

Near-Term Tax Free Fund (NEARX)

September 2009

Symbol: NEARX CUSIP: 911476-85-1
Inception Date: 12/4/90

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: 14

Potential Risk/Reward

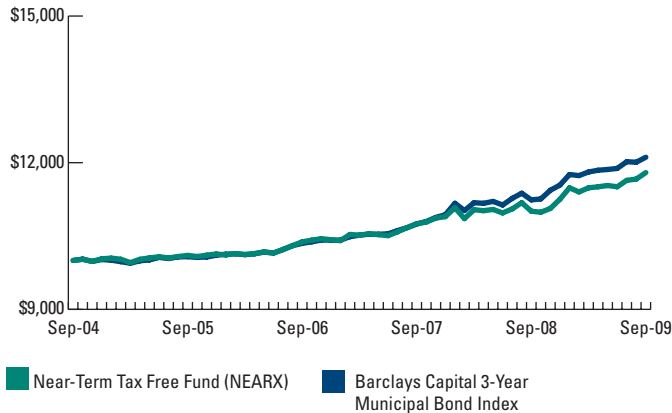
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All information is unaudited and, unless otherwise indicated, is as of 9/30/09

Growth of \$10,000 from 09/01/2004 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.

Portfolio Statistics

Total Net Assets	\$20.0 Million	30-day SEC Yield	1.72%
NAV	\$2.22	Tax Equivalent Yield (Based on 35% Tax Rate)	2.80%
Standard Deviation	0.76%	Lipper Category	Short/Intermediate Municipal Debt Funds
Year-to-date Distributions (\$ per share)	\$0.044		

Average Annual Returns

	Average Annual						Expense Ratio		
	1 Month	Year to Date	1-year	3-year	5-year	10-year	Since Inception (12/4/90)	Gross	Capped
Near-Term Tax Free Fund (as of 9/30/09)	1.14%	4.86%	7.18%	4.35%	3.36%	3.99%	4.66%	1.79%	0.45%
Barclays Capital 3-Year Municipal Bond Index ¹ (as of 9/30/09)	0.85%	4.94%	7.76%	5.37%	3.90%	4.35%	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 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. 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.



Top 10 Holdings²

as a percentage of net assets

County of Orange FL	2.98%
State of Connecticut	2.50%
Florida State Board of Education	2.47%
City of New York NY	2.31%
Illinois Finance Authority	2.09%
City of San Antonio TX	2.08%
Indiana Finance Authority	1.87%
City of Chicago IL	1.83%
Katy Independent School District/TX	1.77%
Arizona School Facilities Board/AZ	1.76%
Percentage of total net assets in top 20 holdings	38.24%
Total number of holdings	71

Maturity

<1 Year	20%
1-3 Years	24%
3-5 Years	20%
5-10 Years	36%
10-20 Years	0%
20+ Years	0%
Average Maturity	3.58
Average Duration	3.21

Sector Breakdown

as a percentage of total assets

General Obligation	28%
School District	18%
General Improvement	11%
Cash Equivalents	9%
Medical	5%
Utilities	5%

Fund Composition³

as a percentage of total investments

Bonds	91.24%
Cash Equivalents	8.76%
Equities	0.00%

Quality

AAA	26%
AA	45%
A	25%
BBB	2%
Other	2%

Top 5 States

as a percentage of net assets

Texas	15.40%
Illinois	9.04%
Indiana	6.46%
Florida	5.45%
Washington	4.80%



Morningstar Overall, 3-year, 5-year and 10-year RatingsTM

Among 119, 119, 117 and 64 Municipal National Short-term funds, the Near-Term Tax Free Fund earned 4 stars, 4 stars, 4 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.

5 Lipper Leader Preservation

5 Lipper Rating Expense

Lipper ratings for Preservation reflect funds' historical loss avoidance relative to other funds within the same asset class, as of 9/30/09. 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 9/30/09. Past performance is no guarantee of 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. ¹The 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. ²Portfolio holdings will change. ³Fund assets can include, but are not limited to, 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. The Information Ratio of a manager series vs. a benchmark series is the quotient of the annualized excess return and the annualized standard deviation of excess return. 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 RatingTM 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 and Expense 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): 5 (4023 funds), 5 (3566) and 5 (2397). Expense: 5 (16 funds), 5 (16 funds) and 5 (10 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 2009, Reuters, All Rights Reserved.09-684