



# Eastern European Fund (EUROX)

November 2009

Symbol: EUROX CUSIP: 90330L-40-2  
Inception Date: 3/31/97

## About the Fund

The Eastern European Fund focuses on a region that is still in the early stages of industrial, economic and market development in the post-Soviet era. The region is rich in natural resources and many of the countries have only recently begun to embrace capitalist government policies.

## Fund Objective

The Eastern European Fund seeks long-term growth of capital by investing in the Eastern European region.

## Fund Strategy

The fund invests in dynamic companies in the Eastern European region including Russia, the Czech Republic, Hungary, Poland and other countries of the region.

The fund evaluates each of these countries' strengths based on currency rates, GDP growth, interest rates and political stability.

## Portfolio Team

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

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

**Jack Dzierwa**  
Years of Experience: 13

**Tim Steinle**, CFA  
Years of Experience: 8

## Potential Risk/Reward

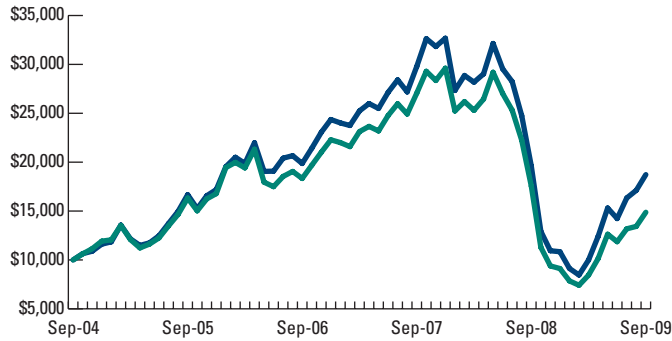
Low  High



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All information is unaudited and, unless otherwise indicated, is as of 11/30/09

## 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.

■ Eastern European Fund (EUROX) ■ MSCI EM Europe 10/40 Index

## Portfolio Statistics

|  |                 |                              |                  |
|--|-----------------|------------------------------|------------------|
| Total Net Assets                       | \$455.5 Million | Information Ratio            | -1.038           |
| NAV                                    | \$8.71          | Standard Deviation           | 10.43%           |
| Average Weighted Market Capitalization | \$29.9 Billion  | Benchmark Standard Deviation | 10.77%           |
| Beta                                   | 0.972           | Lipper Category              | Emerging Markets |

## Average Annual Returns

|   | Average Annual |              |         |        |        |         | Expense Ratio             |       |        |
|---|----------------|--------------|---------|--------|--------|---------|---------------------------|-------|--------|
|   | 1 Month        | Year to Date | 1-year  | 3-year | 5-year | 10-year | Since Inception (3/31/97) | Gross | Capped |
| Eastern European Fund (as of 9/30/09)                                       | 10.74%         | 63.09%       | -15.31% | -6.72% | 8.26%  | 17.41%  | 12.19%                    | 2.14% | 2.85%  |
| MSCI EM Europe 10/40 Index (Net Total Return) <sup>1</sup> (as of 9/30/09)  | 9.38%          | 72.74%       | -4.49%  | -1.95% | 13.36% | 11.64%  | n/a                       | n/a   | n/a    |
| Eastern European Fund (as of 11/30/09)                                      | 4.19%          | 70.12%       | 65.28%  | -9.61% | 6.82%  | 17.15%  | 12.40%                    | 2.14% | 2.85%  |
| MSCI EM Europe 10/40 Index (Net Total Return) <sup>1</sup> (as of 11/30/09) | 2.87%          | 82.90%       | 81.24%  | -4.90% | 12.72% | 11.63%  | 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 2.00%) 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. 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. 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. The Eastern European Fund invests more than 25% of its investments in companies principally engaged in the oil & gas or banking industries. The risk of concentrating investments in this group of industries will make the fund more susceptible to risk in these industries than funds which do not concentrate their investments in an industry and may make the fund's performance more volatile.



## Industry Breakdown

as a percentage of total investments

|  |        |
|--|--------|
| Commercial Banks Non-U.S.                | 21.79% |
| Oil Companies - Integrated               | 17.49% |
| Oil Companies - Exploration & Production | 10.38% |
| Cellular Telecommunications              | 10.09% |
| Metal - Iron                             | 5.02%  |
| Cash Equivalents                         | 4.99%  |
| Electric - Distribution                  | 2.99%  |
| Television                               | 2.78%  |
| Food - Retail                            | 2.43%  |
| Gold Mining                              | 2.28%  |
| Medical - Drugs                          | 2.22%  |
| Electric - Integrated                    | 1.93%  |
| Steel Pipe & Tube                        | 1.88%  |
| Retail - Hypermarkets                    | 1.66%  |
| Metal - Diversified                      | 1.46%  |
| Other                                    | 10.62% |

## Top 10 Regional Breakdown

as a percentage of net assets (Country of incorporation)

|                |        |
|----------------|--------|
| Russia         | 58.42% |
| Turkey         | 12.28% |
| Hungary        | 6.58%  |
| Poland         | 4.23%  |
| Czech Republic | 3.88%  |
| United States  | 2.58%  |
| Netherlands    | 2.54%  |
| Canada         | 1.71%  |
| Austria        | 0.65%  |
| Bermuda        | 0.64%  |

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

as a percentage of net assets

|  |               |
|--|---------------|
| Sberbank of Russian Federation                           | 9.96%         |
| Lukoil OAO   | 7.74%         |
| Rosneft Oil Co   | 7.04%         |
| Gazprom OAO  | 5.03%         |
| NovaTek OAO  | 4.68%         |
| Mobile Telesystems OJSC                                  | 4.39%         |
| Turkiye Garanti Bankasi AS                               | 4.36%         |
| OTP Bank Plc   | 3.60%         |
| Novolipetsk Steel OJSC                                   | 3.31%         |
| Vimpel-Communications                                    | 3.28%         |
| <b>Percentage of total net assets in top 20 holdings</b> | <b>72.67%</b> |
| <b>Total number of holdings</b>                          | <b>52</b>     |

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

as a percentage of total investments

|                  |        |
|------------------|--------|
| Equities         | 95.01% |
| Cash Equivalents | 4.99%  |
| Bonds            | 0.00%  |

## Assets by Capitalization

as a percentage of total assets

|                               |        |
|-------------------------------|--------|
| Small Cap (under \$1 Billion) | 5.36%  |
| Mid Cap (\$1 – \$5 Billion)   | 14.31% |
| Large Cap (over \$5 Billion)  | 80.33% |



### Morningstar 10-year Rating™

Among 99, 99, 94, and 56 Europe Stock funds, the Eastern European Fund earned 3 stars, 1 stars, 1 stars and 4 stars for the overall, 3-, 5- and 10-year periods 9/30/09. 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.

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 MSCI Emerging Markets Europe 10/40 Index (Net Total Return) is a free float-adjusted market capitalization index that is designed to measure equity performance in the emerging market countries of Europe (Czech Republic, Hungary, Poland, Russia, and Turkey). The index is calculated on a net return basis (i.e., reflects the minimum possible dividend reinvestment after deduction of the maximum rate withholding tax). The index is periodically rebalanced relative to the constituents' weights in the parent index. <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. 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.) 09-834