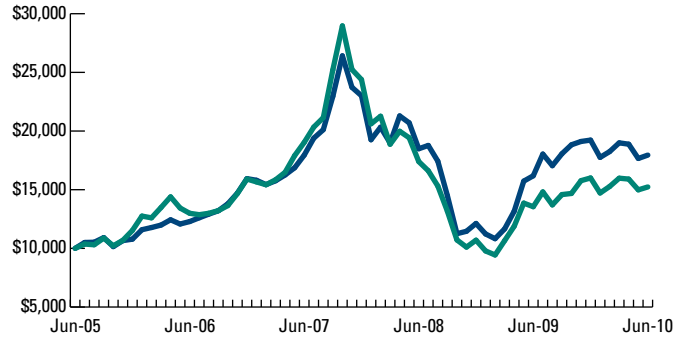
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All information is unaudited and, unless otherwise indicated, is as of 06/30/10.

## Growth of \$10,000 from 06/30/2005 to 06/30/2010



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.

■ China Region Fund (USCOX) ■ Hang Seng Composite Index

## Portfolio Statistics

Total Net Assets	\$47.6 Million	Standard Deviation	15.38%
NAV	\$7.96	Benchmark Standard Deviation	14.65%
Beta	0.966	Lipper Category	China Region
Information Ratio	-0.297		

## Average Annual Returns

	Average Annual						Expense Ratio		
	1 Month	Year to Date	1-year	3-year	5-year	10-year	Since Inception (2/10/94)	Gross	Capped
China Region Fund <i>(as of 06/30/10)</i>	1.66%	-4.78%	12.43%	-7.14%	8.78%	5.99%	0.93%	2.43%	2.55%
Hang Seng Composite Index <sup>1</sup> <i>(as of 06/30/10)</i>	1.64%	-6.64%	10.89%	0.07%	12.45%	4.28%	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 1.00%) 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.

Foreign and emerging market investing involves special risks such as currency fluctuation and less public disclosure, as well as economic and political risk. By investing in a specific geographic region, a regional fund's returns and share price may be more volatile than those of a less concentrated portfolio.



## Industry Breakdown

as a percentage of total investments

Food - Miscellaneous/Diversified	5.24%
Commercial Banks Non-US	4.98%
Retail - Apparel/Shoe	4.87%
Electronic Components - Semiconductors	4.12%
Gold Mining	3.82%
Building Products - Cement/Aggregates	2.95%
Retail - Automobile	2.92%
Diversified Operations	2.86%
Oil Companies - Exploration & Production	2.68%
Electric Products - Miscellaneous	2.65%
Gold ETF	2.52%
E-Commerce/Services	2.50%
Food - Retail	2.43%
Chemicals - Specialty	2.26%
Coal	2.25%
Other	50.94%

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

as a percentage of net assets

Belle International Holdings Ltd	2.98%
Astra International Tbk PT	2.76%
Samsung Techwin Co Ltd	2.71%
China Resources Enterprise Ltd	2.70%
Indofood Sukses Makmur Tbk PT	2.66%
Bank Mandiri Tbk PT	2.60%
Zhaojin Mining Industry Co Ltd	2.46%
SPDR Gold Trust	2.39%
Ctrip.com International Ltd	2.37%
Lianhua Supermarket Holdings Co Ltd	2.30%
<b>Percentage of total net assets in top 20 holdings</b>	<b>45.08%</b>
<b>Total number of holdings</b>	<b>90</b>

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

as a percentage of total investments

Equities	86.80%
Cash Equivalents	13.20%
Bonds	0.00%

## Top 8 Regional Breakdown

as a percentage of net assets (Country of incorporation)

China	23.00%
Cayman Islands	12.72%
Indonesia	12.37%
Hong Kong	12.00%
Korea, Republic of, (South Korea)	6.17%
United States	4.85%
Bermuda	4.19%
Canada	2.45%

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 Hang Seng Composite Index is a market capitalization-weighted index that comprises the top 200 companies listed on Stock Exchange of Hong Kong, based on average market cap for the 12 months. <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. 10-437