USFunds.com • **January 11, 2013**

U.S. Global Investors
Investor Alert

Podcast RSS Subscribe on iTunes PDF Version

EMAIL TO A FRIEND

Table of Contents

Invest In Equities: Your Future Self May Thank You

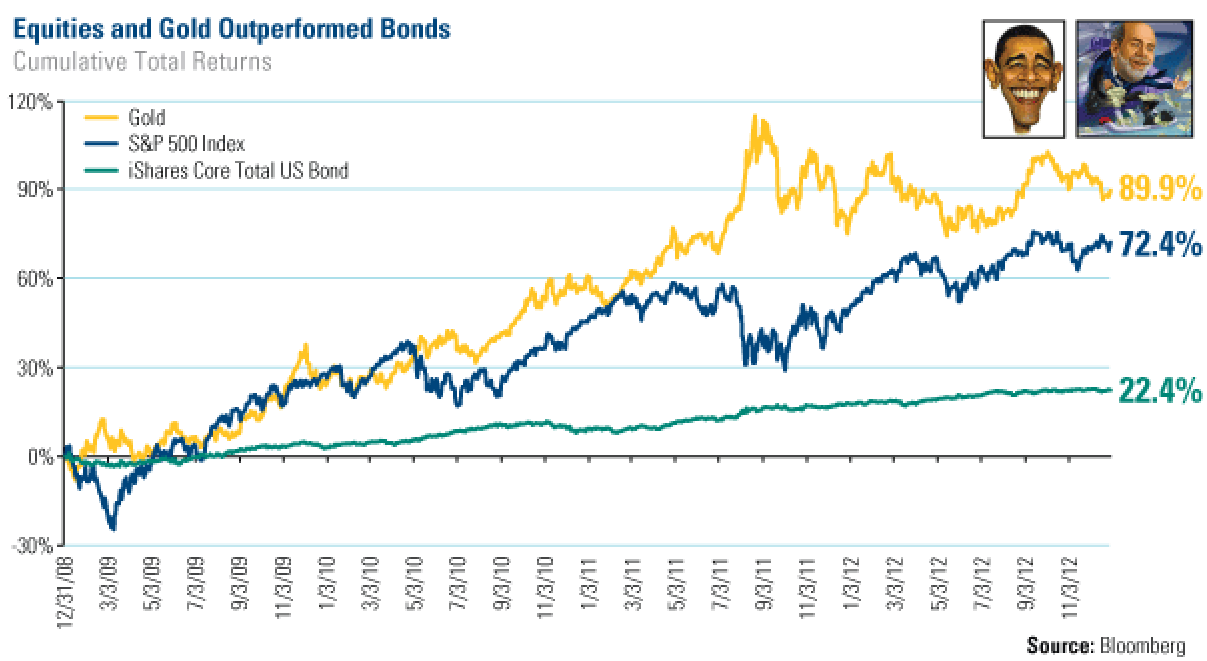
By Frank Holmes
CEO and Chief Investment Officer
U.S. Global Investors

An interesting study published in *Science* recently found that people frequently underestimate their future selves. When asked to score their current preferences, values and personality traits compared with how they felt 10 years ago and how they will feel 10 years in the future, people believe they changed more in the past than they will in the future.

It didn't matter whether the participants were teenagers or middle-aged; people just assume that their present selves are "as good as it gets."

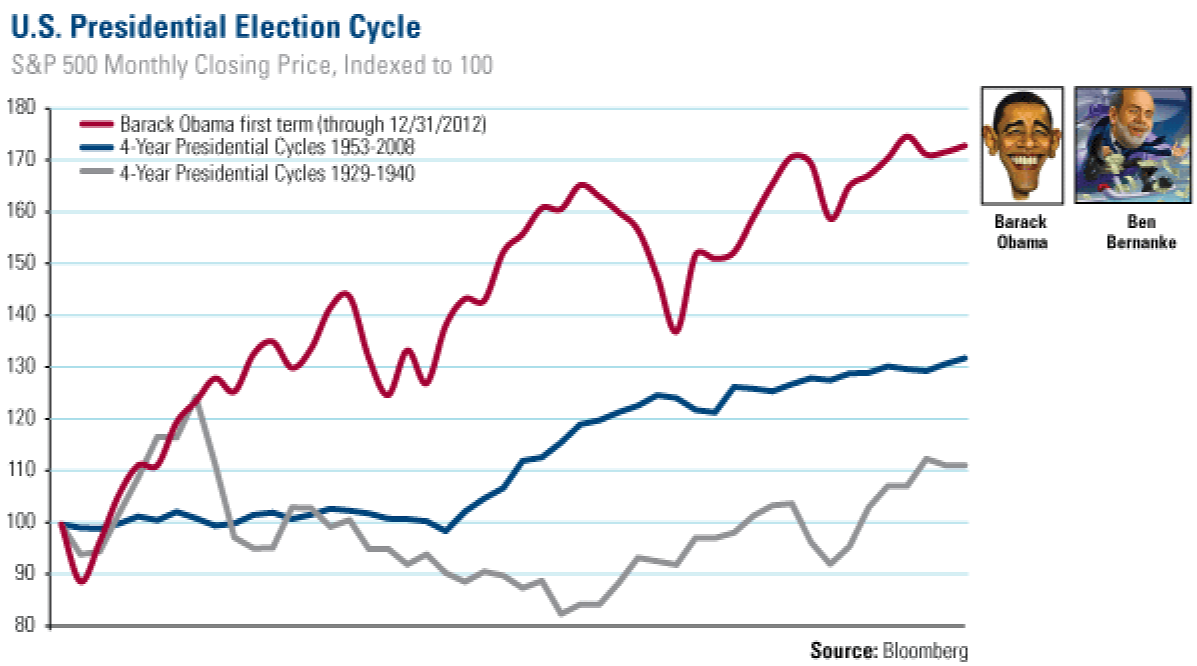
Investors have held a similar illusion about the stock market since the financial crisis. With the barrage of negative headlines and abhorrence toward risk, investors seemed to feel that equities would not improve going forward.

This turned out to be a mistaken belief: Take a look at the last four years of U.S. market and gold returns. Since the beginning of 2009 through the end of 2012, gold had a cumulative total return of nearly 90 percent. The S&P 500 Index also had a dramatic climb, with a cumulative return of more than 70 percent. In comparison, the iShares Core Total US Bond ETF increased only 22 percent on a cumulative basis over the same time frame.

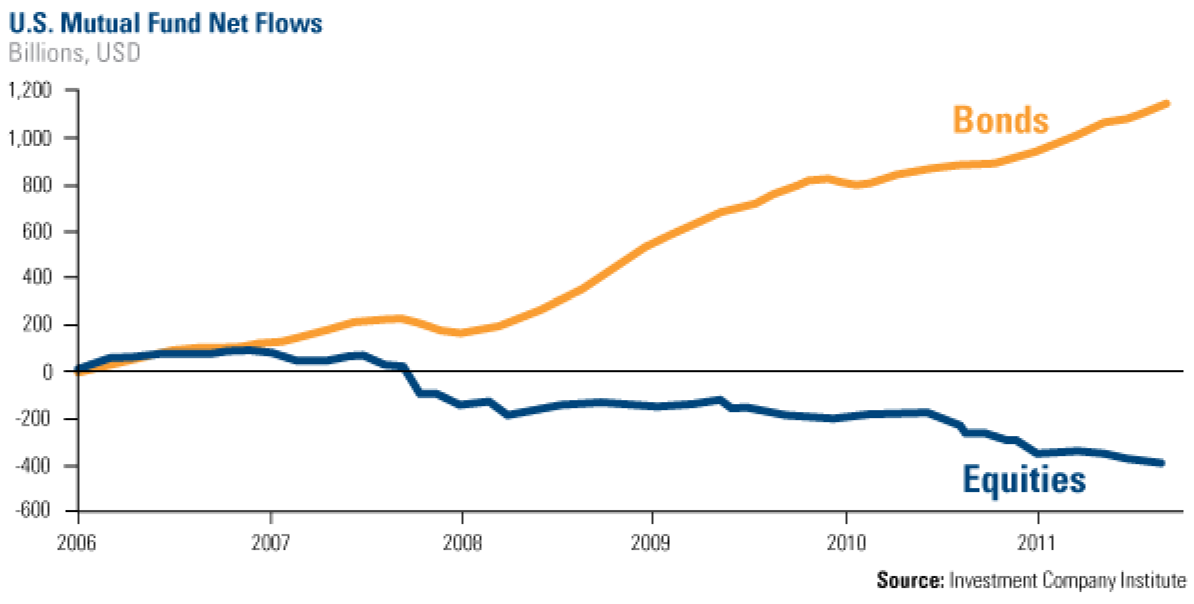


As I explained in our Outlook Webcast, stock and gold investors should thank President Barack Obama and Federal Reserve Chairman Ben Bernanke for these phenomenal results, as the Fed has been on a massive bond-buying frenzy during its three rounds of quantitative easing and Operation Twist. This spree has pushed the central bank's balance sheet to nearly $3 trillion, reports the *USA Today*. The newspaper says this is "more than three times the size of the Fed's holdings before the financial crisis" in the fall of 2008.

All this excess money in the system, compliments of Helicopter Ben, has helped the S&P to rise over the past U.S. presidential cycle. As you can see, Obama's presidential cycle beat the average of all other presidential cycles going back to 1929.



The bad news is that many investors have not been participating, as they have acted on the belief that negative short-term headlines equate to dismal long-term equity performance. We've frequently discussed how billions of dollars have been yanked out of the perceived "risky" equity funds into purportedly safe havens, such as Treasuries and bond funds. The chart below shows the continuation of this extreme behavior since 2006.



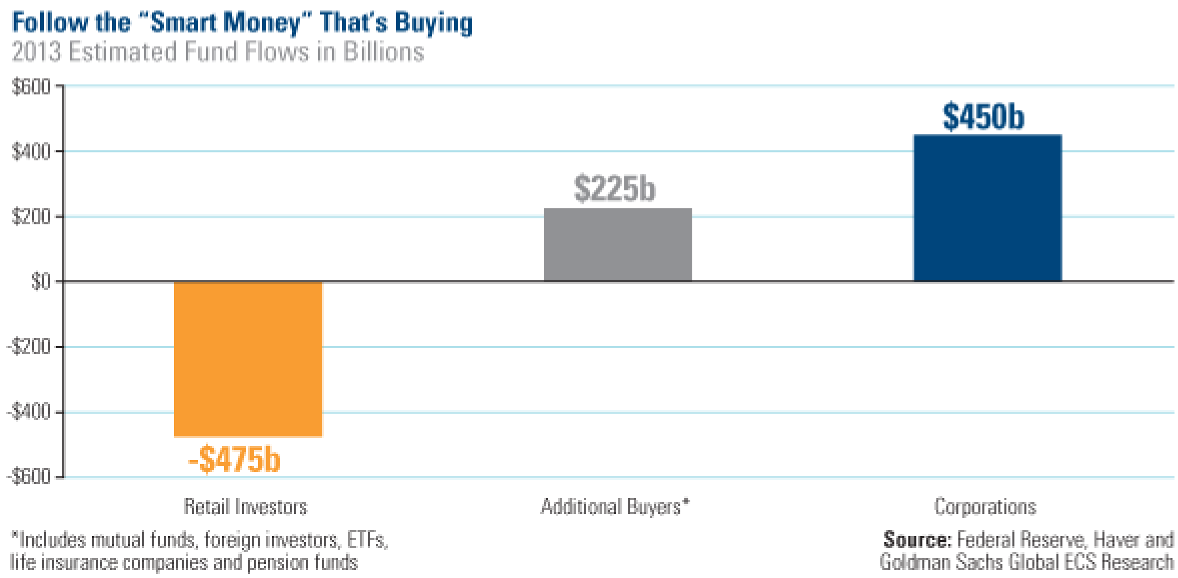
In the media's duty to report risks facing the average investor, some reporters seemed to have overlooked what I believe to be the greatest threat. As Bloomberg only recently quantified, "Americans have missed out on almost $200 billion of stock gains as they drained money from the market in the past four years."

To be fair, year-end reporting has brought to light the considerable equity gains. Bloomberg Businessweek explained how "Five Brutal Years Teach Investors to Sit Tight," highlighting several investment gurus, including

Vanguard's Founder Jack Bogle and Josh Brown of The Reformed Broker blog, who wrote about the wisdom of those investors who held tight to stocks.

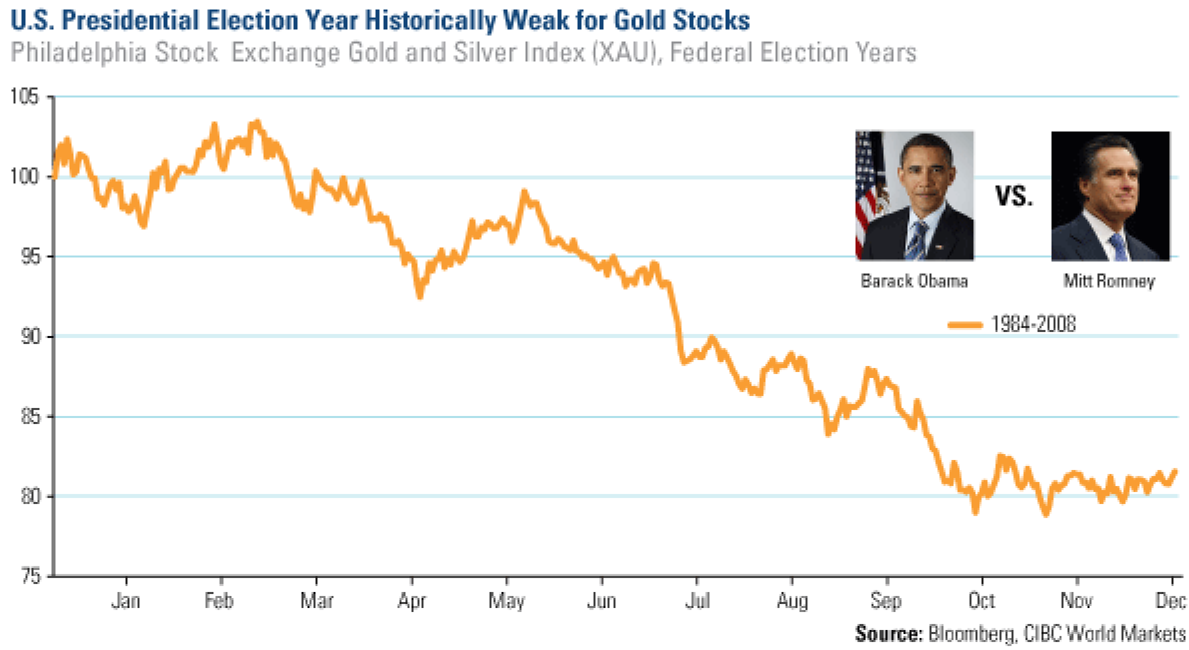
Just this week we received an olive branch indicating that the bond fund flows may be receding and reverting back to equity funds. CNBC reports that during the week ended January 9, $22 billion flowed into long-term equity mutual funds and exchange-traded funds, according to data from Bank of America Merrill Lynch. This amount "was the second-highest amount on record," writes CNBC.

One week of data, though, does not make a trend. Research shows that retail investors may continue selling their U.S. equities through 2013. According to Goldman Sachs, an estimated $475 billion is expected to leave stocks. On the bright side, the "smart money"—corporations who are engaging in mergers & acquisitions activity as well as buying back shares of stock—are expected to purchase $450 billion, says Goldman Sachs. In addition, institutional investors, including mutual fund companies, foreign investors, ETFs, life insurance companies and pension funds, are expected to put an additional $225 billion into the U.S. equity market in 2013.

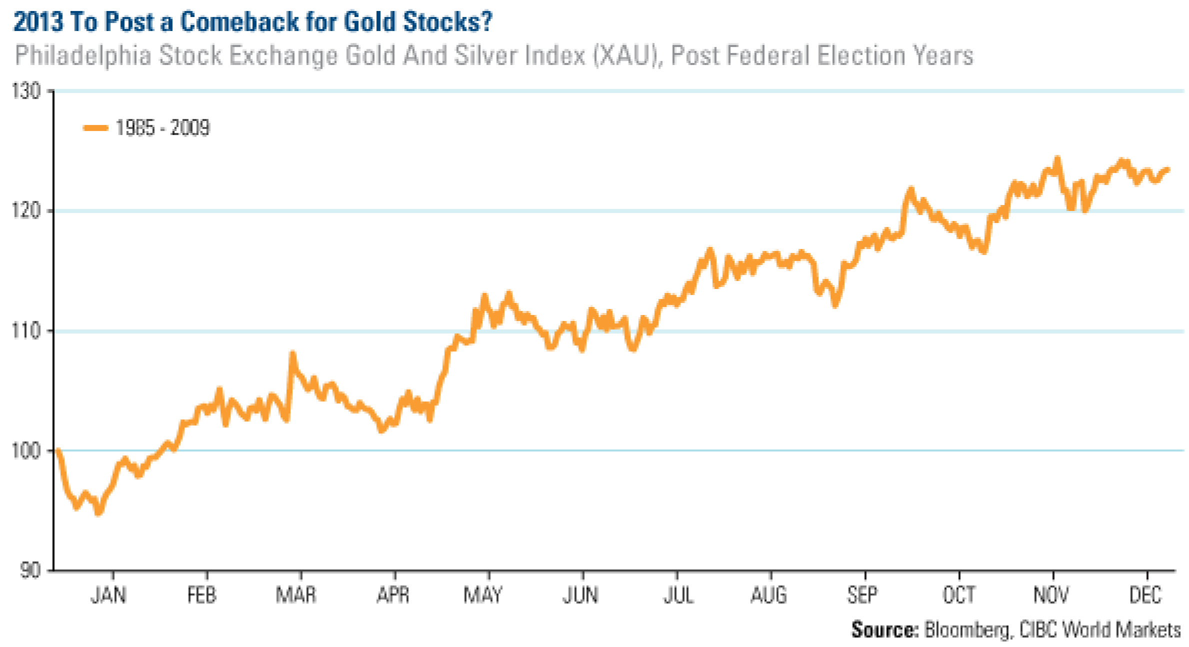


Another Olive Branch for 2013?

Over the past year, gold stock investors have been fleeing the sector after seeing declining returns throughout the year. As of December 31, 2012, the FTSE Gold Mines Index declined nearly 14 percent over 2012. We've seen this pattern before, as gold stocks have historically performed poorly during a U.S. presidential election year. This is data going back nearly 30 years. See how U.S. Global's gold fund fared.



However, the math suggests gold stocks may stage a significant comeback during 2013. Historically, during post federal election years, the Philadelphia Stock Exchange Gold and Silver Index has seen significant gains.



It's not only the seasonal aspect that drives our bullish opinion toward gold stocks. If you have not downloaded it yet, I encourage you to read our Special Gold Report that discusses the significant improvements that gold companies have made over the past year.

Investors' misconception about future stock returns underscores why I frequently point out cyclical patterns and seasonal cues. I believe these trends help investors anticipate the performance of global markets and commodities before participating.

As Winston Churchill once said, "A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty." For the new year, I challenge all readers to fight off the negativity, see long-term opportunity in global equity markets and, most importantly, remain invested. Your future self may thank you.

If you didn't get a chance to listen in to our webcast on commodities and global markets, you can now listen at your convenience. The replay includes the presentation that has, as of Friday afternoon, received nearly 100,000 page views on Business Insider.

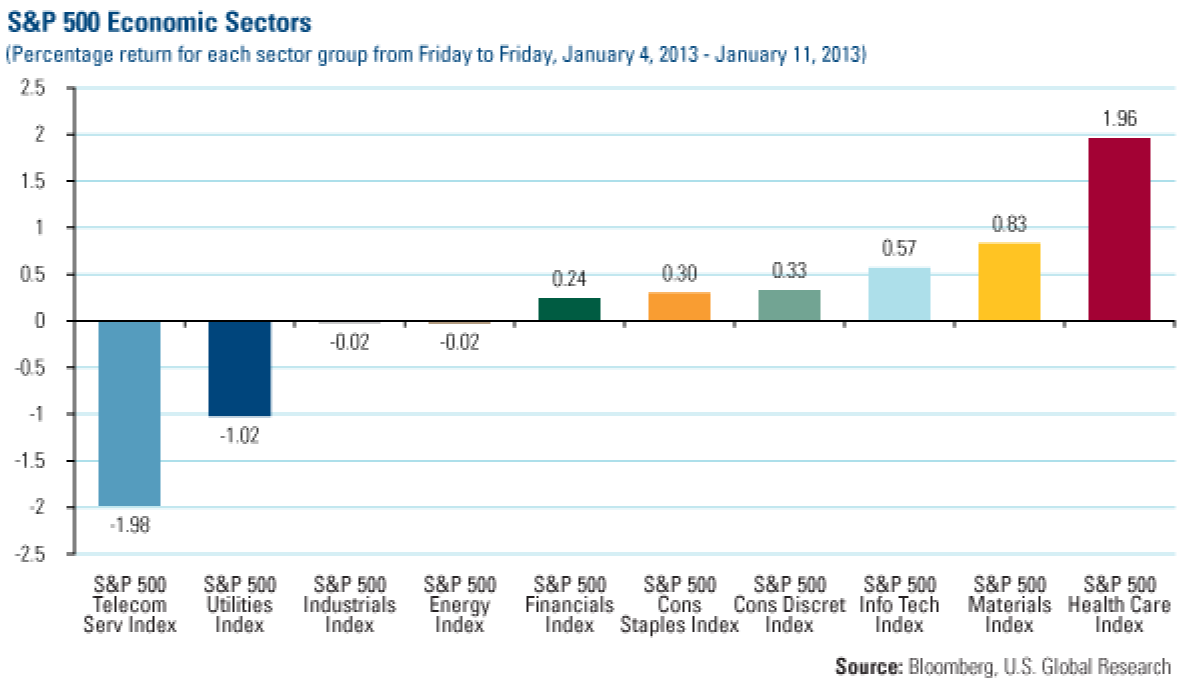
Index Summary

- The major market indices all finished higher this week. The Dow Jones Industrial Average rose 0.40 percent. The S&P 500 Stock Index increased 0.38 percent, while the Nasdaq Composite gained 0.77 percent. The Russell 2000 small capitalization index closed the week with a 0.18 percent gain.
- The Hang Seng Composite unchanged; Taiwan rose 0.17 percent, while the KOSPI fell 0.76 percent.
- The 10-year Treasury bond yield fell 3 basis points this week, to 1.87 percent.

All American Equity Fund - GBTFX • Holmes Growth Fund - ACBGX • MegaTrends Fund - MEGAX

Domestic Equity Market

The market ended higher this week as it was a quiet week for economic data and the quarterly earnings season doesn't kick off in earnest until next week.



Strengths

- The health care sector led the way, rising nearly 2 percent on broad-based gains. Celgene was the standout performer this week, rising 17.3 percent as the company guided earnings potential higher through 2017.
- Materials were also strong this week as agricultural chemical companies moved higher on the U.S. Department of Agriculture's monthly report indicating tight supply for corn and soybeans heading into spring. Monsanto, CF Industries and Mosaic all benefitted from this report.
- Best Buy was the best performer in the S&P 500 this week, rising 17.3 percent. The company reported that sales stabilized during the holidays, increasing the odds that founder Richard Schulze's takeover bid may proceed.

Weaknesses

- The telecom service sector was the worst performer as AT&T and Verizon performed weakly after paying hefty dividends.
- The utility sector also underperformed, falling by about 1 percent.
- Apollo Group was the worst performer in the S&P 500 this week, losing 12.8 percent. The company reported earnings this week and guided 2013 earnings below prior guidance. The company has also run into some accreditation issues for the University of Phoenix, with corrective actions likely needed.

Opportunity

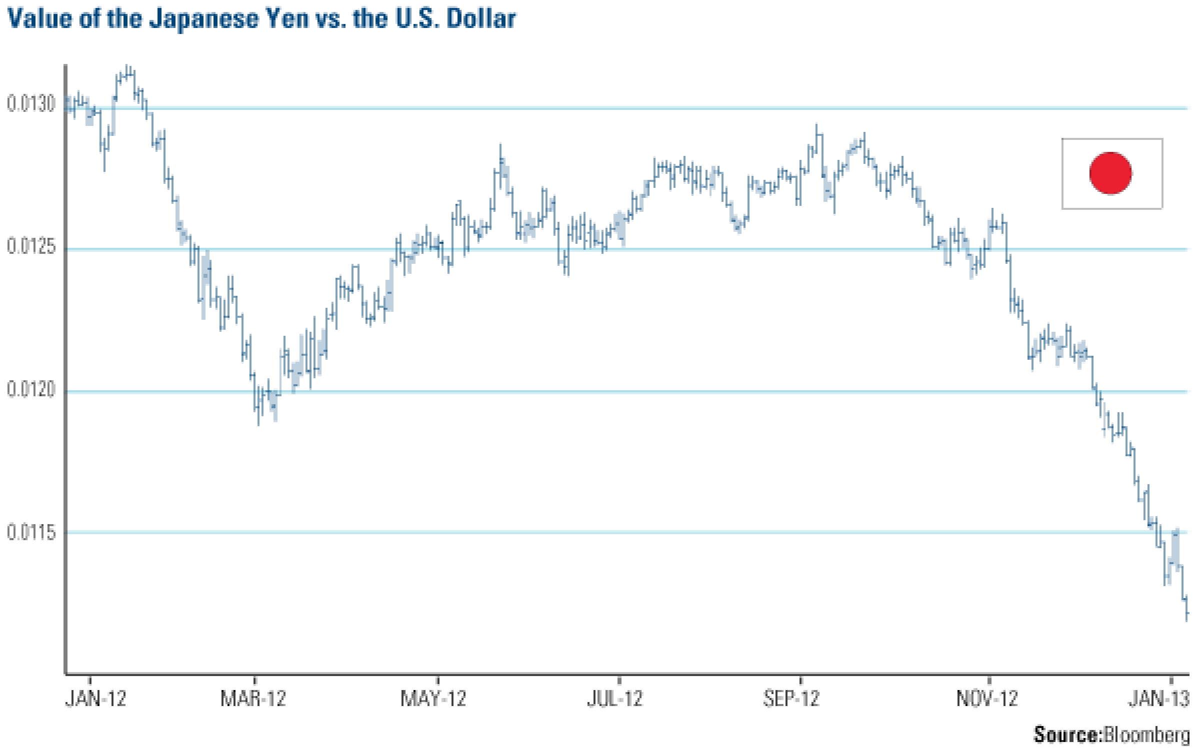
- The focus will be on earnings over the next few weeks with a heavy dose of financials next week. JPMorgan Chase, Bank of America and Citigroup all report next week and will set the tone for this earnings season.

Threat

- The dysfunctional political process brings little hope for the U.S. to regain its AAA credit rating and more credit downgrades are possible if Washington remains acrimonious.

The Economy and Bond Market

Treasury bond yields fell modestly this week as market-moving economic data was light and the market digested last week's move to higher yields. It isn't often we have a chart of the Japanese yen relative to the U.S. dollar in the bond section, but a leadership change in Japan is pushing a much more aggressive monetary and fiscal policy, which ultimately shows up in the currency markets. The yen has fallen by more than 12 percent since the end of September versus the dollar. Japan announced a $117 billion fiscal stimulus plan this week and pressure is being exerted on the Bank of Japan to do more quantitative easing and set an inflation target above 2 percent. These actions show the global easing cycle is not over and may be accelerating.



Strengths

- Japan also announced it would buy the Eurozone's European Stability Mechanism (ESM) bonds with a dual purpose of weakening the currency but also helping to stabilize the economy of a key trading partner.
- U.S. oil output hit a 20-year high and was up 20 percent year-over-year last week. This increased crude production should help keep gasoline prices in check.
- European consumer and business confidence improved in December.

Weaknesses

- The U.S. trade balance unexpectedly widened to $48.7 billion as imports surged.

- The NFIB Small Business Optimism index held steady in December, but hiring plans weakened and the economic outlook remained poor.
- Consumer prices in China unexpectedly rose to 2.5 percent in December. China remains an important piece of the puzzle in regard to positive global government policy action; higher inflation threatens that positive dynamic.

Opportunity

- While some Fed members expressed concerns over continued quantitative easing, the Fed still remains committed to an extremely accommodative policy until the economy improves.
- Globally, central banks are increasing their stimulative policies, as Japan's recently elected prime minister is vowing to take on deflation and deflate the Yen

Threat

- The fiscal cliff is over for the time being but the debt ceiling and federal spending debate will be the next challenges for policymakers over the next few weeks.

Gold Market

For the week, spot gold closed at $1,662.80, up 7.15 per ounce, or .43 percent. Gold stocks, as measured by the NYSE Arca Gold Miners Index, gained 0.23 percent. The U.S. Trade-Weighted Dollar Index had a loss of 1.19 percent for the week.

Strengths

- The U.S. Mint sold a massive 3.9 million ounces of silver in the first few days of 2013, already surpassing the entire December total of 1.64 million ounces.
- Chinese gold imports from Hong Kong almost doubled in November on a month-over- month basis as expectations of an economic recovery and more attractive prices spurred gold purchases. Mainland China purchased 90,764 kilograms, including scrap and coins, compared with 47,478 kilograms in October.
- Goldcorp expects 2013 gold production to grow by 10 percent and Yamana expects gold equivalent production to increase by 20 percent this year. Both companies have updated their cost calculations to reflect something closer to an all-in cost—not a true total cost, as development capital is missing—but an improvement nonetheless.

Weaknesses

- On Tuesday, African Union chairman Thomas Boni Yayi said NATO should send forces to Mali to fight the Islamist militants, calling the Malian conflict a "global crisis" requiring NATO intervention, as in Afghanistan. His requests were followed by interim Malian President Dioncounda Traore's requests to the United Nations and France for assistance. A large percentage of Randgold's assets are in Mali, though thankfully far from the present area of conflict. By Friday, French President Francois Hollande announced his nation's military support for the Malian army—apparently only in the form of airstrikes at present—with further details forthcoming over the weekend.

- AngloGold Ashanti announced this week that CEO Mark Cutifani will be leaving AngloGold to replace troubled CEO Cynthia Carroll of Anglo American Plc. AngloGold's stock dropped immediately upon confirmation of the news, making new 52-week lows this week. As analyst Des Kilalea of RBC explained, "[C]learly Anglo[American]'s gain is AngloGold's loss."
- RBC's Global Mining Best Ideas Portfolio this week reflected an upgrade to Overweight of base metals, paring back precious metals to market weight

Opportunities

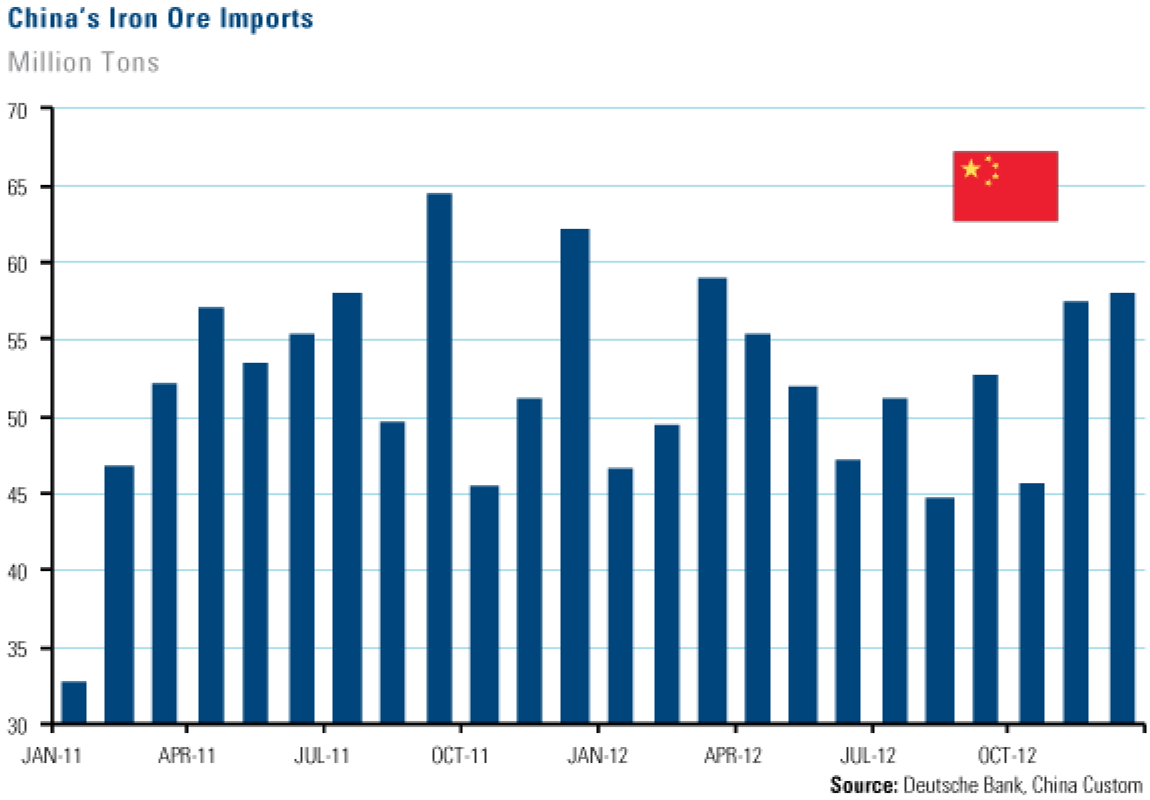
- A recent London Bullion Market Association poll of traders and analysts showed an expectation that gold may climb as much as 14 percent this year, with poll respondents expecting an average $1,753 an ounce in 2013.
- According to a recent Goldman Sachs report, nine out of ten hedge funds failed to beat the S&P 500 last year, and the price of gold has likely been kept down, at least in part, by redemptions over the past several weeks. Such redemptions should end soon as we move into the New Year, and the price of gold may get a lift as pressure is removed.
- In the new normal—according to Dave Rosenberg—a taxpayer-supported Federal Reserve is allowed to run its book like a hedge fund, and record $89 billion in profits, which it sent right back to the Treasury in 2012. Given such financial shenanigans, in his latest Breakfast with Dave, Mr. Rosenberg points out that he has "no clue why anyone would resist the notion that the gold price is going to ultimately conclude its secular bull market somewhere north of $3,000 an ounce.

Threats

- Harmony's Kusasalethu Mine has been closed since December after labor unrest, and Harmony is saying that it could permanently shut the mine down following receipt of death threats and shootings at police. The Kusasalethu Mine accounted for 18 percent of the company's production profit in the September-ended quarter.
- The Gold Anti-Trust Action Committee and other advocates who argue the quantity of gold held by the world's central banks, international bullion banks, and future exchanges is overstated, are backing a petition demanding an assayed public audit of the U.S. gold reserve. As of the end of December 2012, the U.S. Treasury claims to hold 261 million ounces of gold at Denver, Fort Knox, West Point and at the Federal Reserve Bank of New York. This bullion was last subjected to a full physical audit in 1953.
- High gold prices are pushing India's farmers toward silver, Mineweb.com reports. Though gold remains alluring to farmers, broadening interests in silver and real estate are rising.

Global Resources Fund - PSPFX • MegaTrends Fund - MEGAX

Energy and Natural Resources Market



Strengths

- Crude oil gained for the fifth consecutive week in New York, the longest stretch since August, as Saudi Arabia cut production and investors speculated that a global economic recovery will boost fuel demand. At $93.66 per barrel, futures were near their highest level in almost four months. Saudi Arabia, the world's largest crude exporter, cut output in December to the lowest in 19 months, according to a Persian Gulf official with knowledge of the kingdom's energy policy. Oil rose this week as Chinese exports accelerated, European Central Bank President Draghi said the euro-area economy will gradually recover, and Japan announced a $116 billion stimulus package.
- Natural gas futures rebounded from a mid-week low after a government report showed that U.S. stockpiles declined by the most in almost two years. Gas prices closed the week up 1 percent at $3.33 per mmbtu

Weaknesses

- Base metals were mixed this week with copper and aluminum both down 0.8 percent. Over the week as a whole, tin, silver and platinum all gained by more than 4 percent, while lead, zinc and copper all fell.

Opportunities

- China's apparent crude oil consumption may increase 5.3 percent year-over-year to 502 million tonnes in 2013, the China Petroleum and Chemical Industry Federation said.
- China's iron ore imports increased to 71 million tonnes, the second monthly increase in a row. Commodities analysts at Deutsche Bank expect that iron ore imports could continue to grind higher as inventory levels have dropped to a 12-month low and China has tended to restock at the beginning of the year.
- Analysts at Macquarie noted that commodity markets started the year emerging from the heavy destock seen in 2012, with first China then other countries running down metals inventories through the value chain as profitability suffered. They see upside opportunity for industrial metals through early 2013 as ex-China buyers return, inventory availability is limited, high Chinese infrastructure spend continues and supply suffers seasonal weakness. Sequential supply-demand looks better in many cases, and more aggressive restocking provides potential upside.

Threats

- Gross natural gas production in the lower 48 states climbed to a record high in October, gaining 0.4 percent from upwardly revised September output, data from the U.S. Energy Information Administration showed on Monday.
- Following closely behind Zambia's state owned utility asking miners to reduce power consumption by 100MW due to shortages, local press has reported that concern is growing in Brazil regarding potential power rationing. According to commodity analysts at Macquarie, hydropower output is set to fall due to low water levels, putting further pressure on thermal generation. With excess thermal capacity currently in the system, Macquarie does not believe rationing is probable, however additional coal imports and rising power prices will more than likely be needed through early 2012

China Region Fund - USCOX • Eastern European Fund - EUROX
Global Emerging Markets Fund - GEMFX

Emerging Markets

Strengths

- China December exports were up 14.1 percent versus the 5 percent estimate; December imports were up 6 percent versus a 3.5 percent estimate. An improvement in exports can help China expand business activities.
- China December total social financing was Rmb1.6 trillion, up 29 percent year-over-year. M2 grew 13.8 percent, lower than the market expectation of 14 percent, but in line with the 2013 market expected range of between 13 to 14 percent. M1 grew 6.5 percent year-over-year, 1 percent higher than in October, partly due to banks' efforts in attracting more deposits to meet the loan-to-deposit ratio (LDR) for the end of the year.
- China passenger vehicle sales were up 8.6 percent in December, and 8.3 percent for 2012. Luxury brands outperformed: BMW was up 74 percent for December, and 40 percent for 2012.
- The Shenzhen B share Index was up 26.26 percent since early October. We pointed out at the time that it is an opportunity for a B shares re-rating when converting to H shares listings.
- According to CITIC Securities, construction engineering and materials sectors will be the beneficiaries of China's new urbanization plans.

Weaknesses

- Beijing restricts housing-fund loans from being used for purchases of second homes.
- China December new lending was Rmb454.3 billion, below the estimated Rmb550 billion.
- China December inflation was up 2.5 percent, higher than November's reading of 2 percent and the market expectation of 2.3 percent. This increase mostly was due to cold weather across the country, which caused vegetable prices to rise, but it is worth noting that grain prices are inching up. A rising inflation will concern the monetary authority to steer to a tightening bias.
- Bank of Korea revised down its 2013 economic growth outlook to 2.8 percent.

Opportunities

Chinese Equities Far From Overbought vs. Global Peers Based on Relative Economic Growth

Note: Rebased as 2001 1=100 **Source:** BCA Research

- The chart above shows that Chinese stocks are still undervalued below their economic potential. In a normal market, the Chinese stocks, relative to global stocks, should be priced at the level of China GDP relative to Global GDP. H shares, represented by the HSCEI Index, had rallied 31 percent since its low in September, and still are expected to gain more than 20 percent for 2013 both through multiple expansion, dividends payout, and earning upside revision, according to CICC.
- China's National Development and Reform Commission just approved a $483 million nuclear project, the first time since the 2010 Japanese earthquake shook up global confidence in nuclear power plants over safety concerns.
- In wake of the crisis, eurozone entry dates for new members were largely postponed. As the future of the eurozone clears, convergence is back on the table. Latvia will make a formal eurozone entry application in February, for entry in 2014, and Poland's prime minister Donald Tusk last month raised the prospect of relaunching his country's bid to join the euro soon, according to Reuters.

Some Emerging Europe Countries
Re-Start Process of Joining the Euro
Credit: Reuters/Kai Pfaffenbach

Threats

- Shadow banking in China is essentially an extension of the regular banking driven by regulatory arbitrage, according to Citi AP Economics Research. The Chinese banks basically take deposits in the name of Wealth Management Products (WMP) and lend out through purchasing loans issued by trust companies and local government financing vehicles. The risk of those products is asset-liability mismatch and default by the borrowers. Since WMP is providing liquidity to those entities, the regulators may tighten the criteria of WMP instead of stopping the activities.

- H share coal stocks had rallied 46 percent on average since their lows in September last year. Without an improving coal price in China, the stock prices may have moved ahead of fundamentals.
- Due to weaker demand and investments, Citi research expects Polish GDP growth to slow to 1.3 percent in 2013.

Leaders and Laggards

The tables show the weekly, monthly and quarterly performance statistics of major equity and commodity market benchmarks of our family of funds.

Weekly Performance

Index	Close	Weekly Change ($)	Weekly Change (%)
Natural Gas Futures	3.33	+0.04	+1.22%
S&P Basic Materials	246.42	+2.03	+0.83%
Gold Futures	1,661.90	+13.00	+0.79%
Nasdaq	3,125.64	+23.98	+0.77%
Oil Futures	93.72	+0.63	+0.68%
XAU	163.36	+0.83	+0.51%
DJIA	13,488.43	+53.22	+0.40%
S&P 500	1,472.05	+5.58	+0.38%
Russell 2000	880.77	+1.62	+0.18%
S&P/TSX Canadian Gold Index	294.99	+0.44	+0.15%
Hang Seng Composite Index	3,220.72	-0.16	-0.00%
S&P Energy	550.46	-0.10	-0.02%
Korean KOSPI Index	1,996.67	-15.27	-0.76%
10-Yr Treasury Bond	1.87	-0.03	-1.63%

Monthly Performance

Index	Close	Monthly Change ($)	Monthly Change (%)
10-Yr Treasury Bond	1.87	+0.17	+10.01%
Oil Futures	93.72	+6.95	+8.01%
S&P Basic Materials	246.42	+17.20	+7.50%
Russell 2000	880.77	+51.38	+6.19%
Nasdaq	3,125.64	+111.82	+3.71%
S&P 500	1,472.05	+43.57	+3.05%
S&P Energy	550.46	+12.24	+2.27%

Index	Close	Monthly Change ($)	Monthly Change (%)
DJIA	13,488.43	+242.98	+1.83%
Korean KOSPI Index	1,996.67	+21.23	+1.07%
Natural Gas Futures	3.33	-0.06	-1.63%
XAU	163.36	-4.46	-2.66%
Gold Futures	1,661.90	-56.00	-3.26%
S&P/TSX Canadian Gold Index	294.99	-10.11	-3.31%
Hang Seng Composite Index	3,220.72	-332.01	-14.83%

Quarterly Performance

Index	Close	Quarterly Change ($)	Quarterly Change (%)
Hang Seng Composite Index	3,220.72	+386.64	+13.64%
10-Yr Treasury Bond	1.87	+0.20	+11.85%
S&P Basic Materials	246.42	+15.58	+6.75%
Russell 2000	880.77	+50.99	+6.15%
Korean KOSPI Index	1,996.67	+63.58	+3.29%
S&P 500	1,472.05	+39.21	+2.74%
Nasdaq	3,125.64	+76.22	+2.50%
Oil Futures	93.72	+1.65	+1.79%
DJIA	13,488.43	+162.04	+1.22%
S&P Energy	550.46	+3.38	+0.62%
Gold Futures	1,661.90	-110.80	-6.25%
Natural Gas Futures	3.33	-0.28	-7.69%
S&P/TSX Canadian Gold Index	294.99	-44.51	-13.11%
XAU	163.36	-24.94	-13.24%

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.

An investment in a money market fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the fund.

All opinions expressed and data provided are subject to change without notice. Some of these opinions may not be appropriate to every investor.

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 percent 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.

Because the Global Resources Fund concentrates its investments in a specific industry, the fund may be subject to greater risks and fluctuations than a portfolio representing a broader range of industries.

Gold, precious metals, and precious minerals funds may be susceptible to adverse economic, political or regulatory developments due to concentrating in a single theme. The prices of gold, precious metals, and precious minerals are subject to substantial price fluctuations over short periods of time and may be affected by unpredicted international monetary and political policies. We suggest investing no more than 5 percent to 10 percent of your portfolio in these sectors.

Investing in real estate securities involves risks including the potential loss of principal resulting from changes in property value, interest rates, taxes and changes in regulatory requirements.

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 percent 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. The tax free funds may be exposed to risks related to a concentration of investments in a particular state or geographic area. These investments present risks resulting from changes in economic conditions of the region or issuer.

Past performance does not guarantee future results.

These market comments were compiled using Bloomberg and Reuters financial news.

Holdings as a percentage of net assets as of 12/31/12:

Celgene Corp.: All American Equity Fund, 2.34%; Holmes Growth Fund, 2.50%; MegaTrends Fund, 1.49%
Monsanto Co.: Global Resources Fund, 2.12%
CF Industries Holdings, Inc.: Global Resources Fund, 1.16%; Holmes Growth Fund, 1.76%
The Mosaic Co.: All American Equity Fund, 1.08%
Best Buy Co.: All American Equity Fund, 0.50%
AT&T: 0.0%
Verizon Communications, Inc.: All American Equity Fund, 1.16%
Apollo Group, Inc.: 0.0%
JPMorgan Chase & Co.: 0.0%
Bank of America Corp.: MegaTrends Fund, 2.52%
Citigroup, Inc.: 0.0%
Goldcorp, Inc.: Gold and Precious Metals Fund, 0.22%; World Precious Minerals Fund, 0.03%
Yamana Gold, Inc.: Gold and Precious Metals Fund, 3.66%; World Precious Minerals Fund, 1.89%; Global Resources Fund, 1.45%
Randgold Resources Ltd: Gold and Precious Metals Fund, 0.27%; World Precious Minerals Fund, 0.32%; Global Resources Fund, 1.86%; All American Equity Fund, 1.18%; Holmes Growth Fund, 0.72%
AngloGold Ashanti Ltd: Gold and Precious Metals Fund, 0.01%
Anglo American plc: 0.0%
Harmony Gold Mining Co. Ltd: Gold and Precious Metals Fund, 2.53%; World Precious Minerals Fund, 1.73%
BMW: 0.0%

*The above-mentioned indices are not total returns. These returns reflect simple appreciation only and do not reflect dividend reinvestment.
The Dow Jones Industrial Average is a price-weighted average of 30 blue chip stocks that are generally leaders in their industry.
The S&P 500 Stock Index is a widely recognized capitalization-weighted index of 500 common stock prices in U.S. companies.
The Nasdaq Composite Index is a capitalization-weighted index of all Nasdaq National Market and SmallCap stocks.
The S&P BARRA Growth Index is a capitalization-weighted index of all stocks in the S&P 500 that have high price-to-book ratios.
The S&P BARRA Value Index is a capitalization-weighted index of all stocks in the S&P 500 that have low price-to-book ratios.
The Russell 2000 Index® is a U.S. equity index measuring the performance of the 2,000 smallest companies in the Russell 3000®, a widely recognized small-cap index.
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.
The Taiwan Stock Exchange Index is a capitalization-weighted index of all listed common shares traded on the Taiwan Stock Exchange.
The Korea Stock Price Index is a capitalization-weighted index of all common shares and preferred shares on the Korean Stock Exchanges.
The Philadelphia Stock Exchange Gold and Silver Index (XAU) is a capitalization-weighted index that includes the leading companies involved in the mining of gold and silver.
The U.S. Trade Weighted Dollar Index provides a general indication of the international value of the U.S. dollar.
The MSCI Russia Index is a free-float weighted equity index developed in 1994 to track major equities traded in the Russian market.
The S&P/TSX Canadian Gold Capped Sector Index is a modified capitalization-weighted index, whose equity weights are capped 25 percent and index constituents are derived from a subset stock pool of S&P/TSX Composite Index stocks.
The S&P 500 Energy Index is a capitalization-weighted index that tracks the companies in the energy sector as a subset of the S&P 500.
The S&P 500 Materials Index is a capitalization-weighted index that tracks the companies in the material sector as a subset of the S&P 500.
The S&P 500 Financials Index is a capitalization-weighted index. The index was developed with a base level of 10 for the 1941-43 base period.
The S&P 500 Industrials Index is a Materials Index is a capitalization-weighted index that tracks the companies in the industrial sector as a subset of the S&P 500.
The S&P 500 Consumer Discretionary Index is a capitalization-weighted index that tracks the companies in the consumer discretionary sector as a subset of the S&P 500.
The S&P 500 Information Technology Index is a capitalization-weighted index that tracks the companies in the information technology sector as a subset of the S&P 500.
The S&P 500 Consumer Staples Index is a Materials Index is a capitalization-weighted index that tracks the companies in the consumer staples sector as a subset of the S&P 500.
The S&P 500 Utilities Index is a capitalization-weighted index that tracks the companies in the utilities sector as a subset of the S&P 500.
The S&P 500 Healthcare Index is a capitalization-weighted index that tracks the companies in the healthcare sector as a subset of the S&P 500.
The S&P 500 Telecom Index is a Materials Index is a capitalization-weighted index that tracks the companies in the telecom sector as a subset of the S&P 500.
The Bloomberg Gold Bear/Bull Sentiment Indicator charts the percent of respondents in a weekly Bloomberg News survey of traders, investors, and analysts predicting gold prices will rise the following week. The number of participants in the survey, which is completed every Friday, may vary.
The NYSE Arca Gold Miners Index is a modified market capitalization weighted index comprised of publicly traded companies involved primarily in the mining for gold and silver.
The S&P/TSX Global Gold Index is an international benchmark tracking the world's leading gold companies with the intent to provide an investable representative index of publicly-traded international gold companies.
The NYSE Arca Gold BUGS (Basket of Unhedged Gold Stocks) Index (HUI) is a modified equal dollar weighted index of companies involved in gold mining. The HUI Index was designed to provide significant exposure to near term movements in

gold prices by including companies that do not hedge their gold production beyond 1.5 years.

The small business optimism index is compiled from a survey that is conducted each month by the National Federation of Independent Business (NFIB) of its members. The index is a composite of ten seasonally adjusted components based on questions on the following: plans to increase employment, plans to make capital outlays, plans to increase inventories, expect economy to improve, expect real sales higher, current inventory, current job opening, expected credit conditions, now a good time to expand, and earnings trend.

These market comments were compiled using Bloomberg and Reuters financial news.