

# China Region Fund (USCOX)

November 2009

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

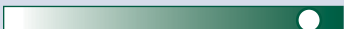
The fund invests in both new and existing enterprises registered and operating in China and the China region. Under normal market conditions, at least 80 percent of the fund's assets are invested in equity securities, including common stock, preferred stock, convertible securities, rights and warrants 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

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.

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

## Portfolio Statistics

|                   |                |                              |              |
|-------------------|----------------|------------------------------|--------------|
| Total Net Assets  | \$56.5 Million | Standard Deviation           | 7.74%        |
| NAV               | \$8.24         | Benchmark Standard Deviation | 7.55%        |
| Beta              | 0.967          | Lipper Category              | China Region |
| Information Ratio | -0.291         |                              |              |

## 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<br>(as of 9/30/09)                       | 6.42%          | 36.31%       | 10.76% | 3.34%  | 10.40% | 7.55%   | 0.69%                     | 2.67% | 2.55%  |
| Hang Seng Composite Index <sup>1</sup><br>(as of 9/30/09)  | 5.97%          | 49.17%       | 24.86% | 11.07% | 15.21% | n/a     | n/a                       | n/a   | n/a    |
| China Region Fund<br>(as of 11/30/09)                      | 7.43%          | 47.41%       | 56.06% | 2.42%  | 10.72% | 7.40%   | 1.18%                     | 2.67% | 2.55%  |
| Hang Seng Composite Index <sup>1</sup><br>(as of 11/30/09) | 1.50%          | 57.83%       | 67.01% | 9.20%  | 14.60% | 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 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. 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.



## Industry Breakdown

as a percentage of total investments

|   |        |
|---|--------|
| Cash Equivalents                                    | 11.86% |
| Automotive/Truck Parts<br>& Equipment - Replacement | 6.74%  |
| Gold Mining   | 5.91%  |
| Internet Applications Software                      | 4.92%  |
| Commercial Banks Non-U.S.                           | 4.36%  |
| Retail - Apparel/Shoe                               | 4.10%  |
| Coal  | 3.59%  |
| Food - Flour & Grain                                | 3.51%  |
| Diversified Operations                              | 3.33%  |
| Electronic Components - Semiconductors              | 3.27%  |
| Brewery   | 3.23%  |
| Telecommunications Equipment                        | 3.18%  |
| Internet Content-Info/News                          | 3.08%  |
| Distribution/Wholesale                              | 2.85%  |
| Automotive - Cars & Light Trucks                    | 2.71%  |
| Other   | 33.36% |

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

as a percentage of net assets

|  |               |
|--|---------------|
| Tencent Holdings Ltd                                     | 4.91%         |
| Weichai Power Co Ltd                                     | 4.03%         |
| Tingyi Cayman Islands Holding Corp                       | 3.50%         |
| China Resources Enterprise Ltd                           | 3.32%         |
| Belle International Holdings Ltd                         | 3.30%         |
| Tsingtao Brewery Co Ltd                                  | 3.22%         |
| Baidu Inc/China  | 3.07%         |
| Li & Fung Ltd  | 2.85%         |
| Zijin Mining Group Co Ltd                                | 2.78%         |
| Dongfeng Motor Group Co Ltd                              | 2.71%         |
| <b>Percentage of total net assets in top 20 holdings</b> | <b>54.48%</b> |
| <b>Total number of holdings</b>                          | <b>75</b>     |

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

as a percentage of total investments

|                  |        |
|------------------|--------|
| Equities         | 88.14% |
| Cash Equivalents | 11.86% |
| Bonds            | 0.00%  |

## Top 8 Regional Breakdown

as a percentage of net assets (Country of incorporation)

|                                   |        |
|-----------------------------------|--------|
| China                             | 41.40% |
| Hong Kong                         | 15.95% |
| Cayman Islands                    | 9.44%  |
| United States                     | 5.43%  |
| Bermuda                           | 4.01%  |
| Korea, Republic of, (South Korea) | 3.27%  |
| Canada                            | 2.61%  |
| Indonesia                         | 2.35%  |

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. 09-834