



U.S. Global Investors

Searching for Opportunities, Managing Risk

**Goldwatcher —
\$2,358/oz? \$3,675/oz?
\$7,931/oz?**

Frank Holmes,
CEO and Chief Investment Officer



“Performance and Results Oriented”

Investment leadership results in performance

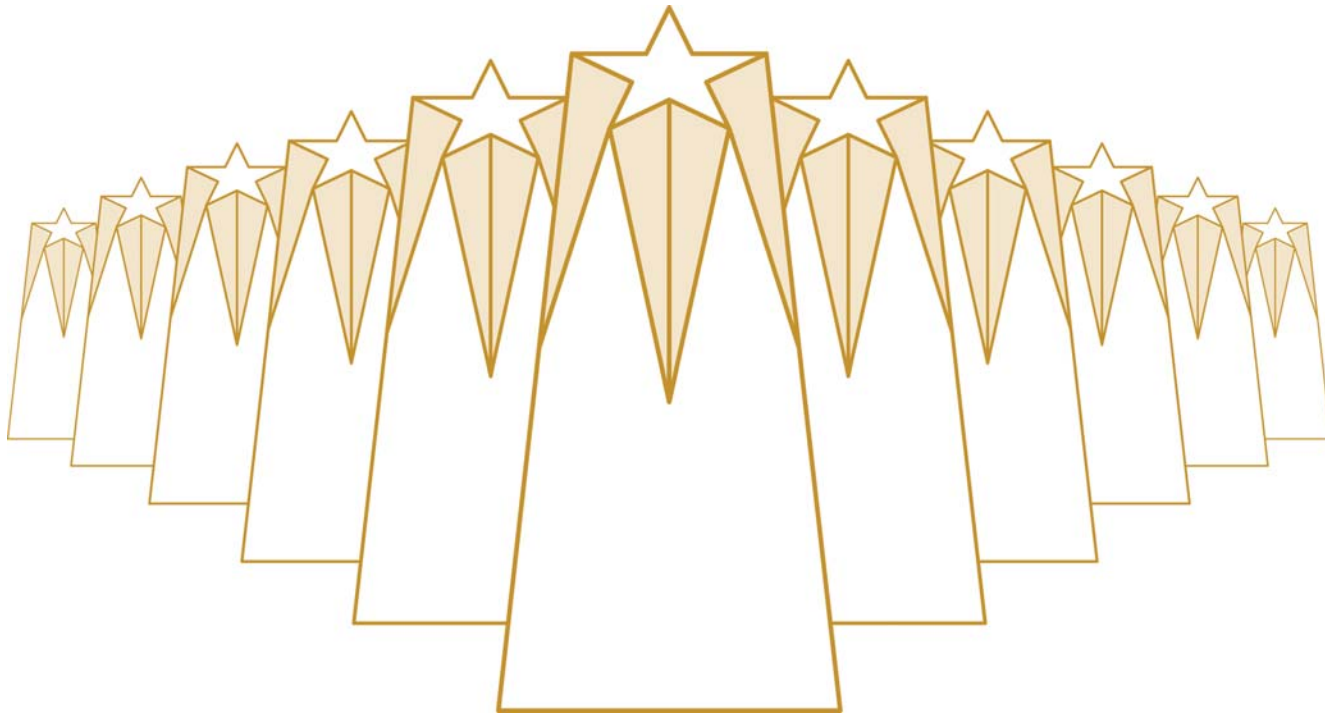


Winner of 29 Lipper performance awards,
certificates and top rankings since 2000

(Four out of 13 U.S. Global Investors Funds received Lipper performance awards from 2005 to 2008, six out of 13 received certificates from 2000 to 2007, and two out of 13 received top rankings from 2009 to 2010.)



Focus on Education



21 MFEA STAR Awards for Excellence in Education



Fund Recognition: Four Funds Rank in Top 50 for 10 Years

WALL STREET JOURNAL

BARRON'S

- World Precious Minerals Fund (UNWPX) ranked #5
- Gold & Precious Metals Fund (USERX) ranked #6
- The Global Resources Fund (PSPFX) ranked #25
- Eastern European Fund (EUROX) ranked #45

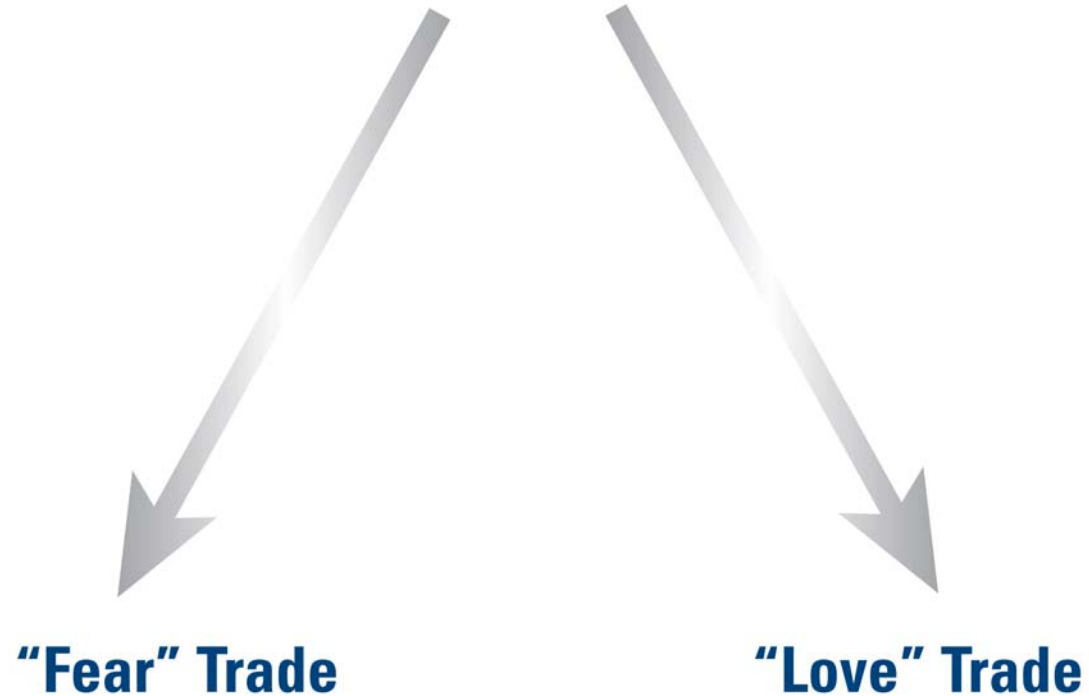
Rankings were provided to the Wall Street Journal and Barron's by Lipper and include all mutual funds and ETFs tracked by Lipper. Lipper ranked the funds based on 10-year performance data including share prices and reinvested dividends. For funds with multiple share classes, only the largest share class was included. Rankings are based on total annualized return as of 09/30/2011. Past performance is no guarantee of future results.



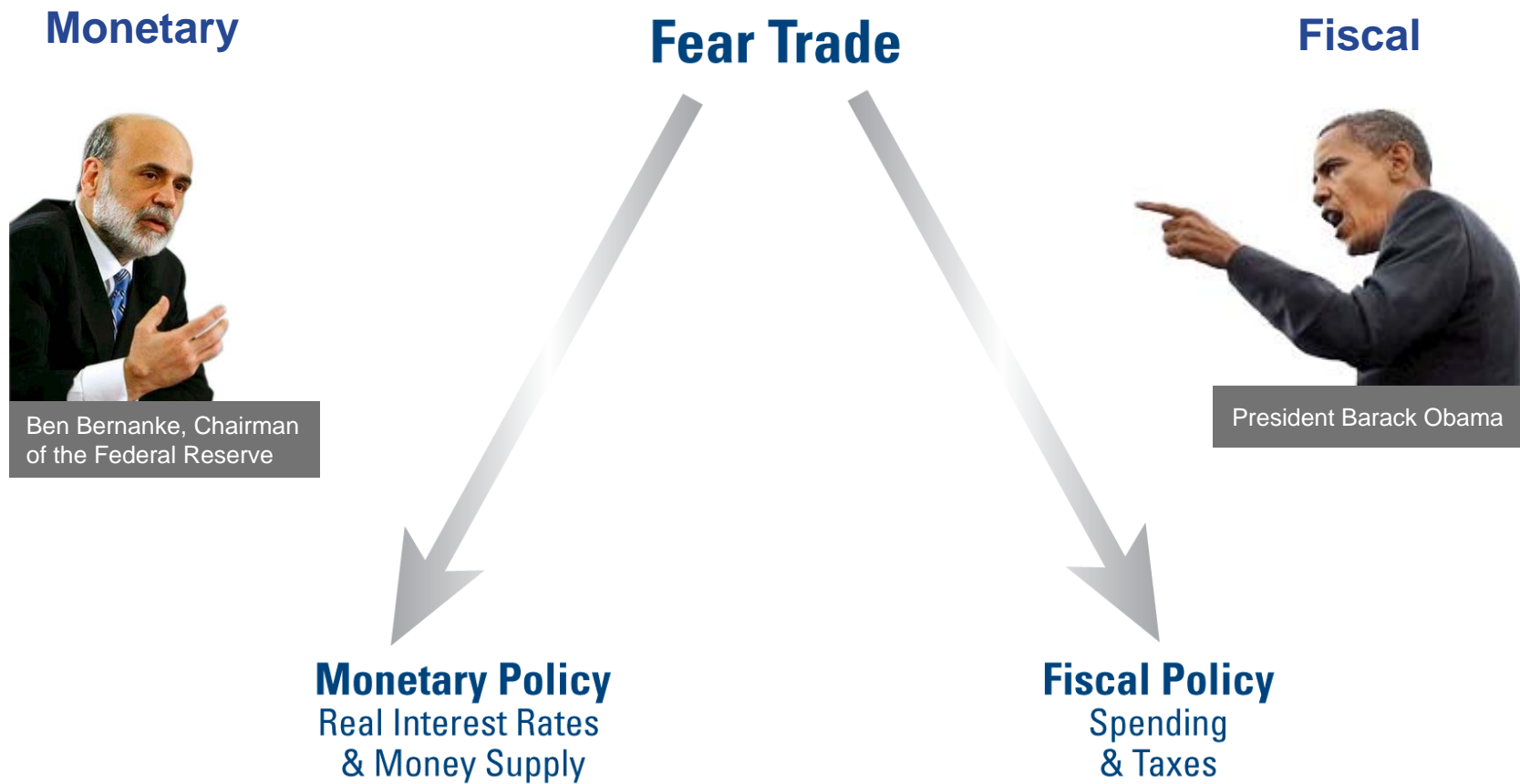
Gold Demand Drivers



Gold Demand



Driver: The Fear Trade

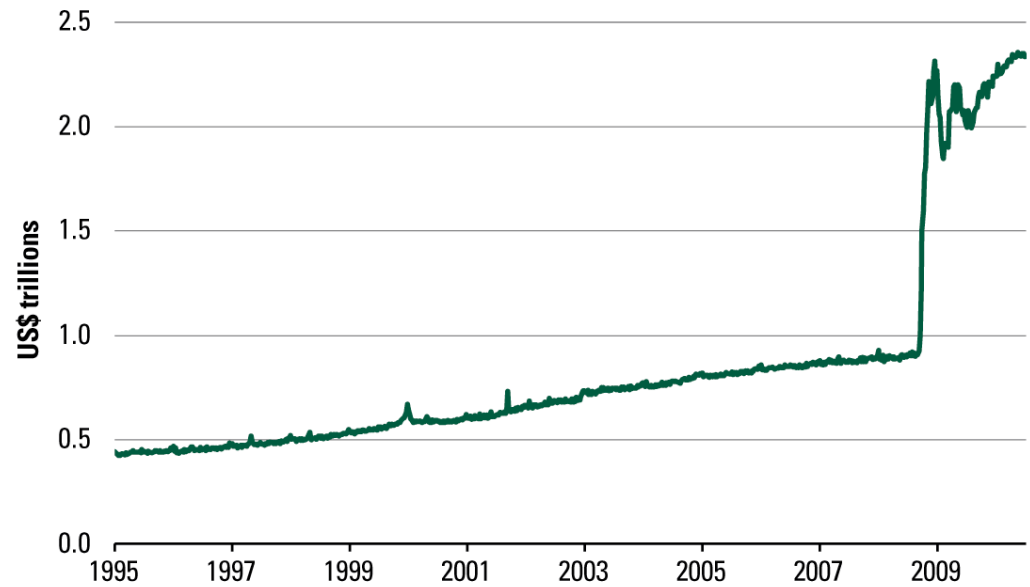


Bailout of Main Street and Wall Street — “Fear Trade”



Barney Frank, Congressman from Massachusetts and former Chairman of the House Financial Services Committee

Federal Reserve Assets



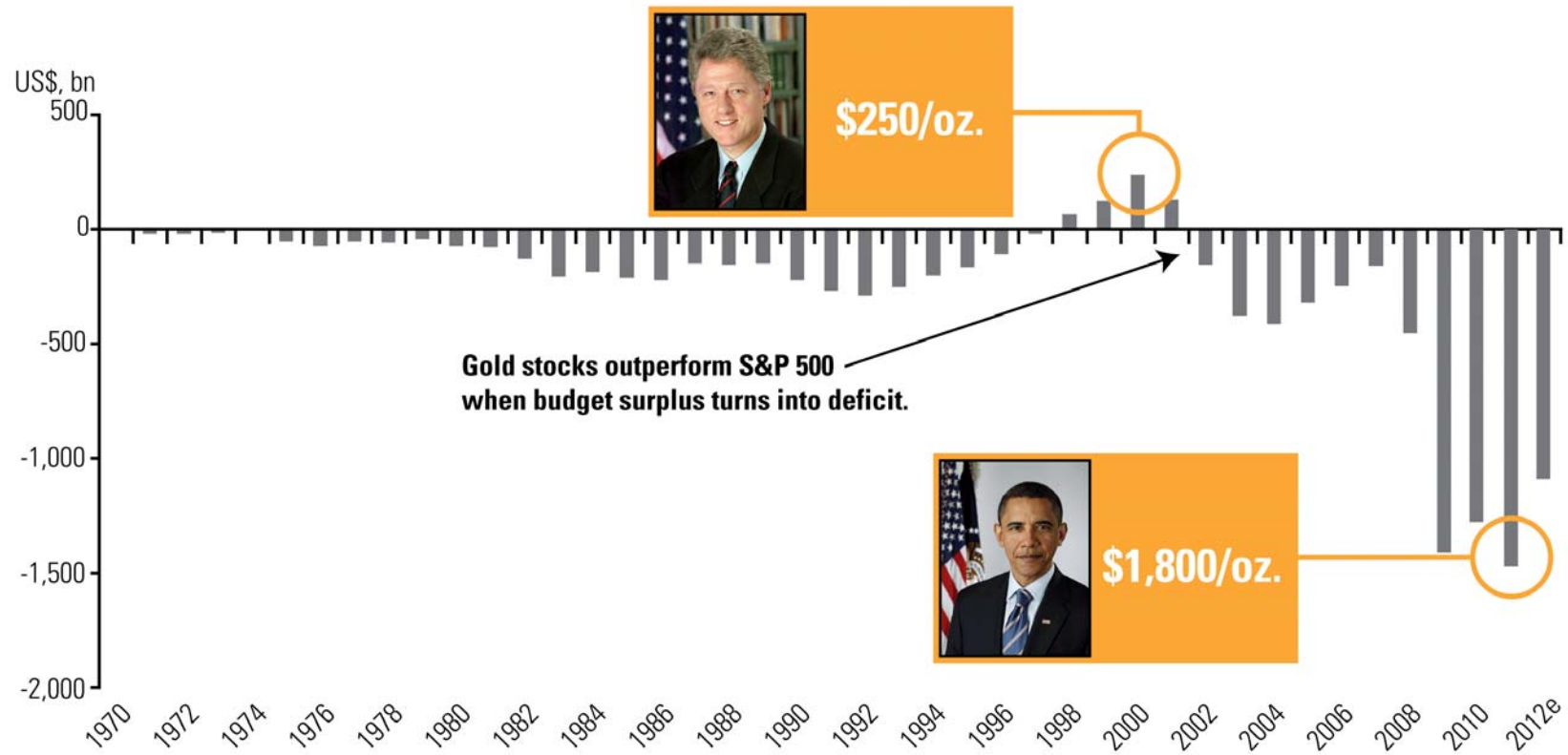
Source: Bloomberg



It's Not the Political Party, It's the Political Policies



Federal Budget Surplus or Deficit

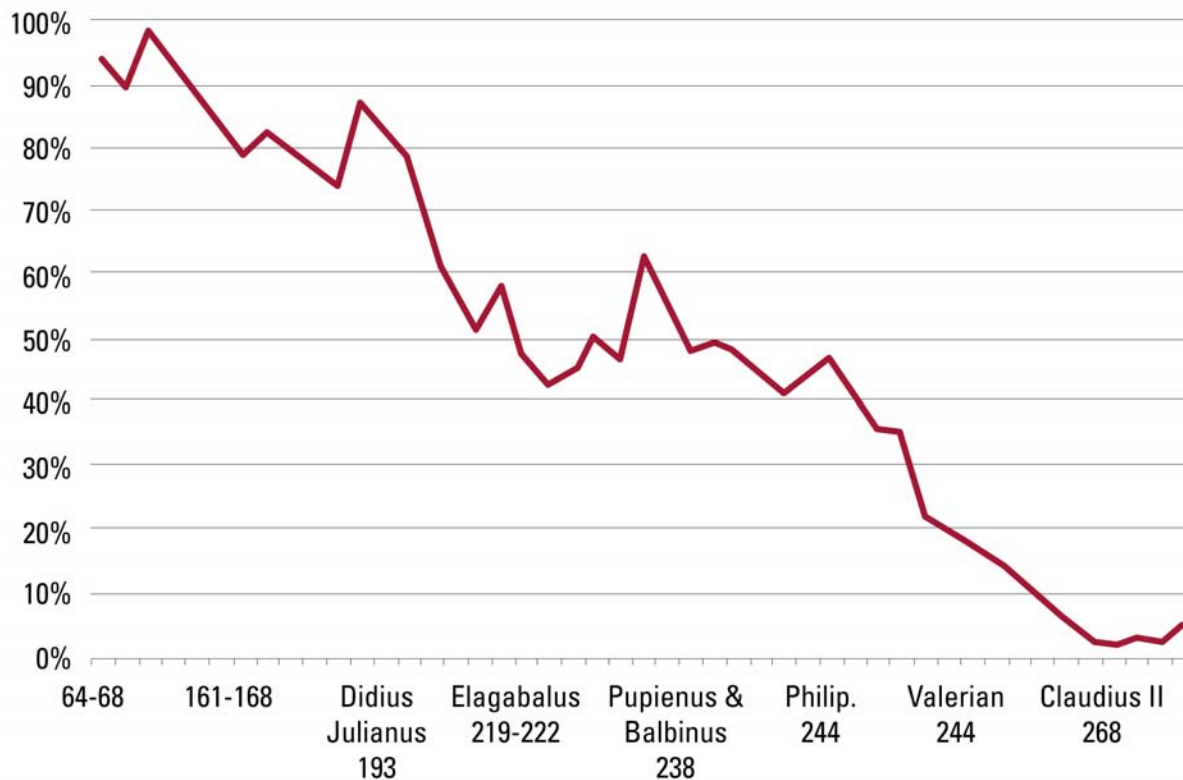


Source: Congressional Budget Office Statistics



History Repeats Itself with Currency Debasement

Share of Silver in Roman Coins



Source: SocGen, Dylan Grice



Declining Value of the U.S. Dollar (USD)

The Decline in the Purchasing Power of a Dollar

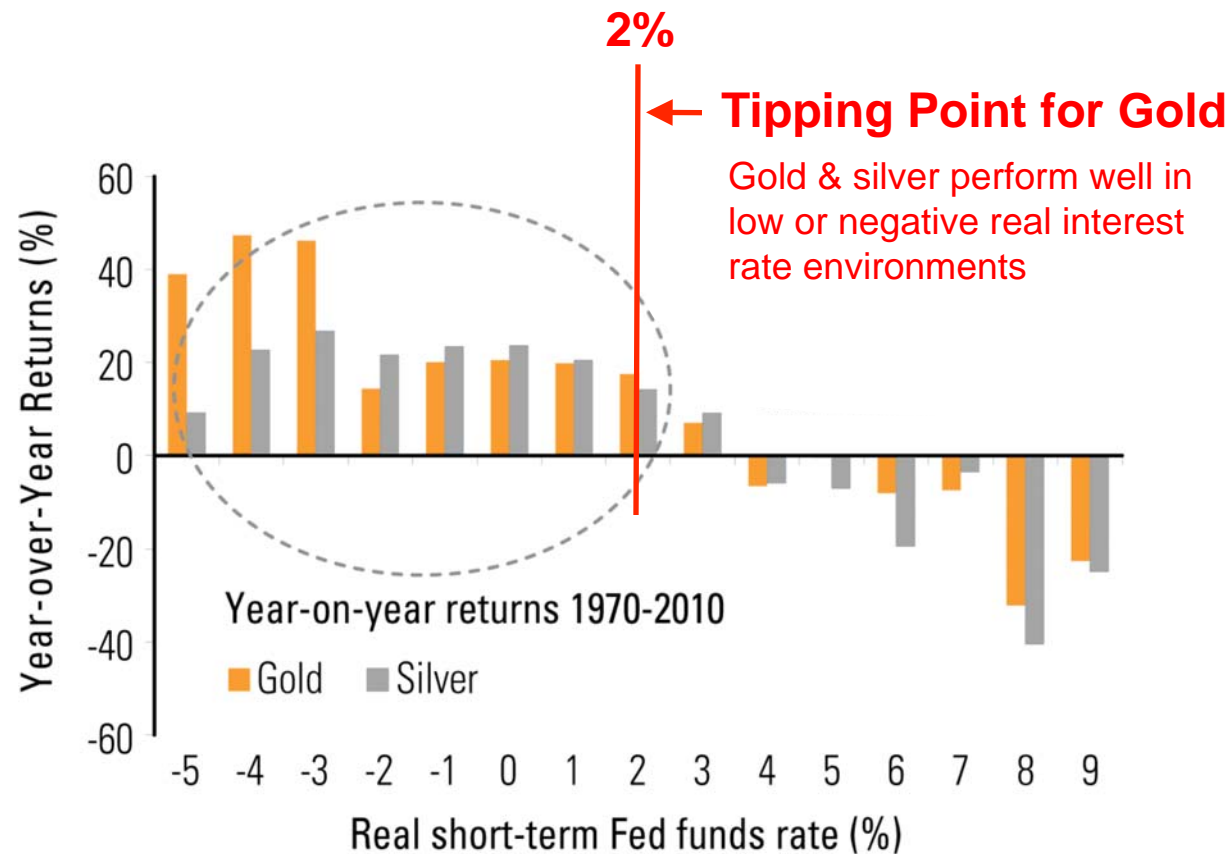


Note: Dollar deflated by CPI. 1971=\$1.00

Source: Bureau of Labor Statistics



Low Real Interest Rates Historically Fuel Gold & Silver



Source: Bloomberg Finance LP, Deutsche Bank

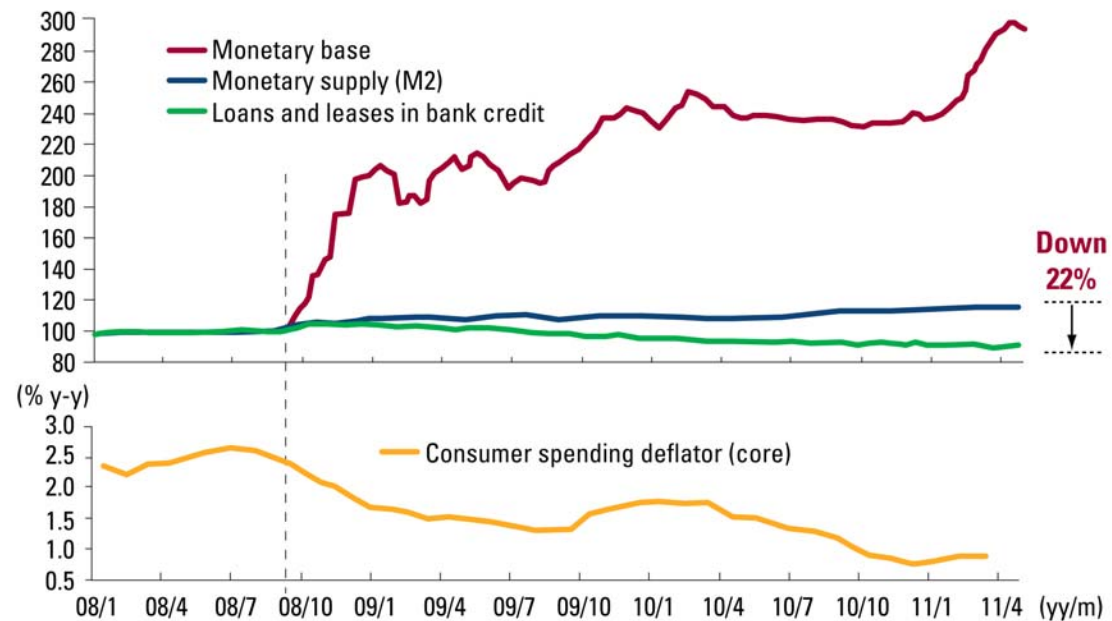


Deflationary Forces



Relationship Between Monetary Indicators Breaks Down During Balance Sheet Recession (US)

(08/8=100, SA)



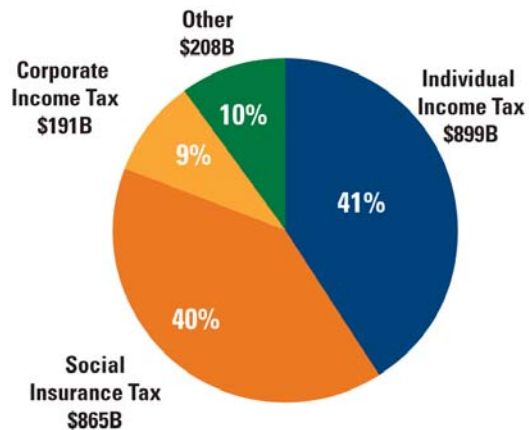
Source: Board of Governors of the Federal Reserve System, U.S. Department of Commerce
Note: Commercial bank loans and leases adjustments for discontinuities made by Nomura Research Institute.



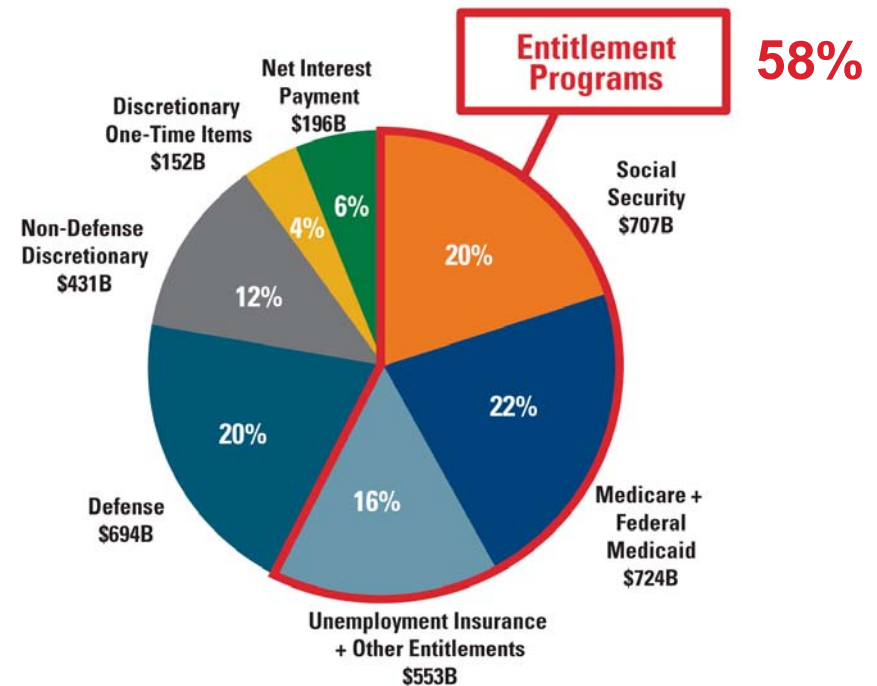
Fiscal 2010 U.S. Government Revenues & Expenses at a Glance



F2010 Revenue = \$2.2 Trillion



F2010 Expenses = \$3.5 Trillion



Note: USA federal fiscal year ends in September; *individual & corporate income taxes include capital gains taxes. Non-defense discretionary includes federal spending on education, infrastructure, law enforcement, and judiciary functions.

Source: White House Office of Management and Budget.



The Shocking Cost of U.S. Regulation is an Opportunity for Emerging Markets



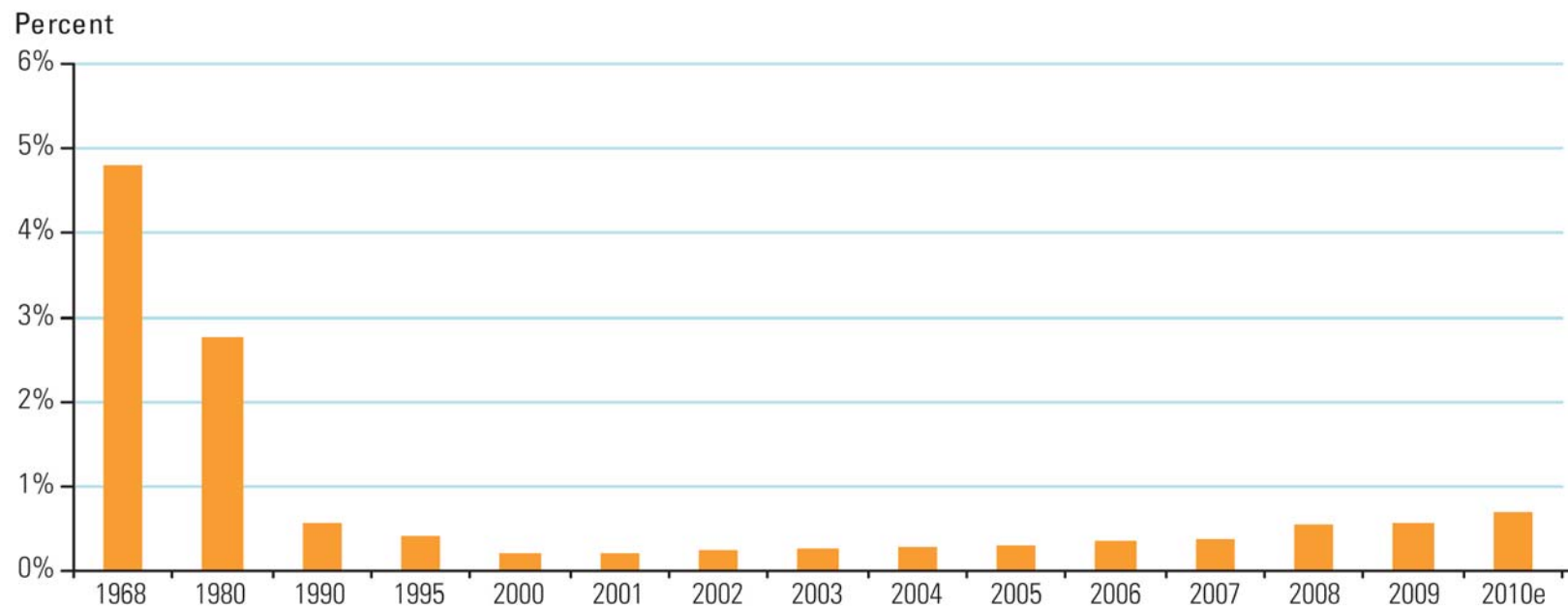
14% of the economy



\$8,000 per private sector employee



Gold as a Percent of Global Financial Assets



Source: CPM Gold Yearbook 2011

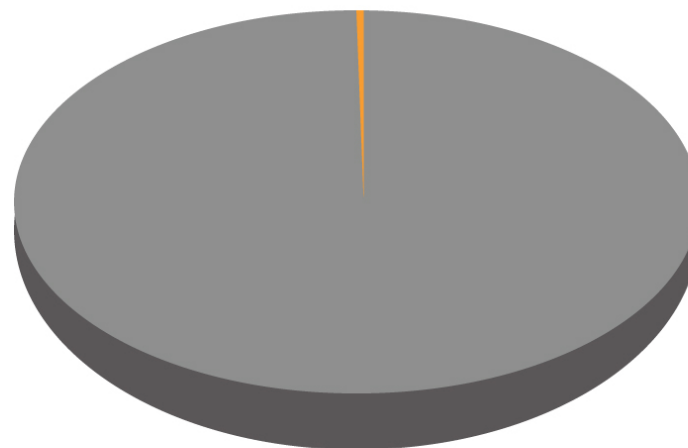
e denotes estimate.



Gold — No Love from Big Pension Funds



Percentage of Gold Holdings in a
Typical Pension Fund is Minimal

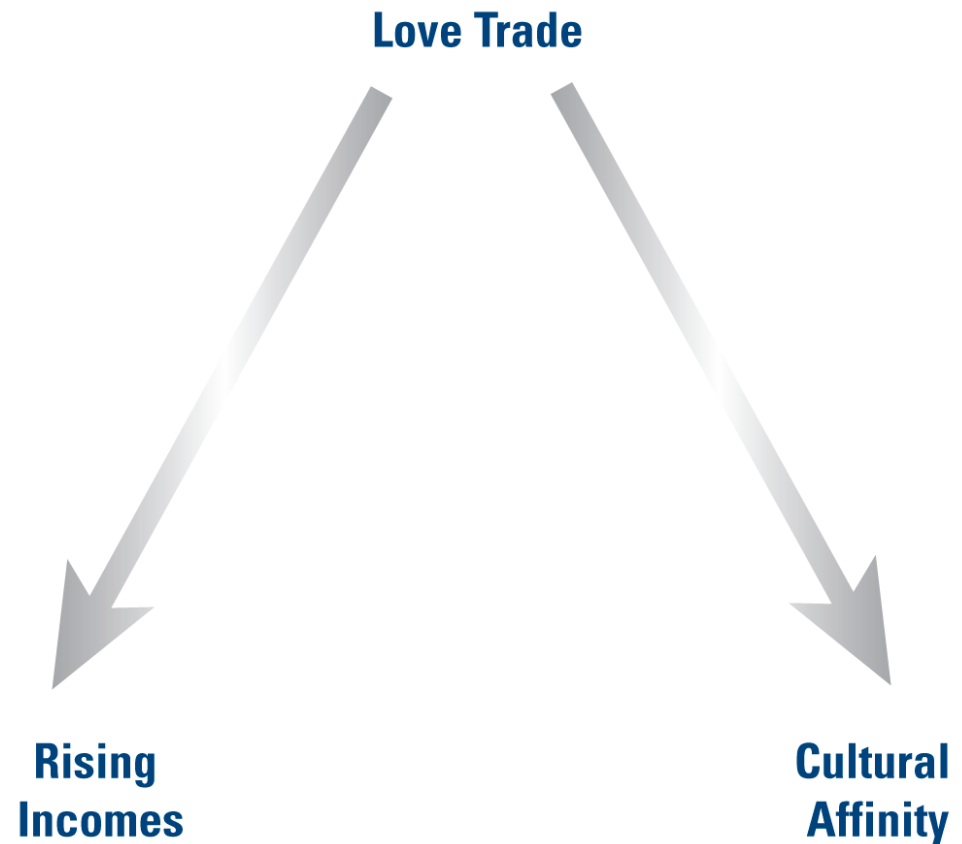


■ Total portfolio ■ Gold and gold stocks

Source: Casey Research, Dr. Marc Faber

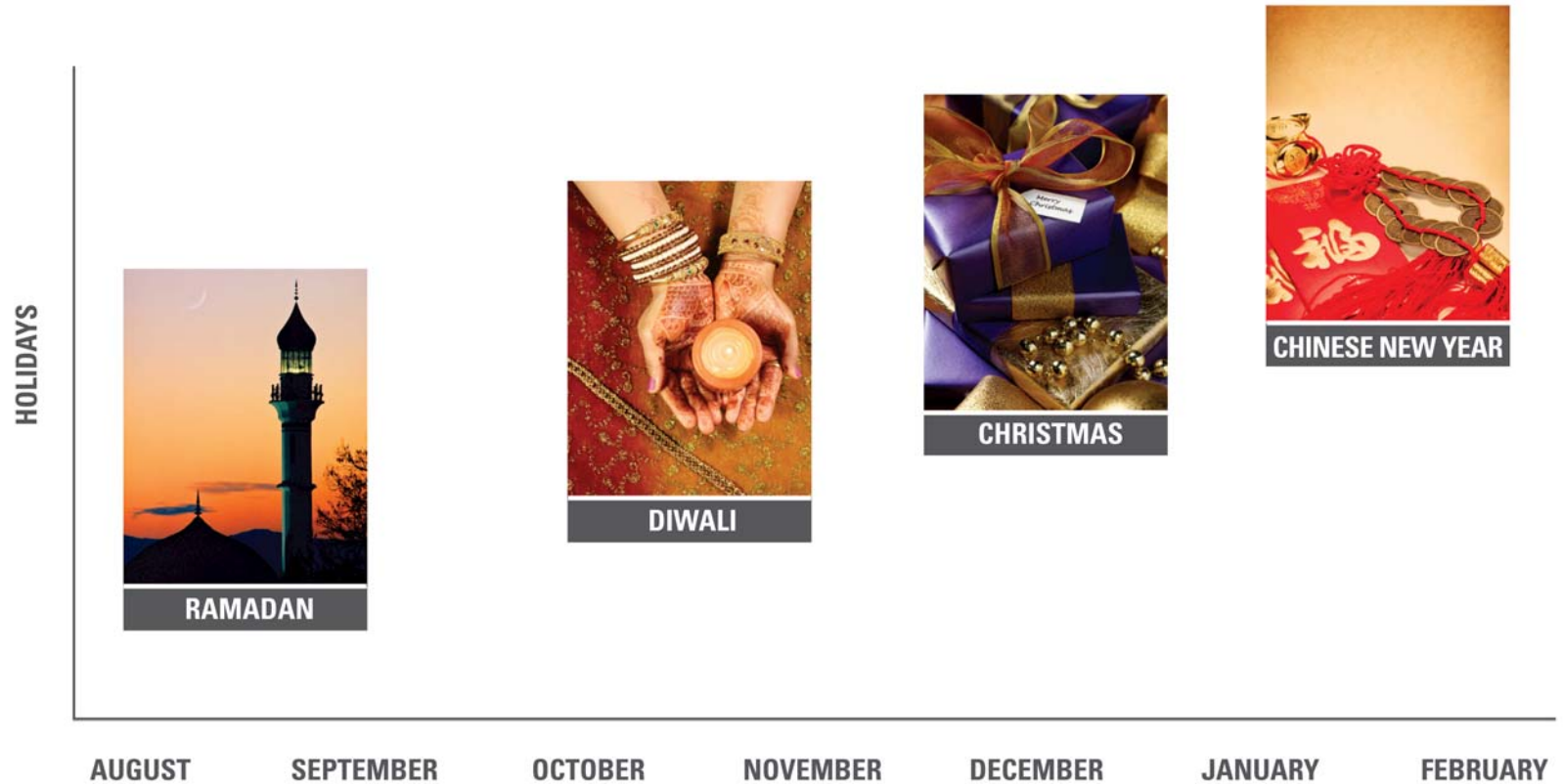


Driver: The Love Trade



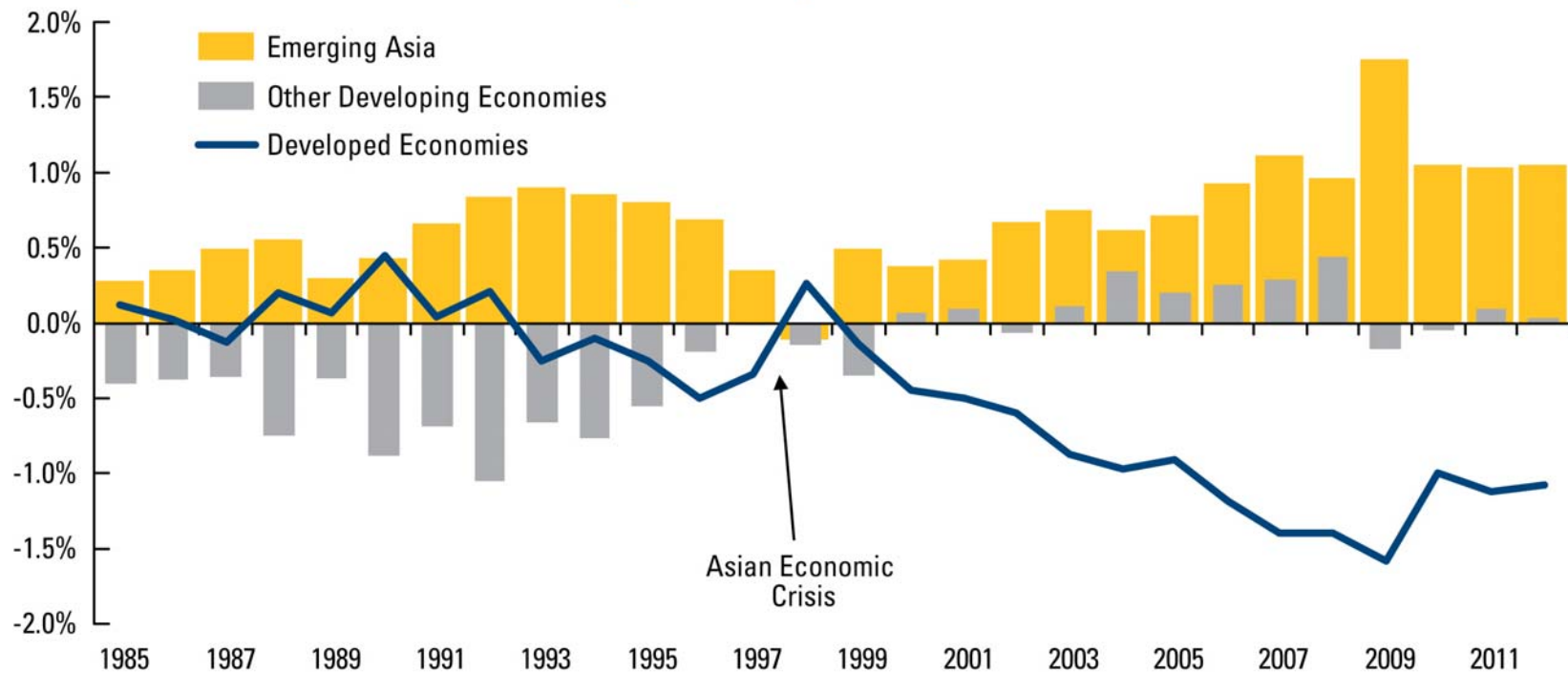
Holidays Drive Gold Demand

For the Love of Gold



Developed Economies Continue to Lose Share of World GDP

How World GDP Share of Each Region Changed from Previous Year

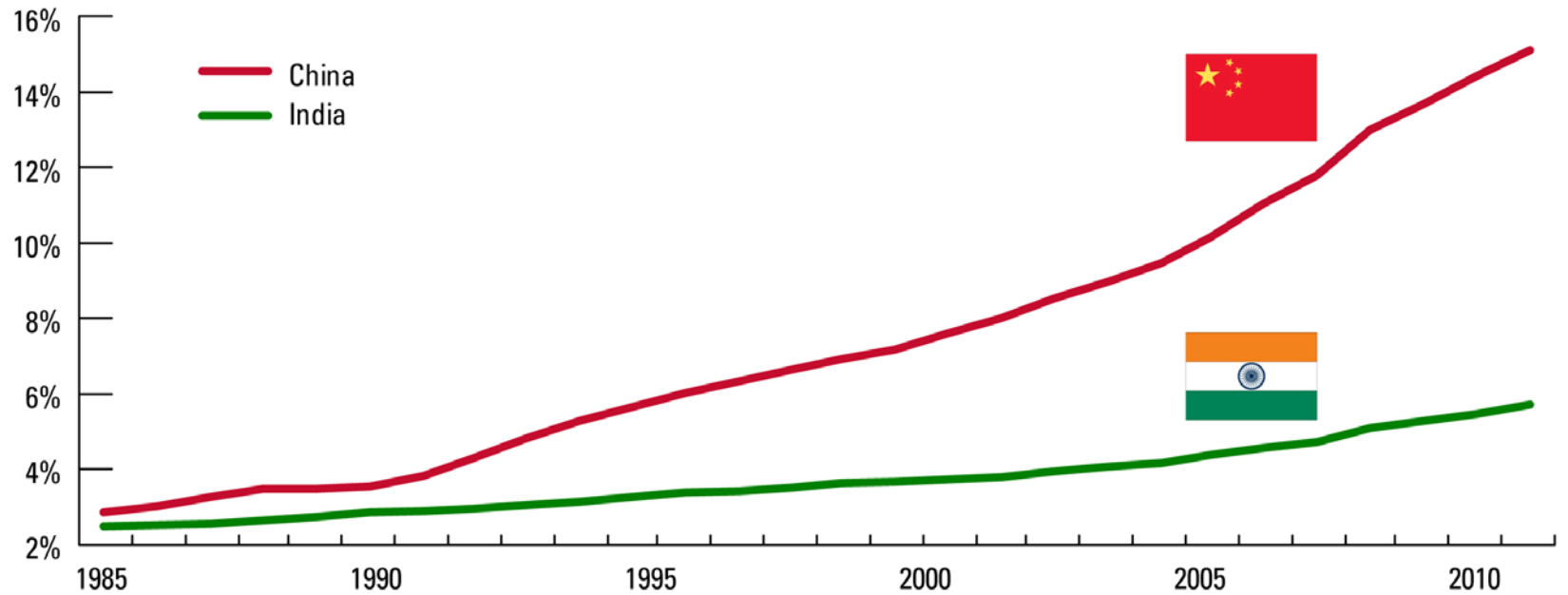


Source: PIRA



China/India Share of World GDP Increased Substantially

Share of World GDP (PPP Basis)



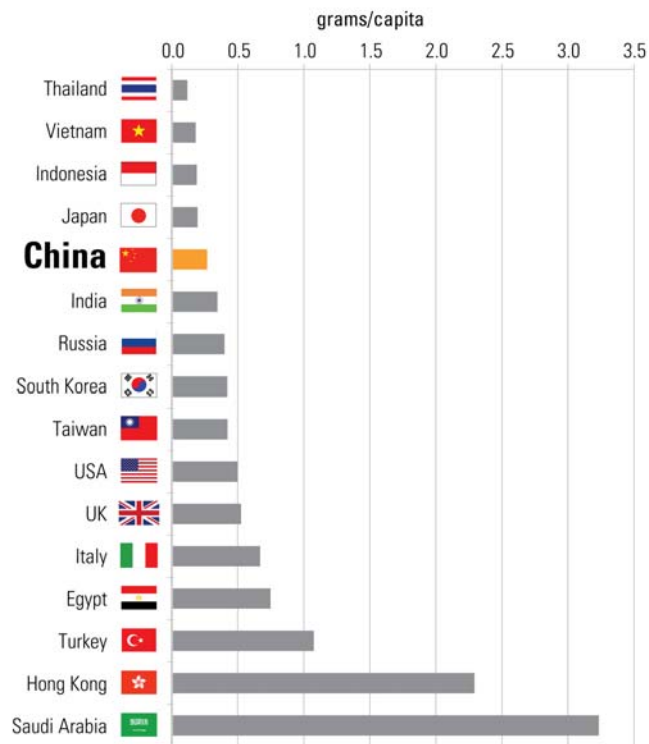
Source: PIRA



China's Increasing Jewelry Demand



Consumption of Gold Jewelry Around the World



Note: Jewelry data in this chart refers to consumption not fabrication.

Source: GFMS, IMF, WGC estimates



Luxury Demand Across China



Source: CLSA, James Lang LaSalle Research



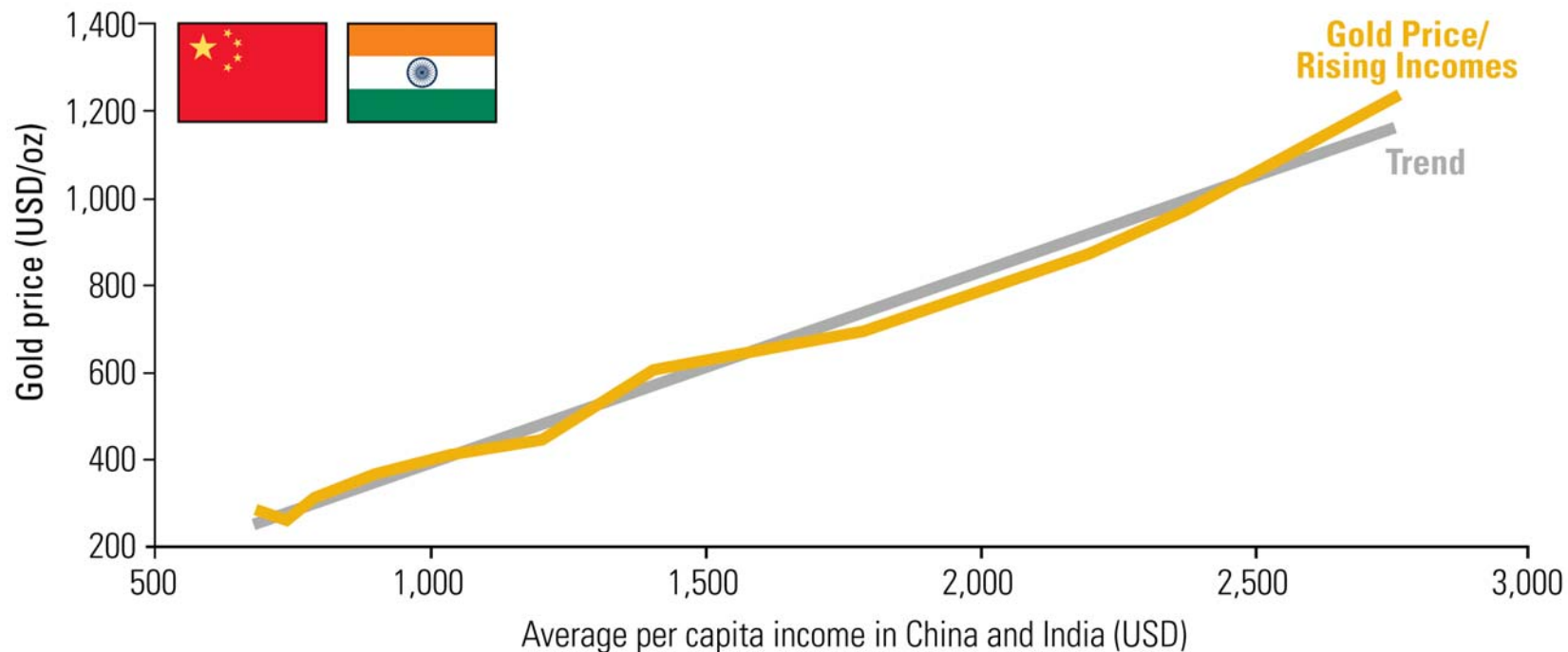
Cartier Store in Shanghai
Source: Getty

Gold “Love Trade”

Strong Correlation Between Rising Incomes and Gold Price



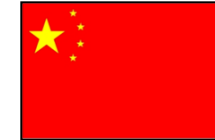
Strong Correlation Between Rising Incomes in China and India and the Gold Price from 2000 to 2010



Sources: Bloomberg, Standard Chartered Research



Stay Tuned to the Big S-Curve



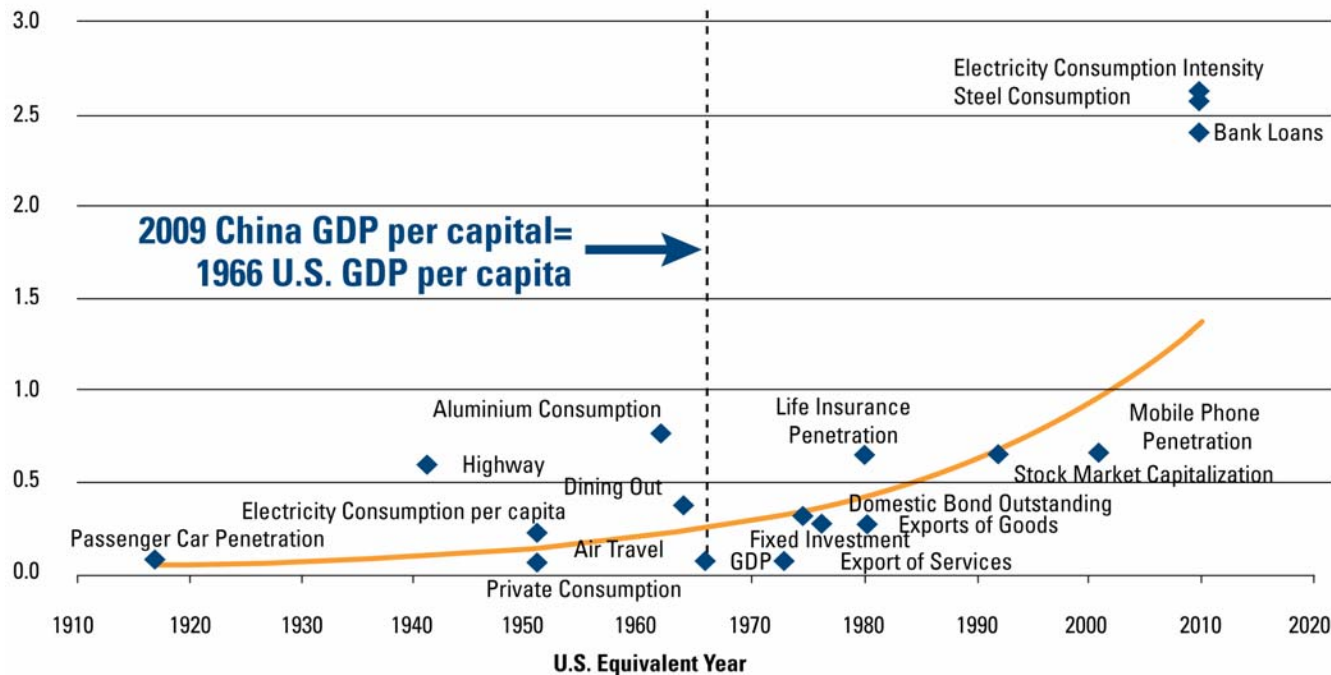
2009



1966

Putting China in Perspective: China/U.S. (x, Current)

X-axis measures the equivalent year of U.S. when the level of demand was equal to that of China. Y-axis measures the current level of demand in China compared to the U.S.

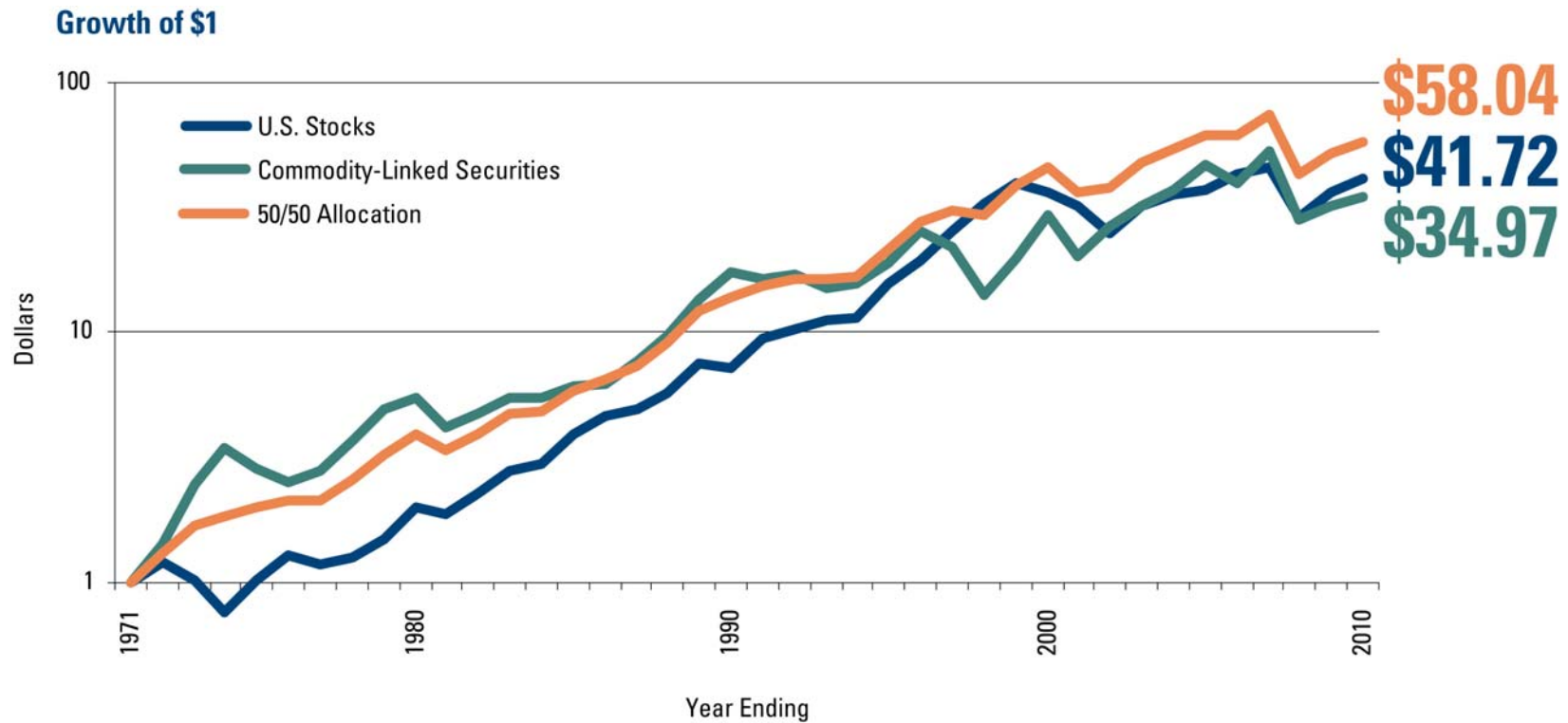


Source: World Bank, Swiss Re, IMF, Gartner, Eurostat, U.S. Dept. of Agriculture, World Federation of Exchanges, Credit Suisse est.

The S-Curve is a type of curve that shows a rapid, exponential increase in growth for a period of time, followed by a tapering or leveling off.



Importance of Diversification and Rebalancing



Source: Roger C. Gibson

Past performance is no guarantee of future results.



Anticipate Before You Participate

Standard Deviation (as of 09/30/11) based on 10-Year Data

	Rolling 1 Year
U.S. Global Investors (GROW)	112.8%
NYSE Arca Gold BUGS Index (HUI)	38.1%
WTI Crude Oil	36.7%
MSCI Emerging Markets (MXEF)	30.7%
S&P 500 Index (SPX)	19.5%
Gold Bullion	13.5%

12-month rolling volatility of
price action over 10 year period

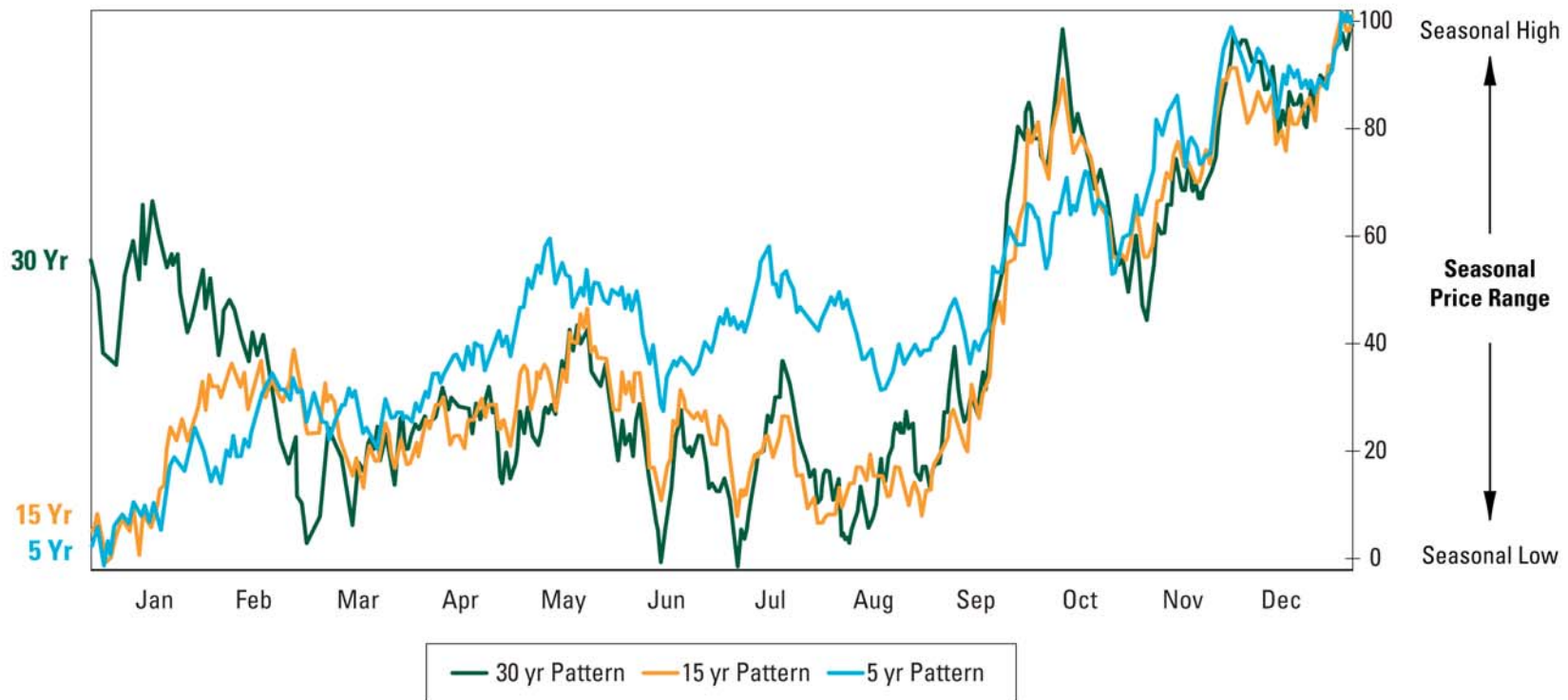


View the presentation “Anticipate Before You Participate” at
www.usfunds.com/investor-resources/publications/research



Gold Seasonality — Managing Expectations

**Gold: 24 Hour Composite
Historical Patterns (1974-2010)**



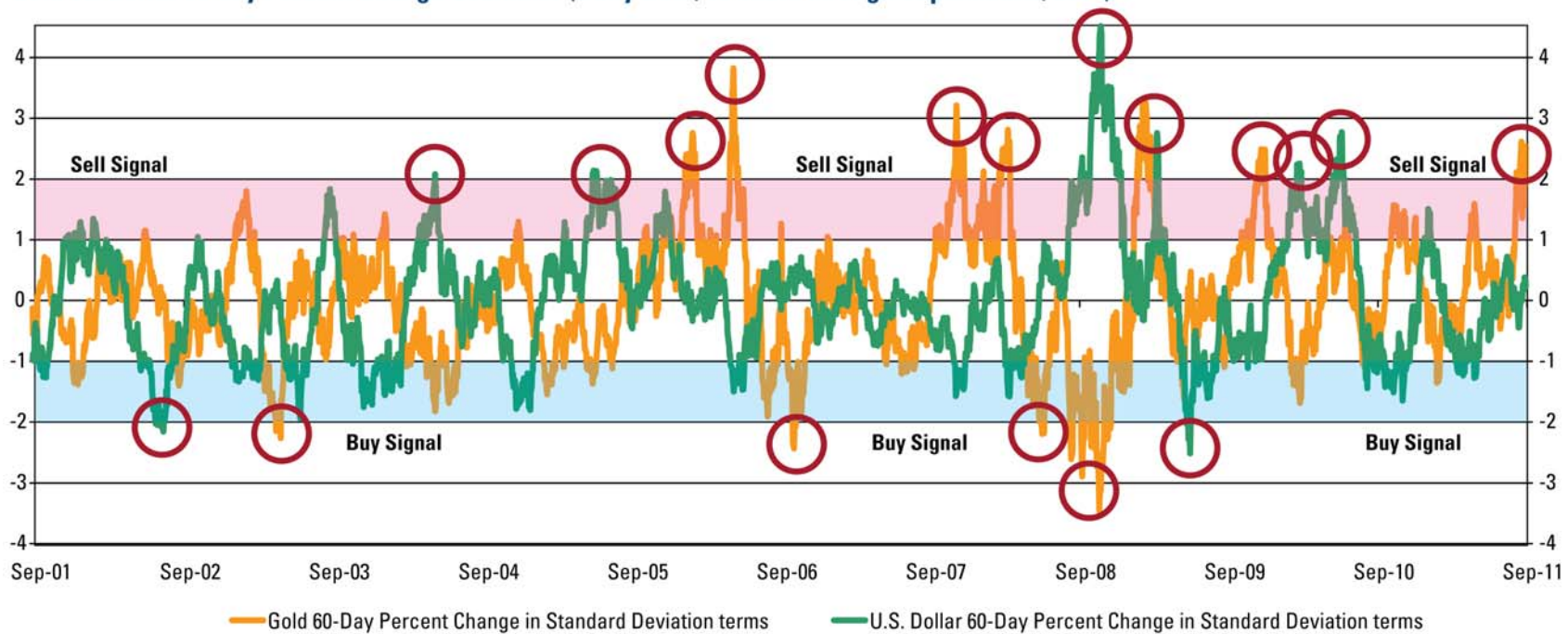
Past performance is no guarantee of future results.

Source: Moore Research Center, Inc.



60 Day Rolling Oscillator

Gold vs. Dollar 60-day Percent Change Oscillator (Daily Data, 10 Years through September 2, 2011)

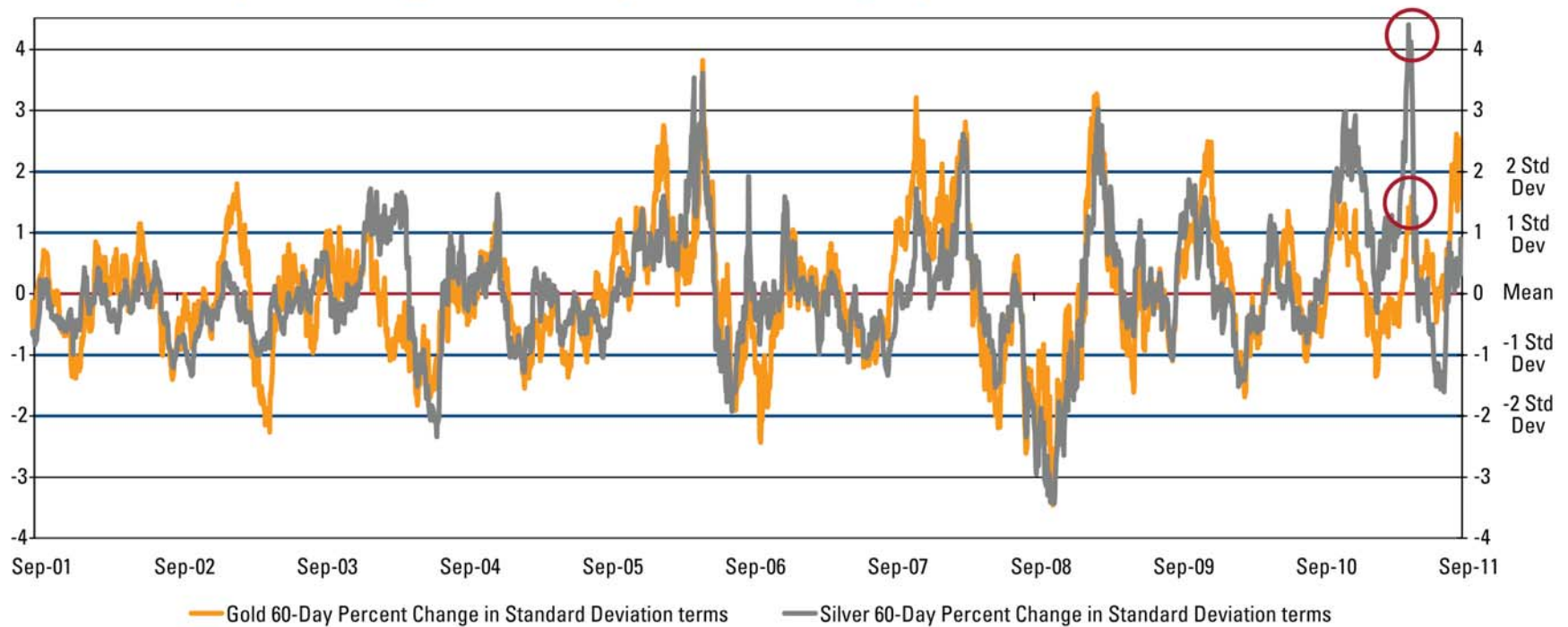


Source: Bloomberg, U.S. Global Research



Silver Was Ahead of Itself Relative to Gold

Gold vs. Silver 60-day Percent Change Oscillator (Daily Data, 10 Years through September 2, 2011)

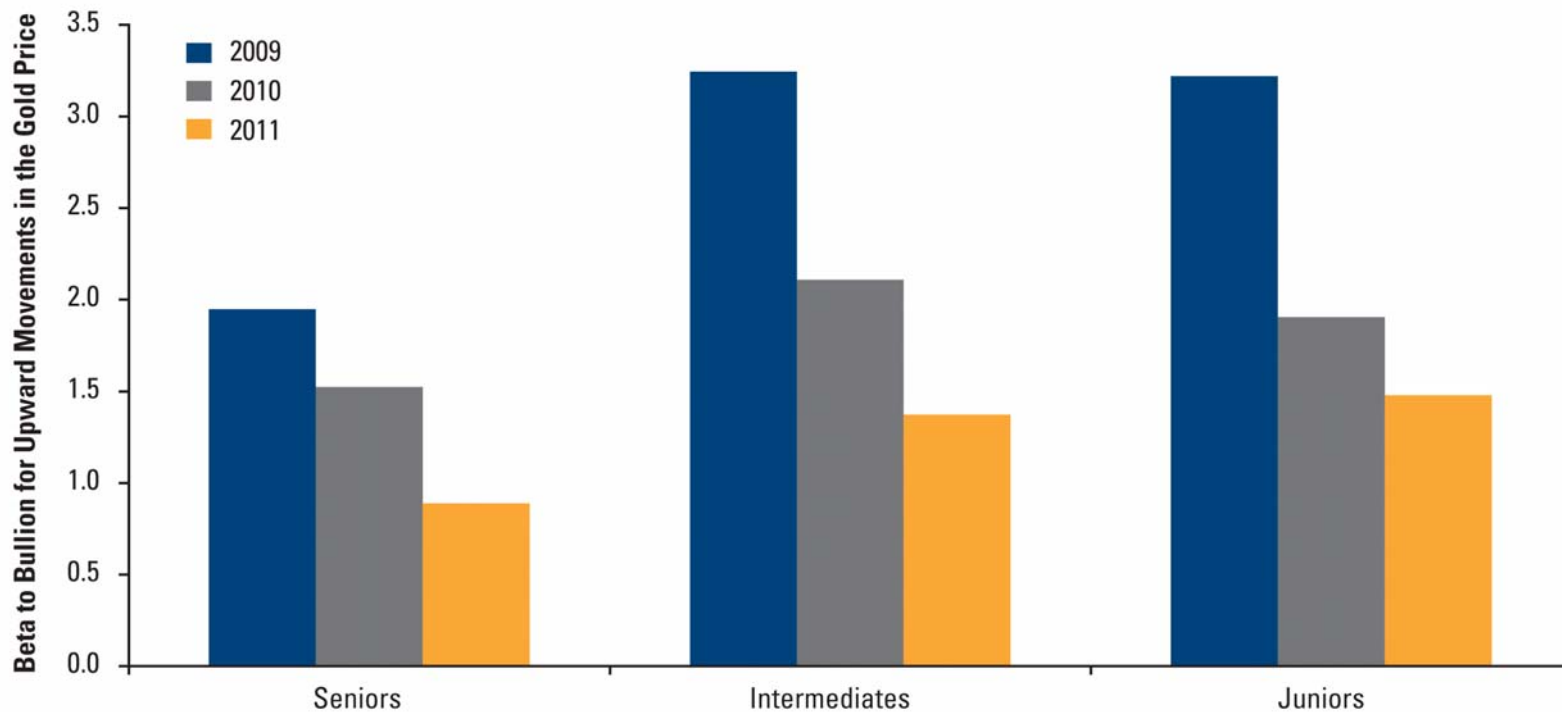


Source: Bloomberg, U.S. Global Research



Cause and Effect — Gold Bullion and Gold Stocks

Average Beta to Bullion Responses for Upward Movements in the Gold Price

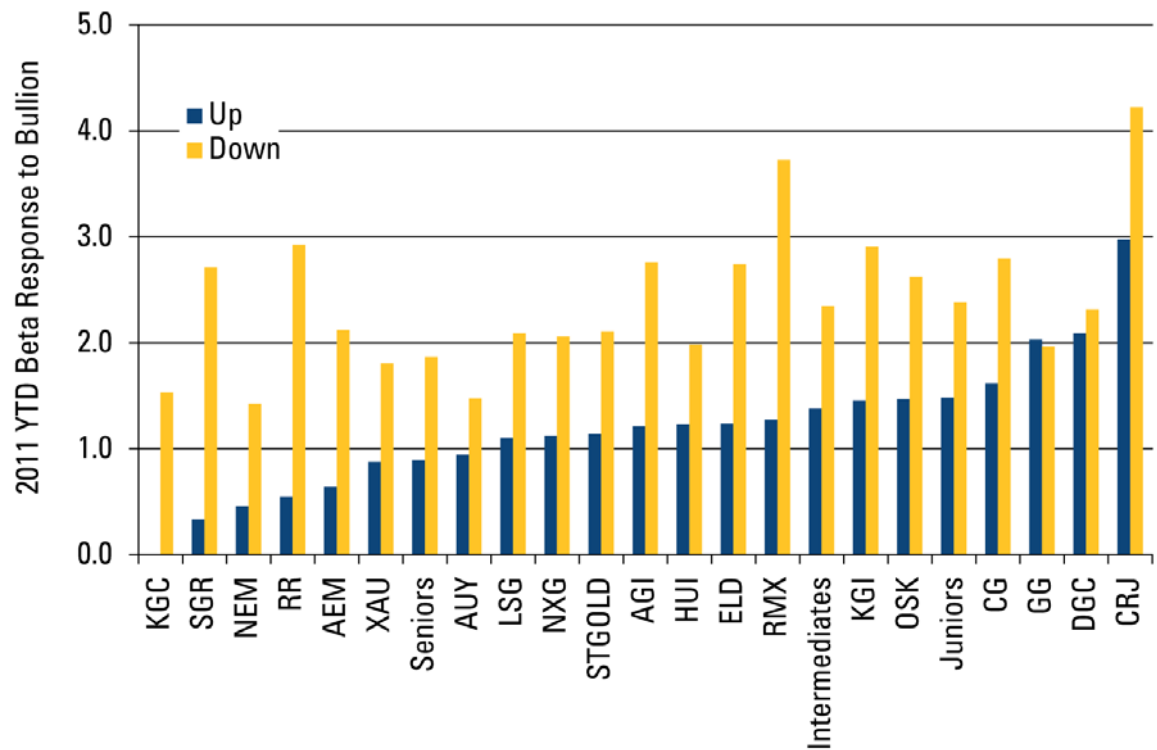


Source: Bloomberg and CIBC World Markets Inc.



The DNA of Volatility — DNA of Each Stock Is Different

Beta-to-Bullion Response Since 2011



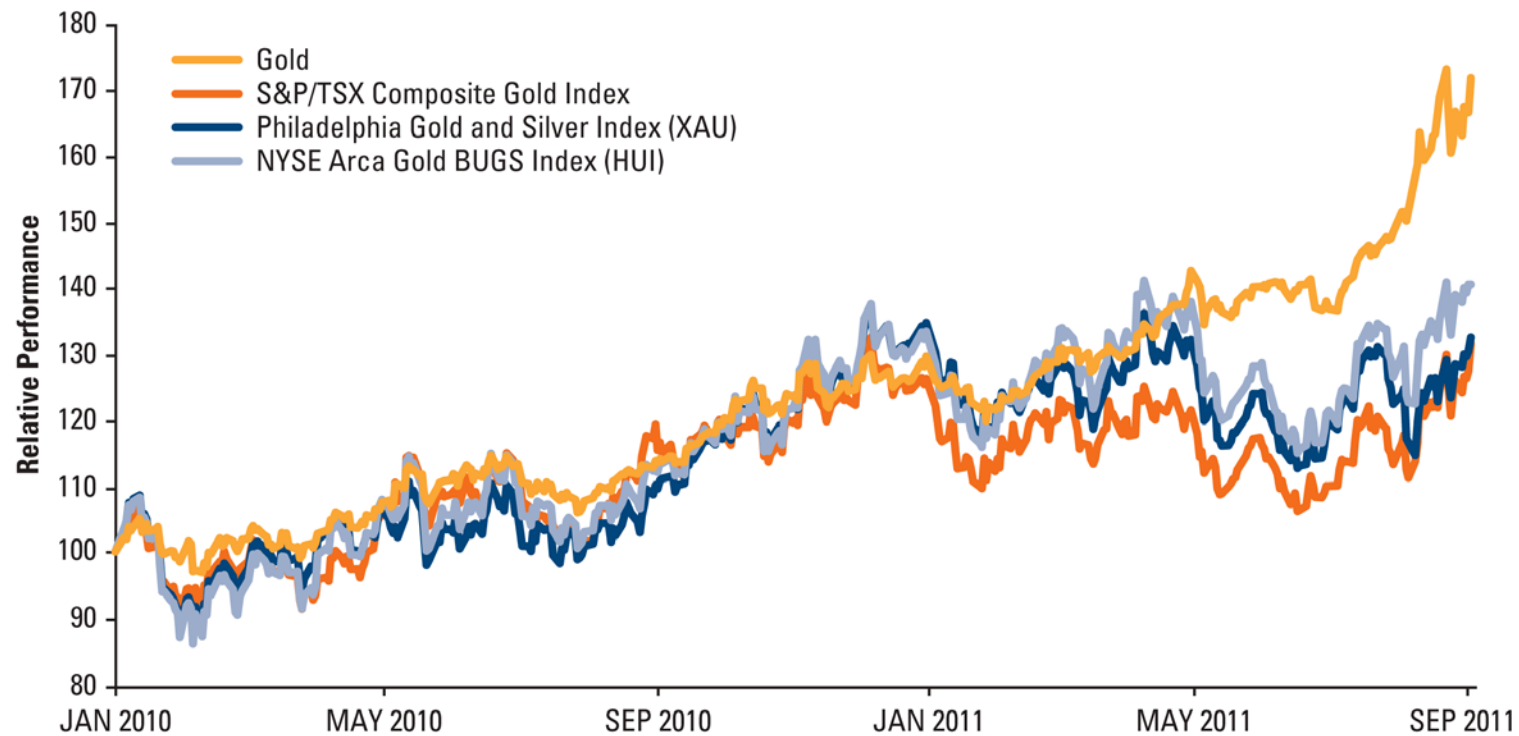
Note: AEM (Agnico-Eagle Mines), AGI (Alamos), AUJ (Yamana Gold), CG (Centerra Gold), CRJ (Claude Resources), DGC (Detour Gold Corp), ELD (Eldorado Gold Corp), GG (Goldcorp), HUI (NYSE Arca Gold Bugs Index), KGC (Kinross Gold), KGI (Kirkland Lake), LSG (Lake Shore Gold Corp), NEM (Newmont Mining Corp), NXG (Northgate Minerals Corp), OSK (Osisko), RMX (Rubikon), RR (Rainy River), SGR (San Gold), STGOLD (S&P/TSX Composite Gold Index), XAU (Philadelphia Gold and Silver Index)

Source: Bloomberg and CIBC World Markets Inc.



Bullion Outperforms Gold Stocks

Relative Performance Of Bullion Versus Gold Indices Since 2010



Source: Bloomberg, U.S. Global Research

Past performance is no guarantee of future results. It is not possible to invest in an index.



Big Cap Gold Stocks Lag

Relative Performance Of Gold Equities Versus Bullion Since 2010



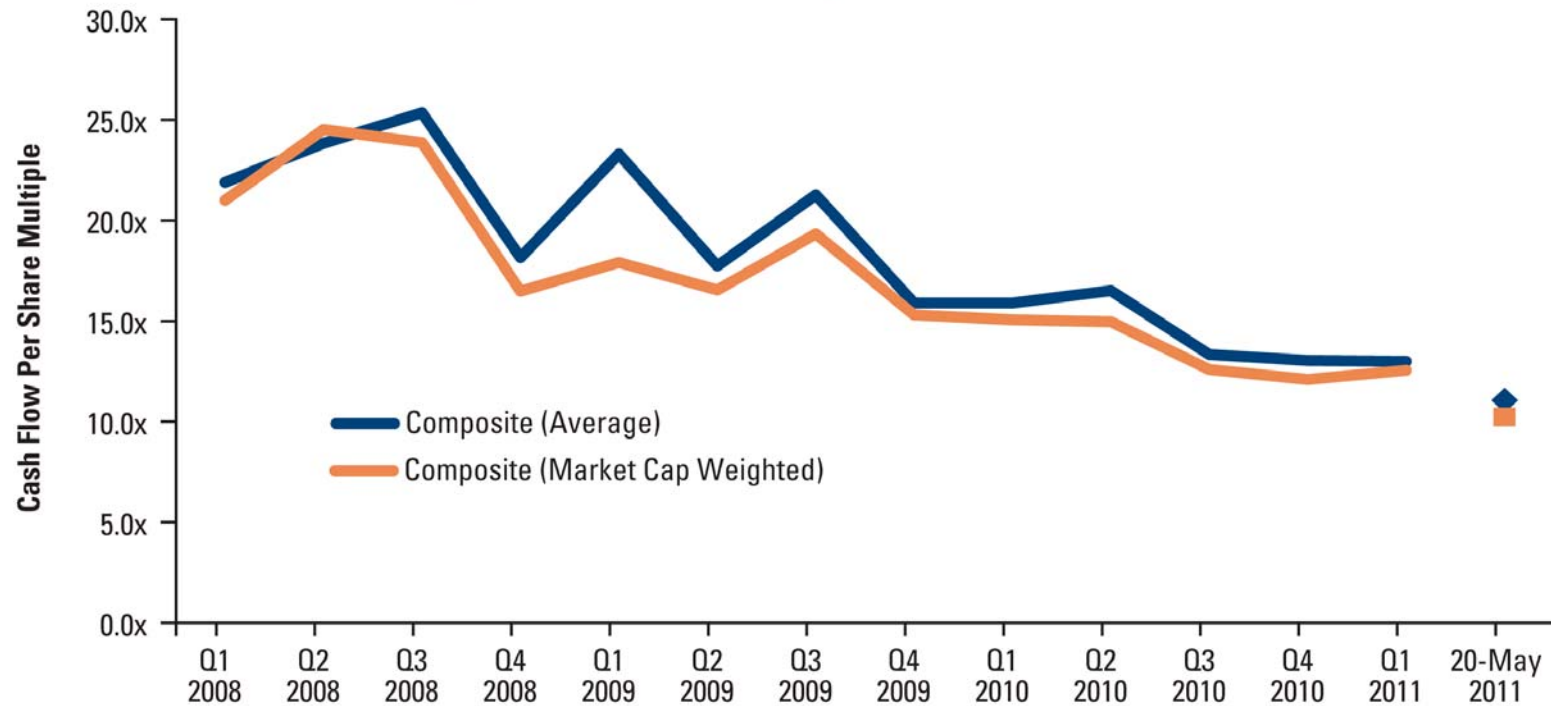
Past performance is no guarantee of future results.

Source: Bloomberg and CIBC World Markets Inc.



Gold Stocks Are Getting Cheaper

Cash Flow and Earnings Per Share Multiples Since 2008

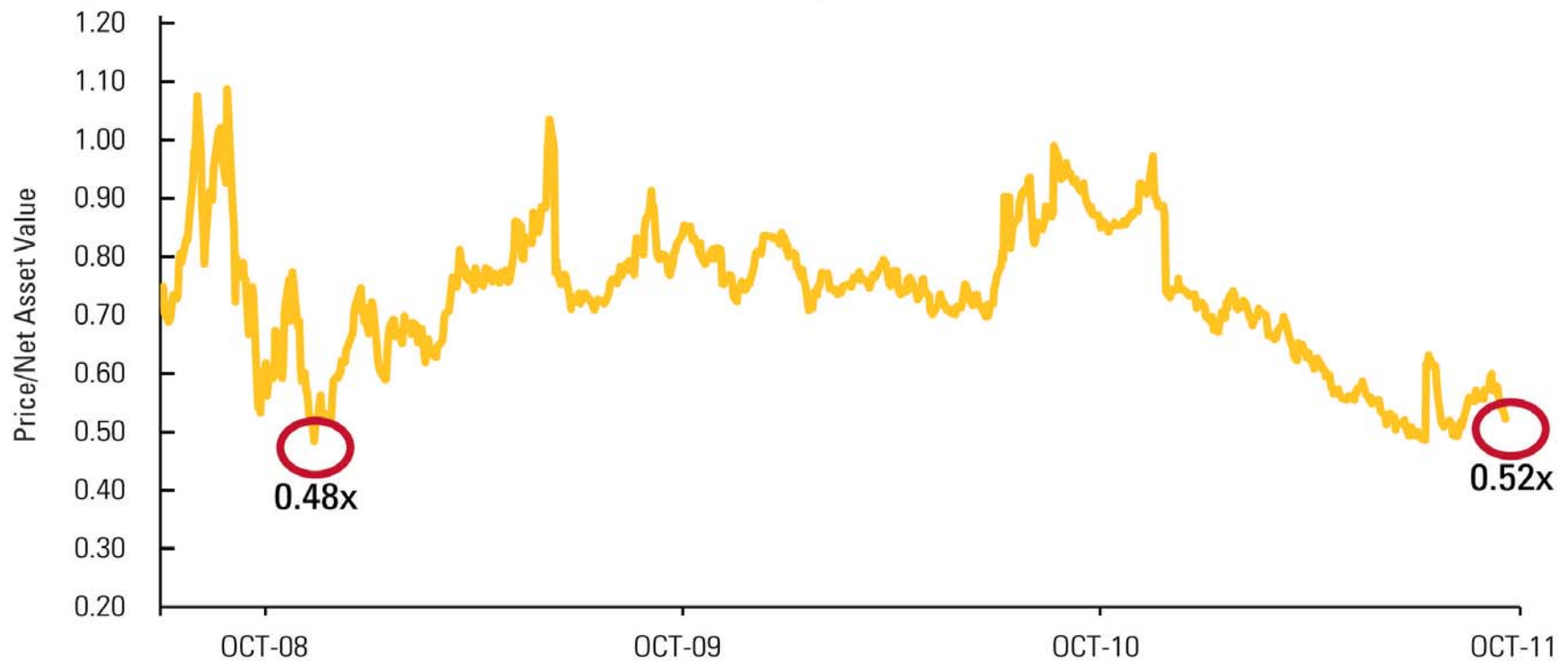


Source: CIBC World Markets Inc.



Contraction in Relative Valuations — Gold Stocks Price/Net Asset Value

Exploration and Development Gold Companies Trading Near 2008 Levels

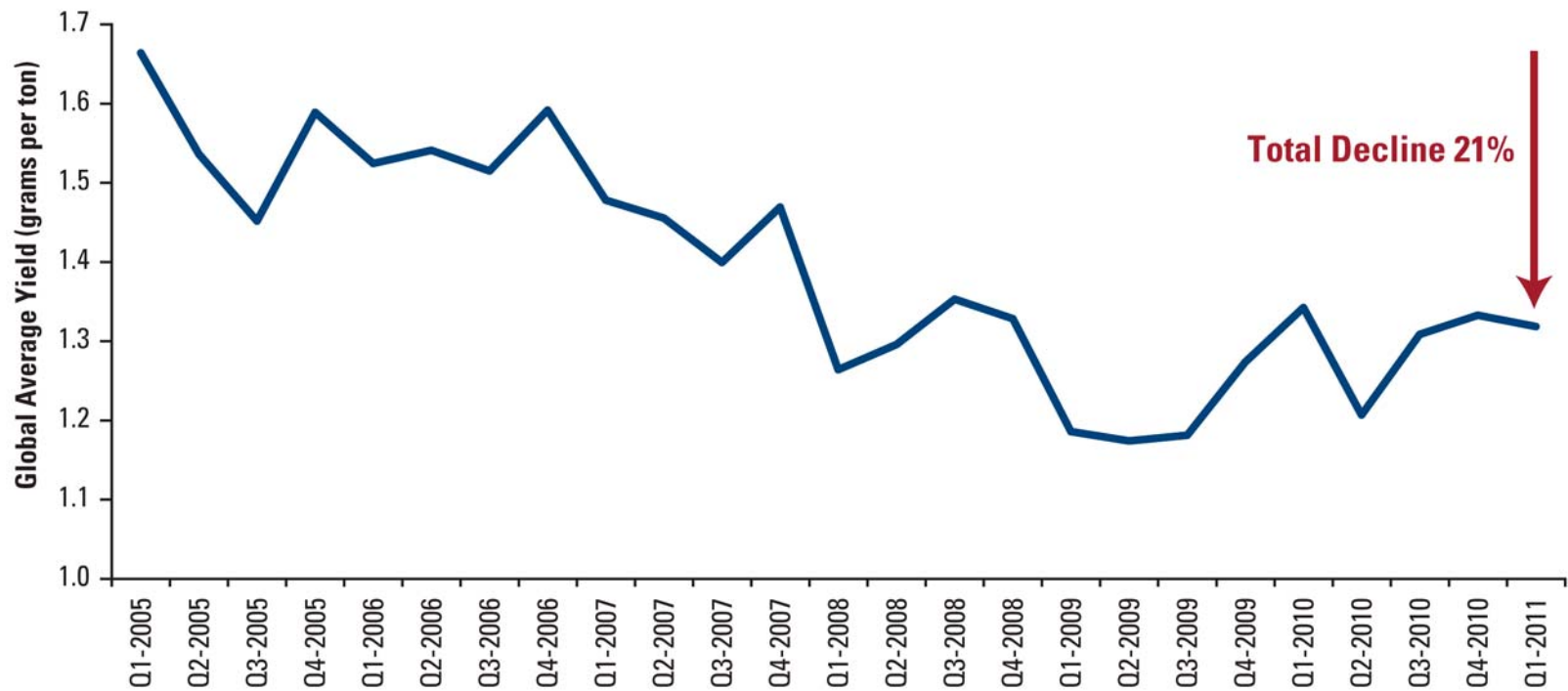


Source: TD Securities



Gold Grades Fall

Declines in Global Average Grades Since 2005

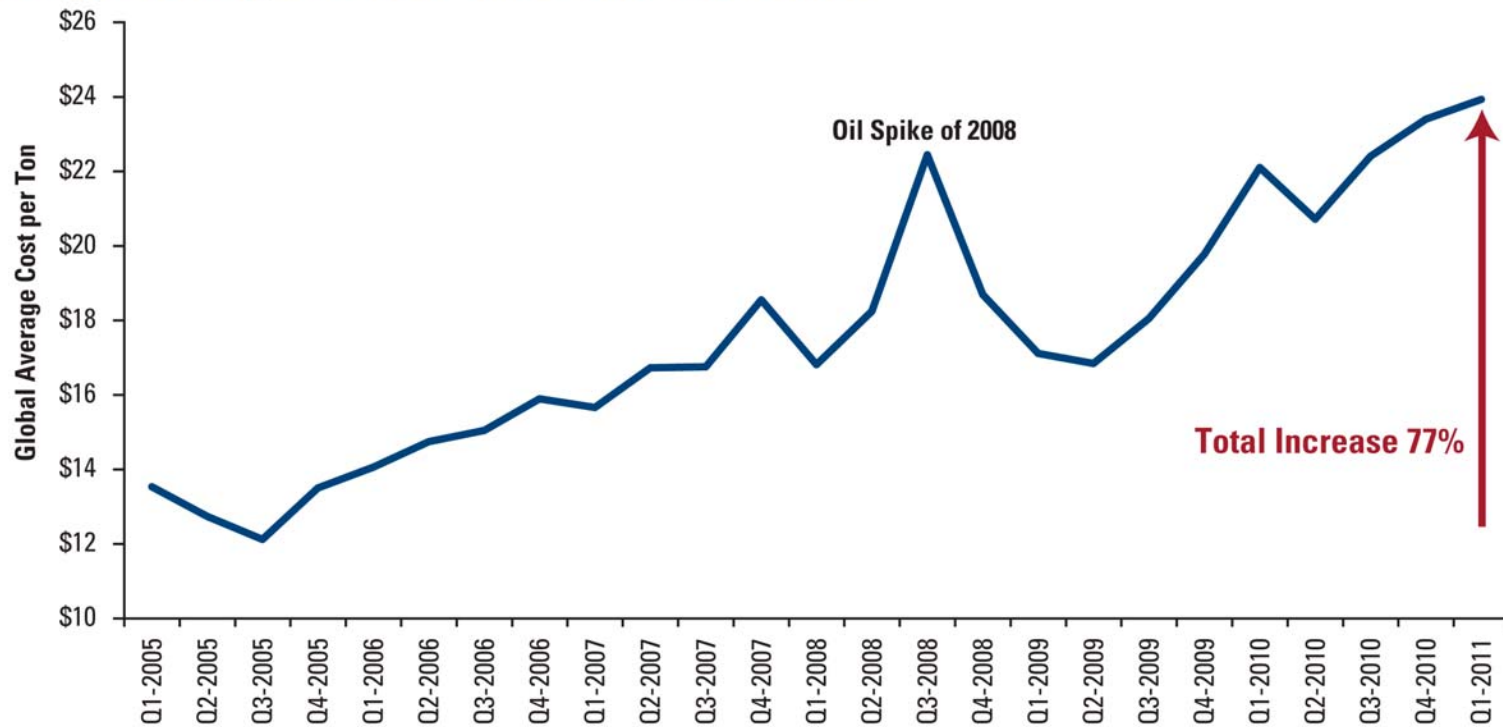


Source: Company Reports and CIBC World Markets Inc.



Gold Stock Costs Rise

Global Average Cost Per Ton Profile Since 2005



Source: Company Reports and CIBC World Markets Inc.



Spot Gold vs. Market Vectors Junior Gold Miners ETF (GDXJ)

Spot Gold vs. GDXJ Assets
(Daily, 11-11-09 thru 3-14-11)

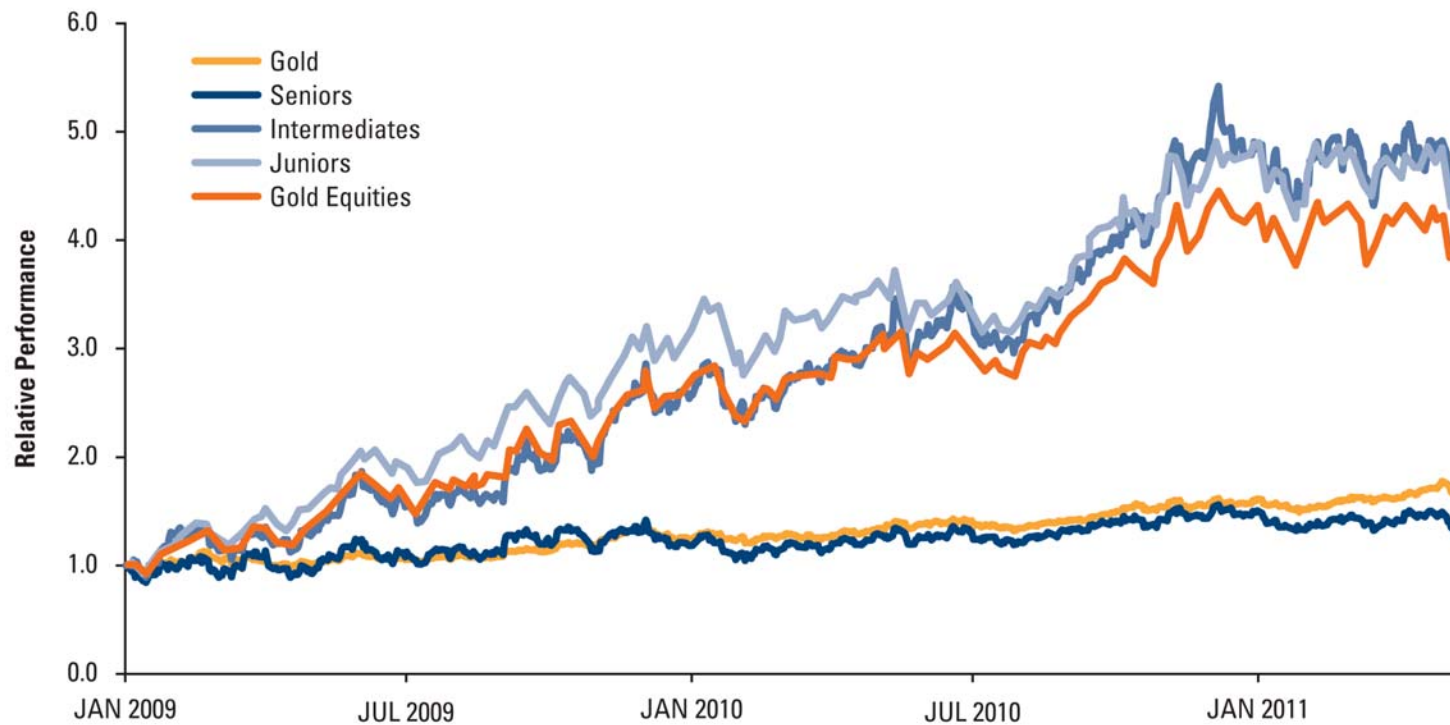


Past performance is no guarantee of future results.



Market Vectors Junior Gold Miners ETF (GDXJ) Inflates Midcap Gold Stocks

Relative Performance Of Gold Equities Versus Bullion Since 2009



Past performance is no guarantee of future results.

Source: Bloomberg and CIBC World Markets Inc.



Three Price Levels When Valuing Companies



1. Wholesale Price
2. Retail Price
3. Fairytale Price

The Five M's for Gold Miners

- Management
- Mine Lifecycle
- Market Cap
- Money (Burn Rate)
- Minerals



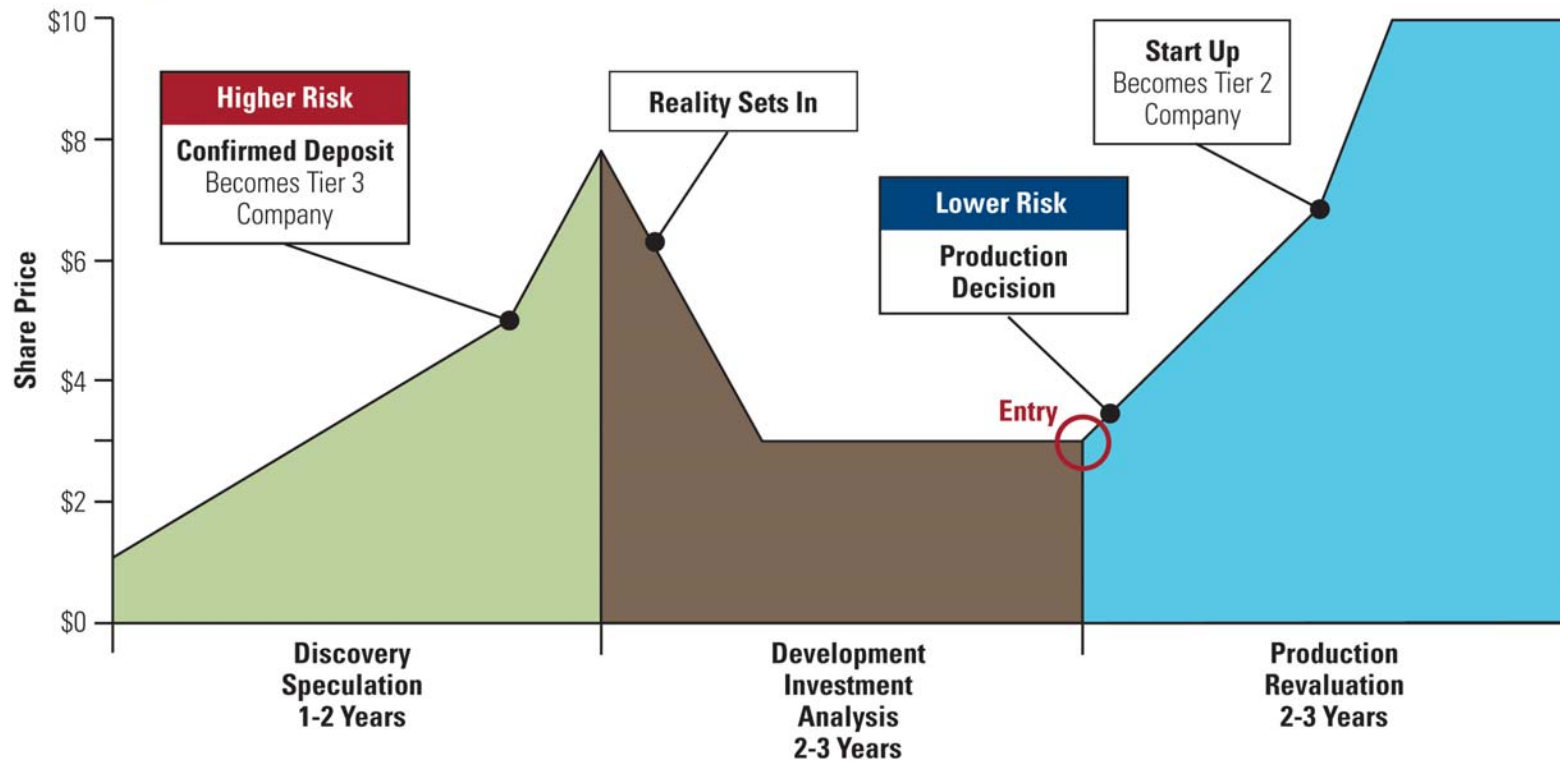
Weight of Truck: 423 tons
Load Capacity: 240 tons

Frank Holmes,
Mauritania



Life Cycle of a Mining Share

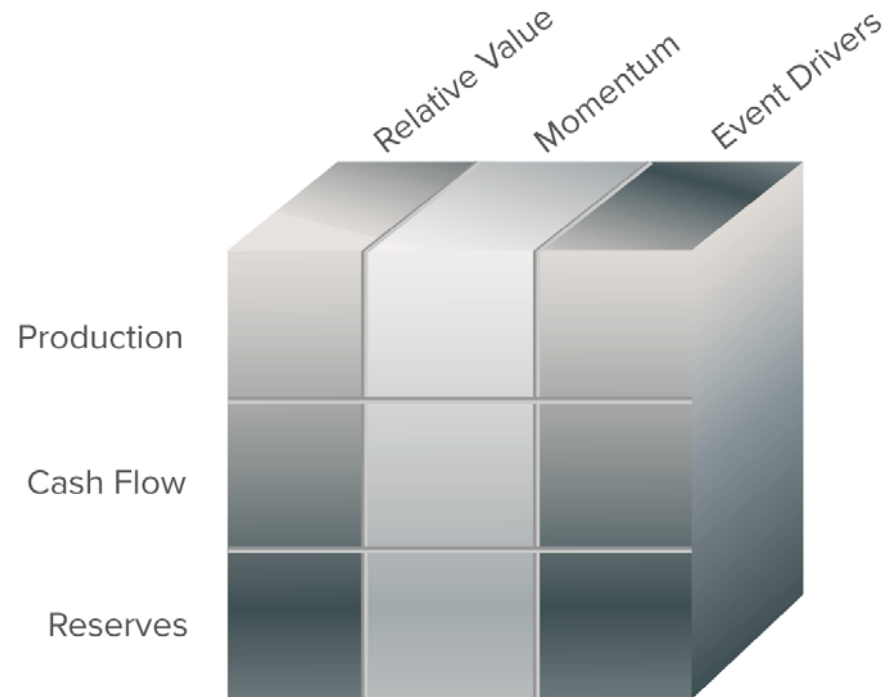
The Life Cycle of a Mine



Source: U.S. Global Research



Value Drivers for Superior Performance



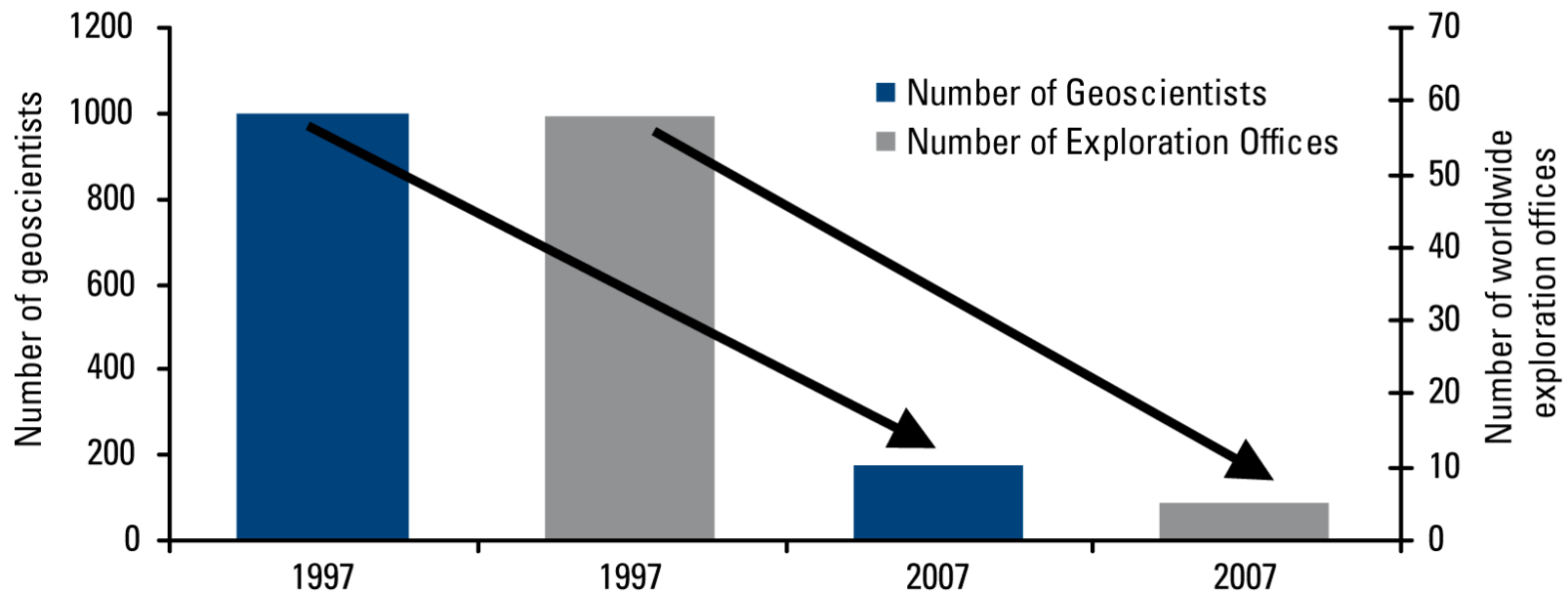
The key success factor to superior stock performance is growth on a per share basis in the 3 value drivers.

Production, Cash Flow, Reserves.



BHP Exploration Offices and Explorationists

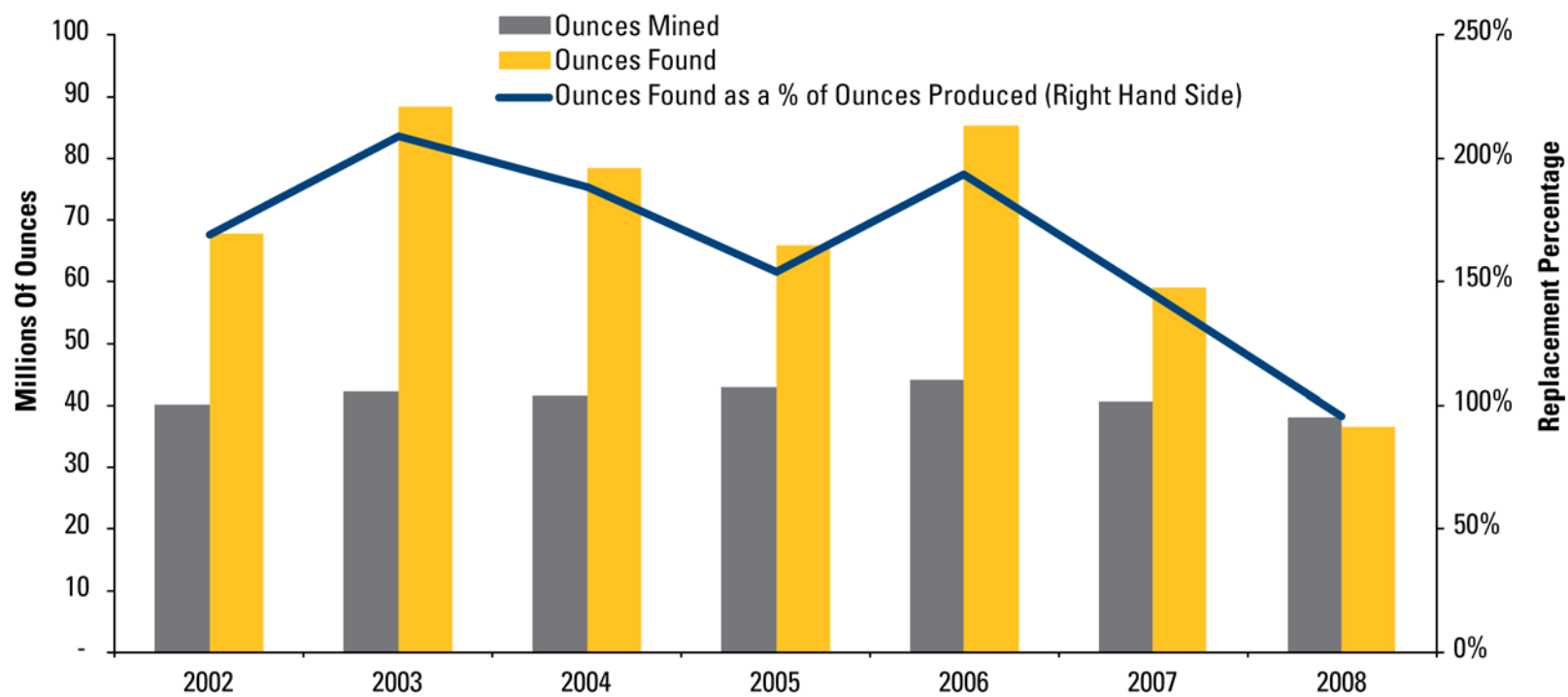
BHP Exploration Offices and Explorationists



Source: BHP Billiton, Macquarie Research, March 2011



Difficult to Replace Mine Reserves

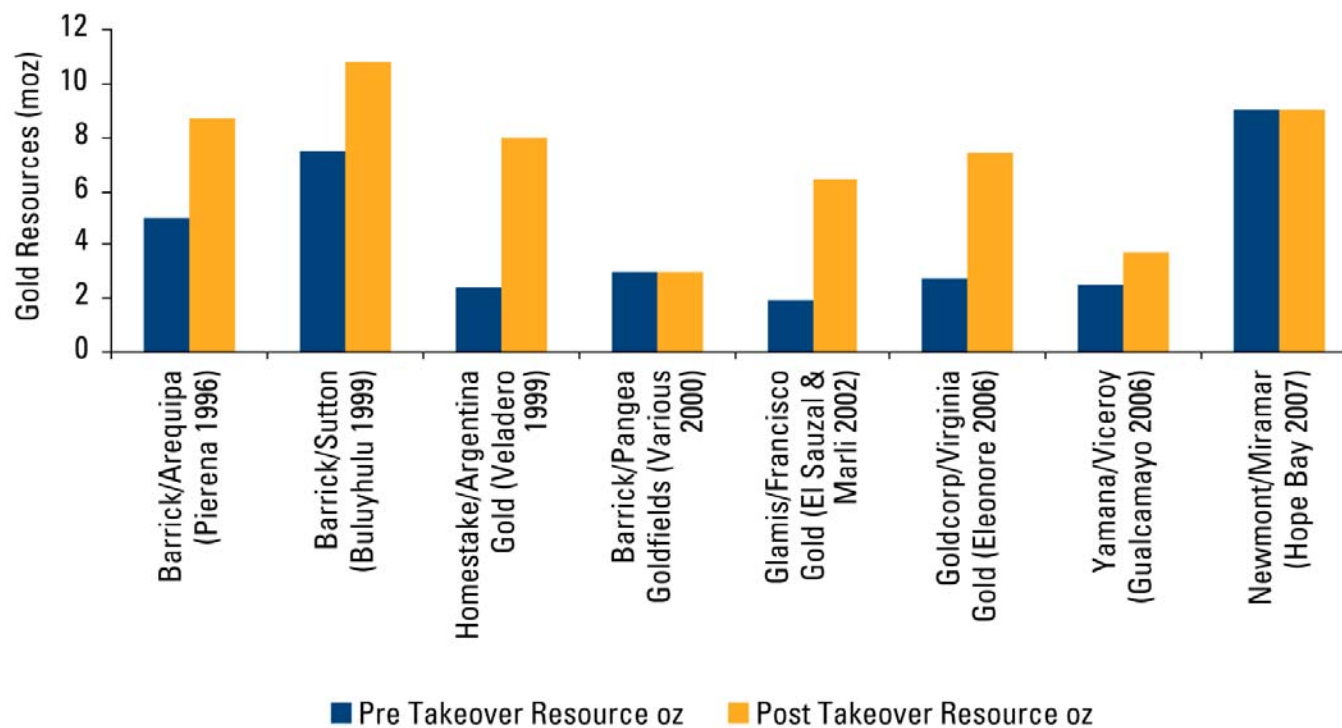


Source: Company Reports, CIBC



Lookback At Undeveloped Gold Acquisitions and Resource Growth

Lookback At Undeveloped Gold Acquisitions and Resource Growth



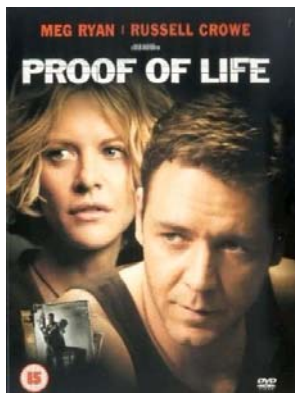
Source: Company reports, Macquarie Research, March 2011



Case Study: Gold Mining in Colombia



Kidnapping

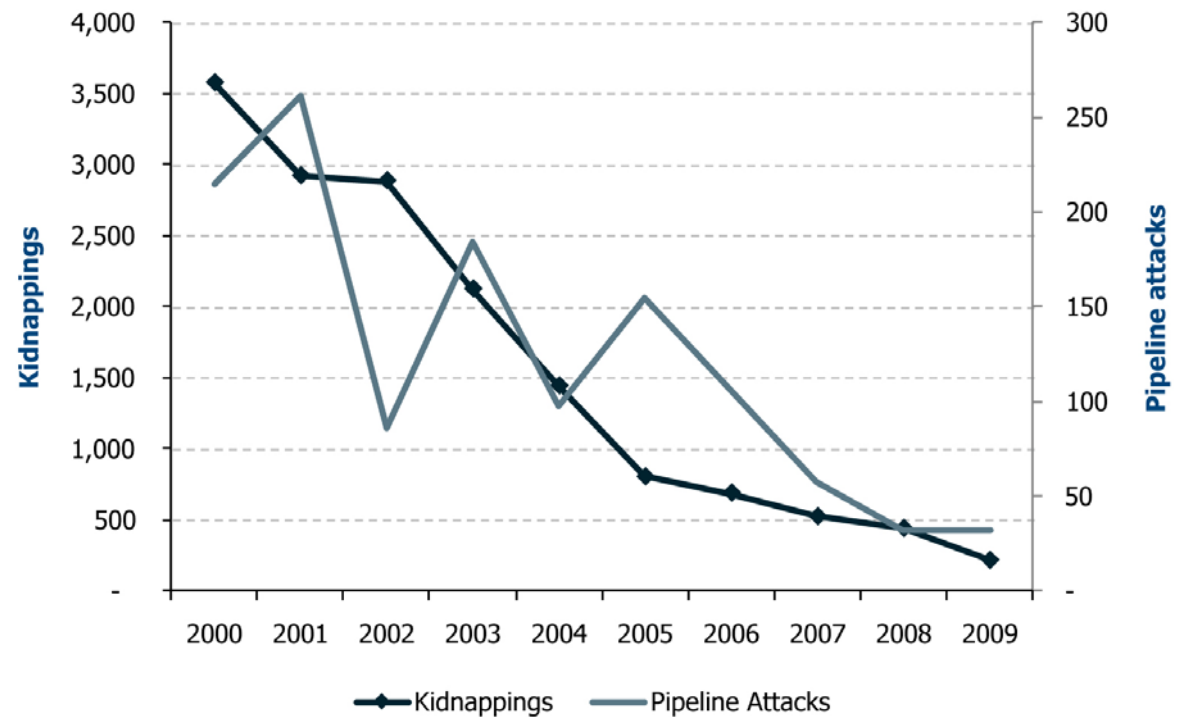


2000



Pipeline attack in Colombia

Reduced kidnappings and pipeline attacks in Colombia



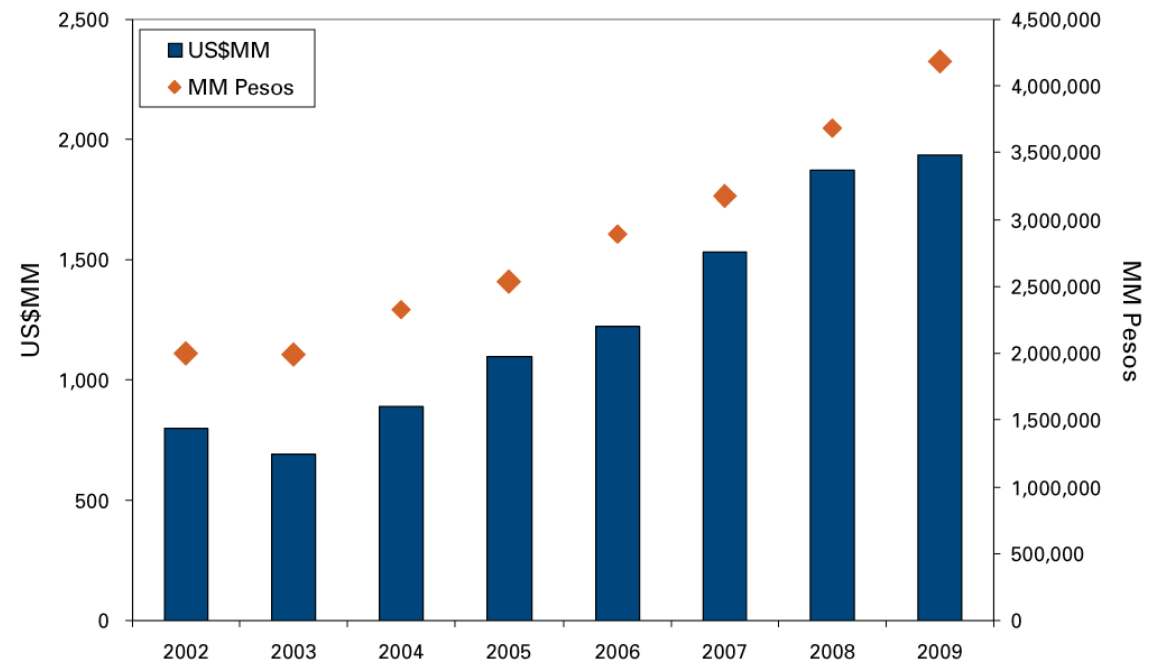
Source: Colombia Ministry of Defense



Justice Budget



Justice Budget



Source: Direction National Budget



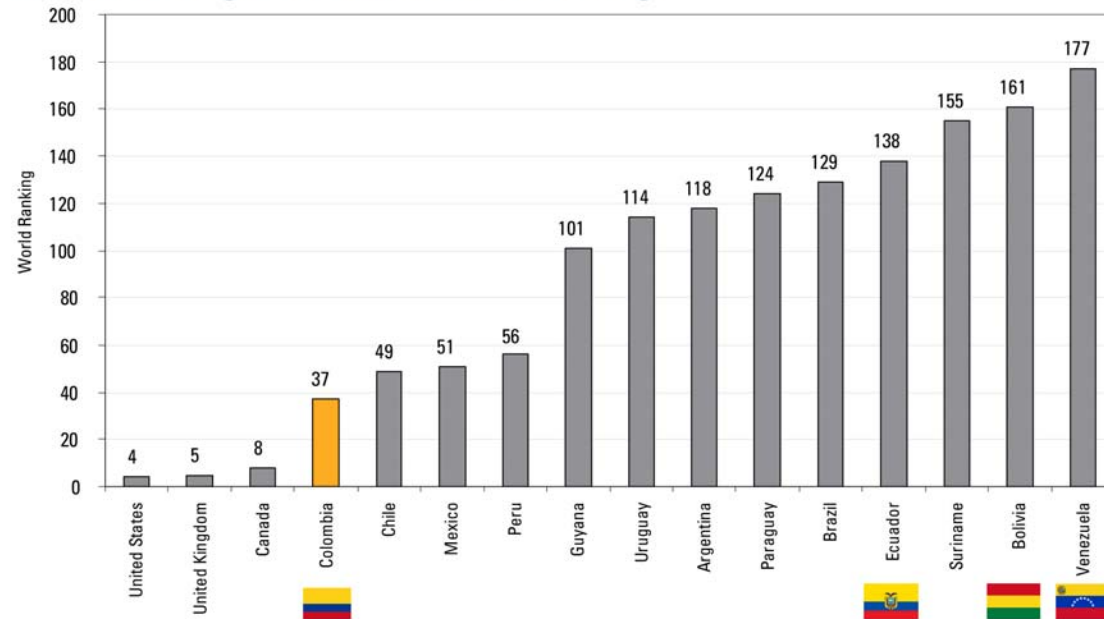
Ease of Doing Business World Ranking

Compare Colombia to Venezuela

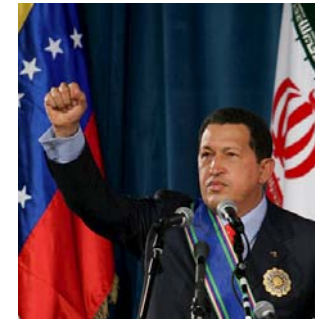


Juan Manuel Santos Calderón
President of the Republic of Colombia

Ease of Doing Business World Ranking



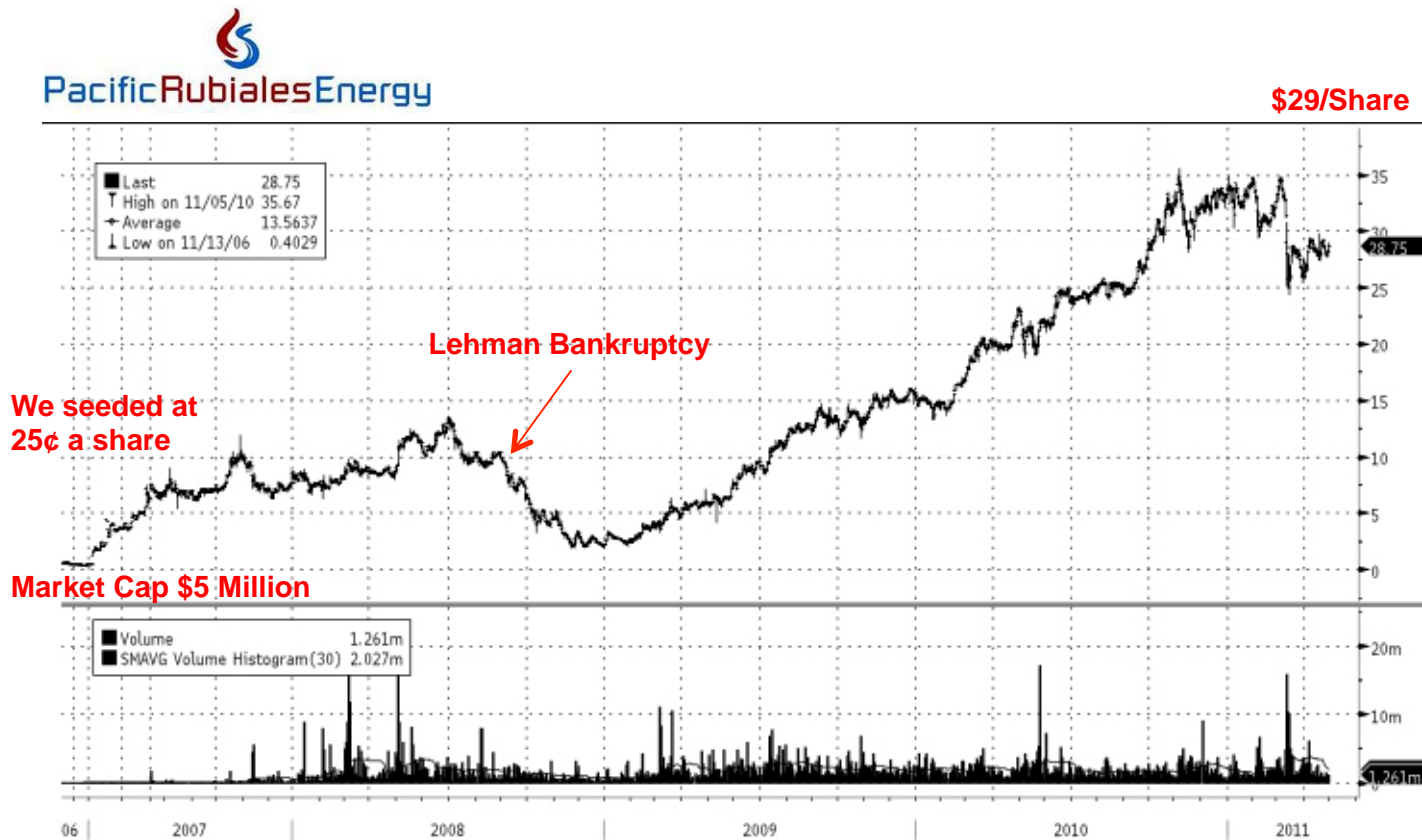
Source: International Finance Corporation, World Bank Group



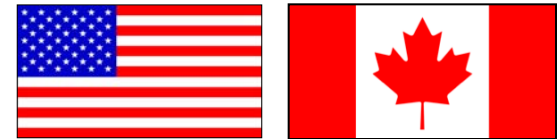
Hugo Chávez
President of Venezuela



Pacific Rubiales — Case Study



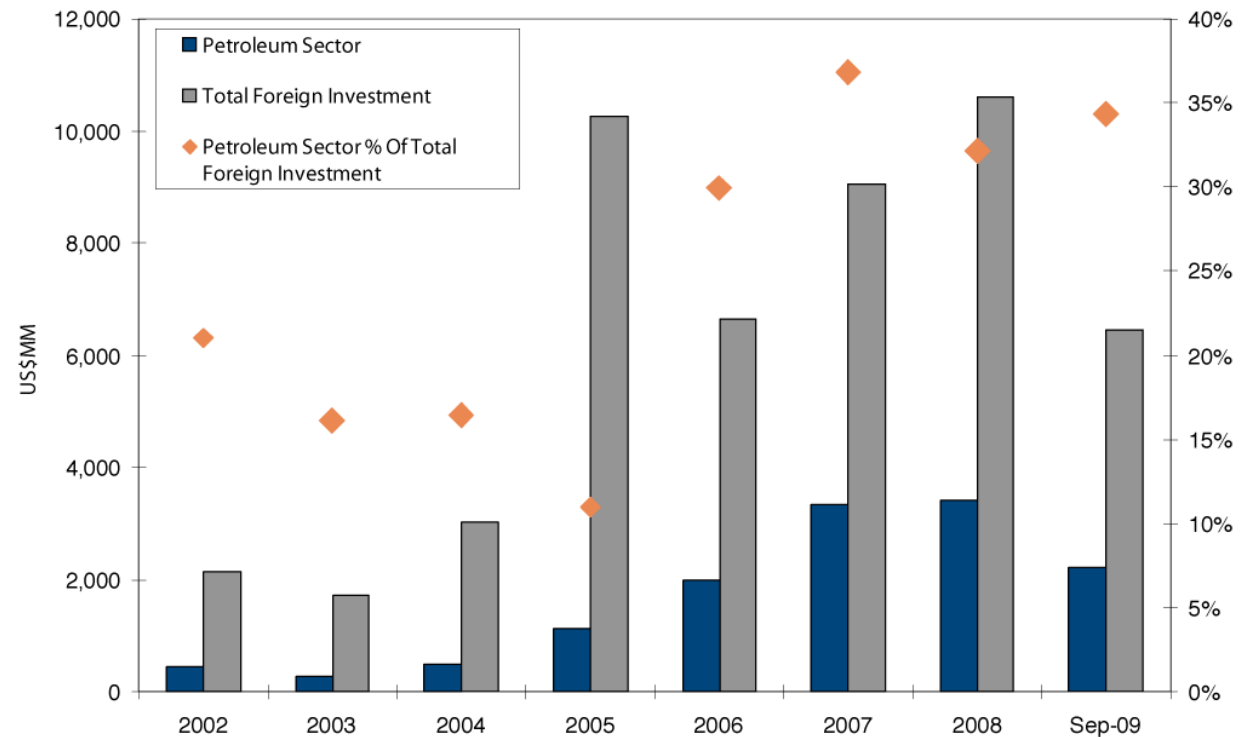
Flow of Foreign Investment in Colombia



Flow Of Foreign Investment In Colombia



Pacific Rubiales Energy



Source: Banco de la República, Subgerencia of Economic Studies



Gran Colombia



Source: Medoro

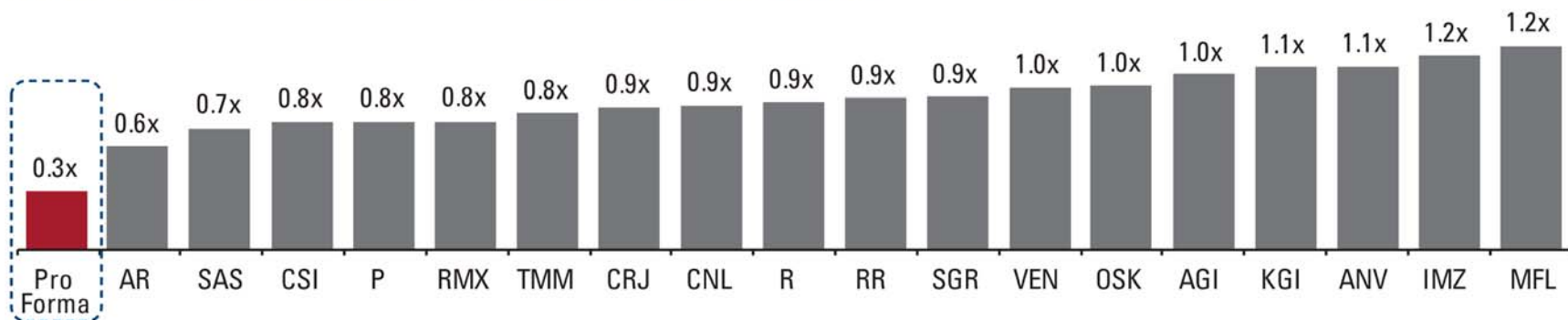


Relative Valuations — Price/Net Asset Value

Creating a Leading Colombian Gold Producer: Planned Merger of Medoro & Gran Colombia Gold



Price/Net Asset Value (Ratio) — attractive on a relative basis



Source: Company disclosures, FactSet, Bloomberg and consensus estimates

Note: Ventana priced at transaction value

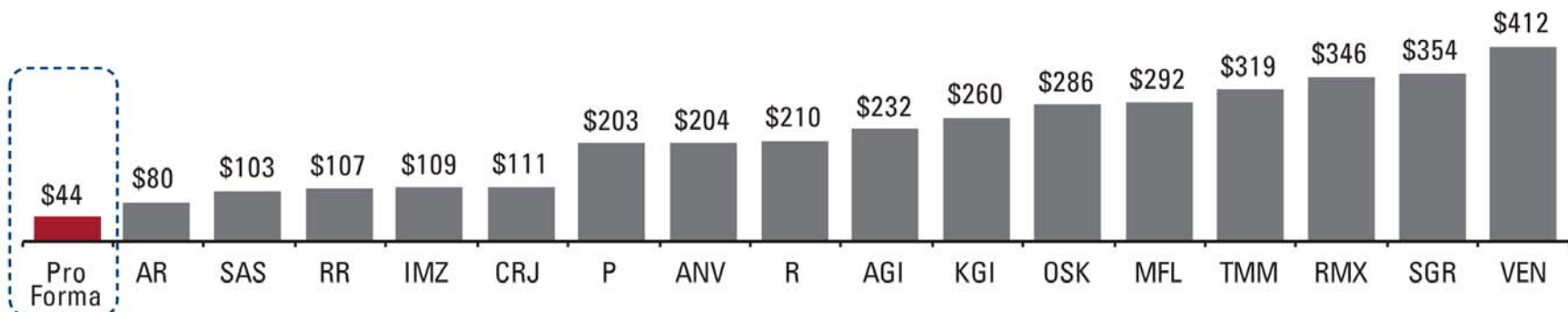
Note: AGI (Alamos), ANV (Allied Nevada), AR (Argonaut), CNL (Continental), CRJ (Claude Resources), CSI (Colossus), GCM (Gran Colombia), IMZ (International Minerals), KGI (Kirkland Lake), MFL (Minefinders), MRS (Medoro), OSK (Osisko), P (Primero), R (Romarco), RR (Rainy River), RMX (Rubicon), SAS (St. Andrew Goldfields), SGR (San Gold), TMM (Timmins Gold), VEN (Ventana)



Relative Valuation — Creating a Leading Colombian Gold Producer: Planned Merger of Medoro & Gran Colombia Gold



Enterprise Value/Total Resources (US\$/oz Au) — attractive on a relative basis



Source: Company disclosures, FactSet, Bloomberg and consensus estimates

Note: Ventana priced at transaction value

Note: AGI (Alamos), ANV (Allied Nevada), AR (Argonaut), CNL (Continental), CRJ (Claude Resources), CSI (Colossus), GCM (Gran Colombia), IMZ (International Minerals), KGI (Kirkland Lake), MFL (Minefinders), MRS (Medoro), OSK (Osisko), P (Primero), R (Romarco), RR (Rainy River), RMX (Rubicon), SAS (St. Andrew Goldfields), SGR (San Gold), TMM (Timmins Gold), VEN (Ventana)

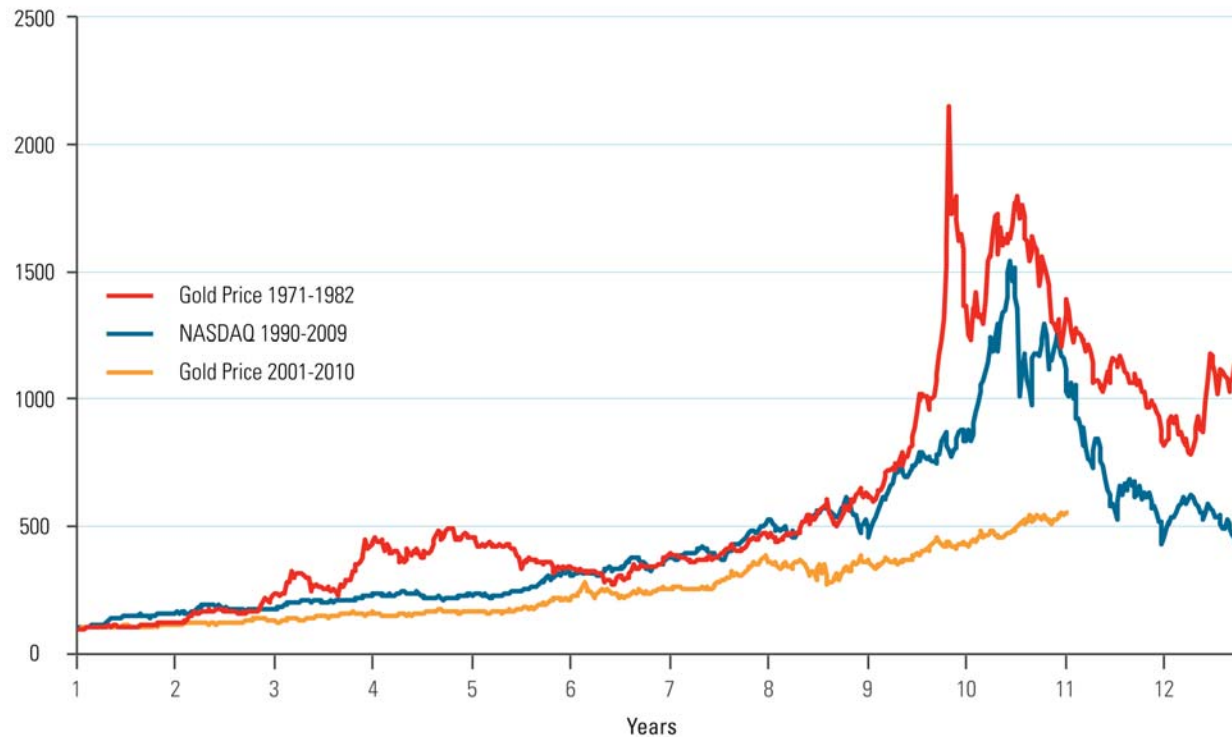


No Bubble in Gold



Compared to Past Bubbles, Gold's Not One

Performance of gold prices and the NASDAQ Index over various time periods, with performance set to a base level of 100. In relative terms, recent gold prices have not spiked in the same manner as seen during these prior bubbles in gold prices and the NASDAQ Index.



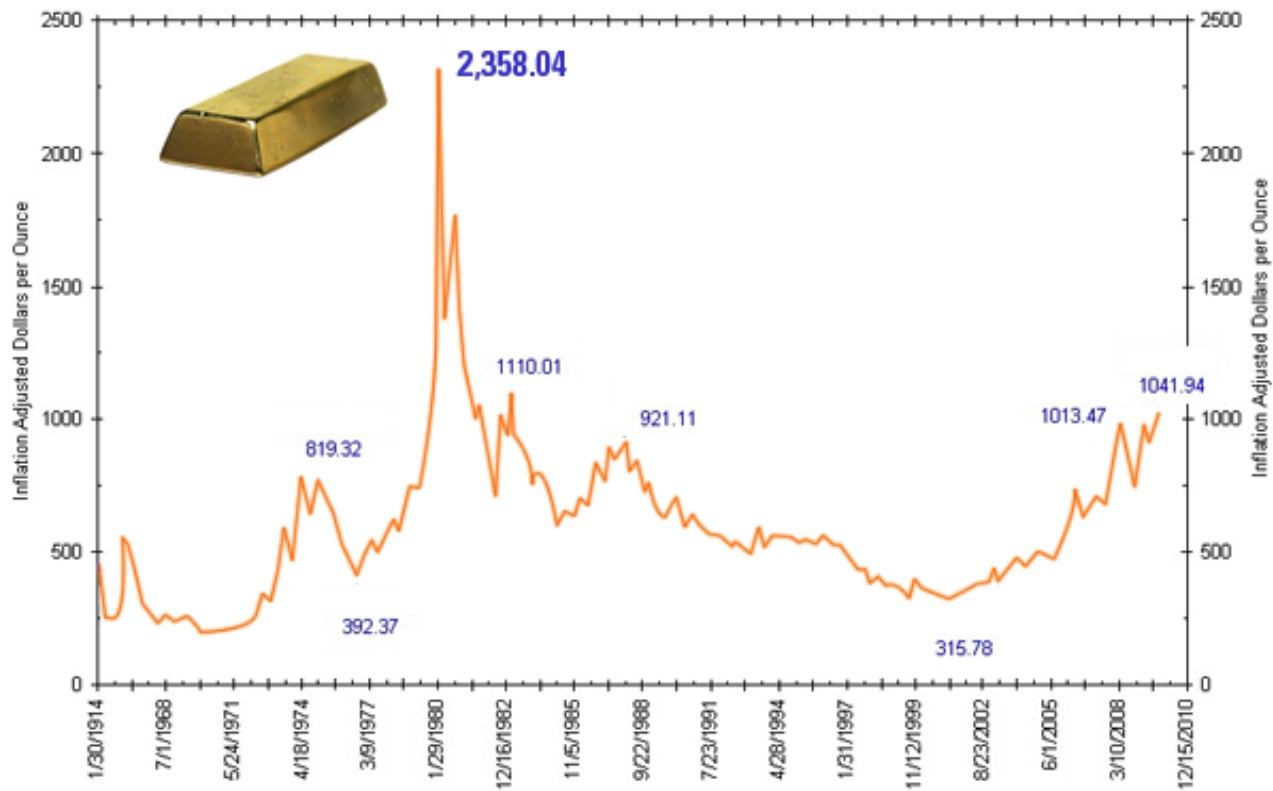
Source: DundeeWealth

Past performance is no guarantee of future results. It is not possible to invest in an index.



Inflation-Adjusted Gold Prices in 2009 Dollars

Inflation-Adjusted Gold Prices in 2009 Dollars

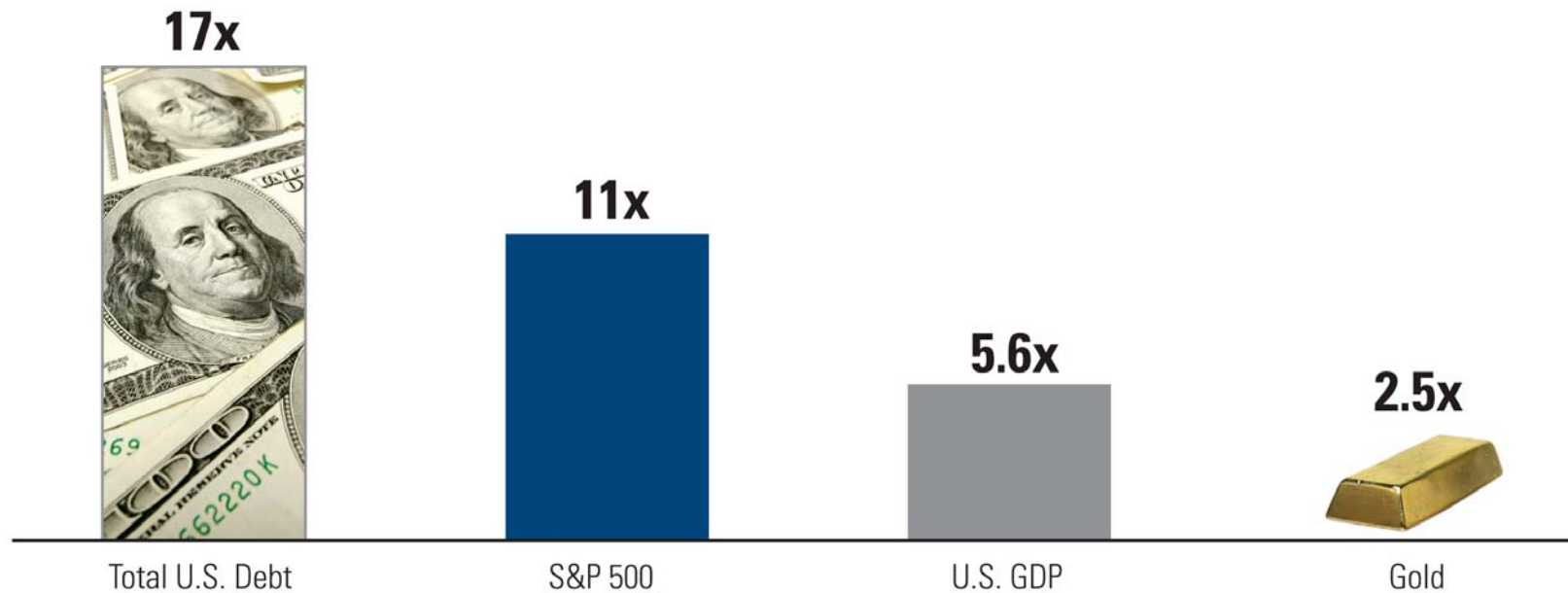


Source: Solari.com



Gold Undervalued Compared to Rise in Other Areas of U.S. Economy

Gold Undervalued Compared to Rise in Other Areas of U.S. Economy
Today's Level Compared to 1980 Peak



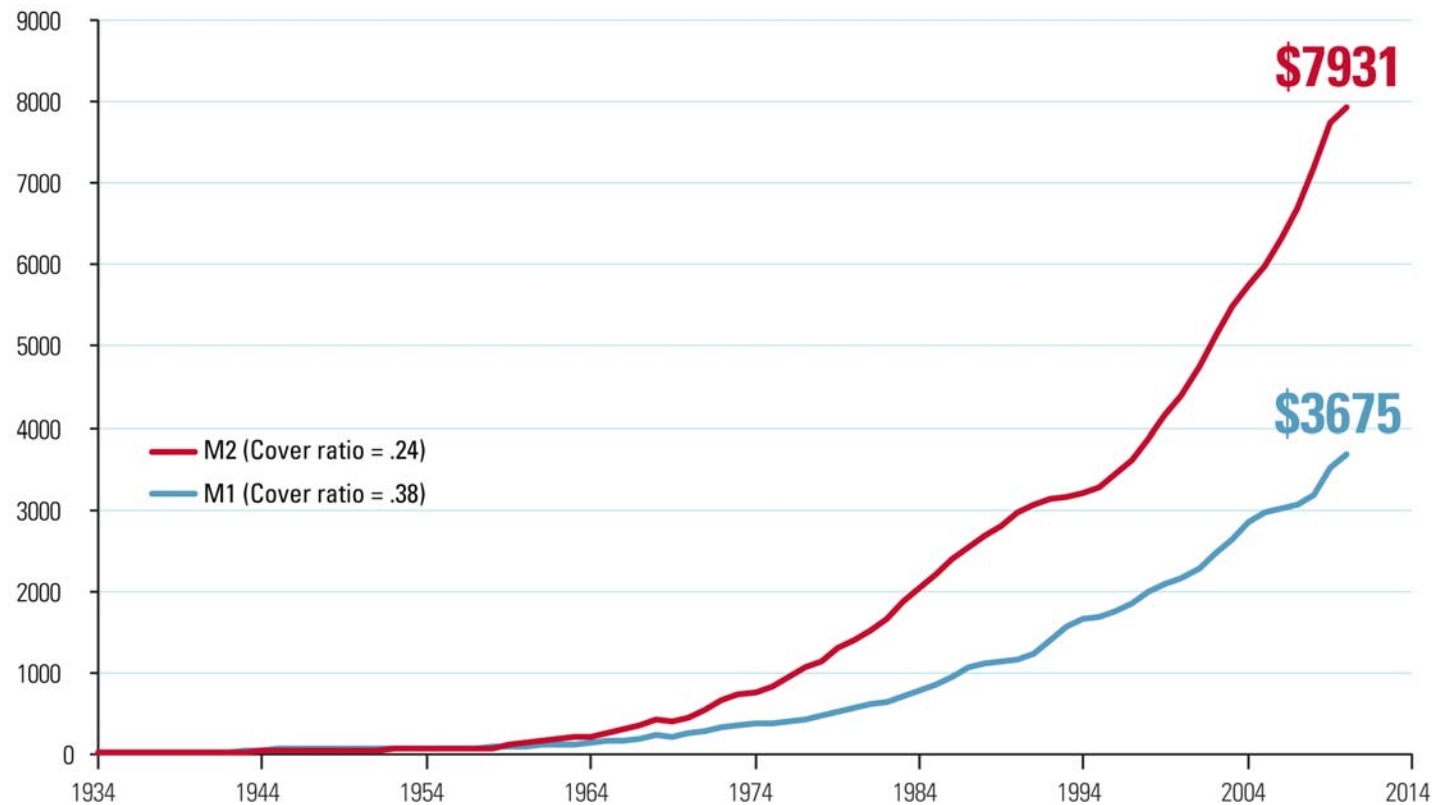
Source: Global Deliberations Newsletter



Gold Would Need to Be Much Higher to Cover U.S. Money Supply



Price of Gold Needed to "Cover" U.S. Money Supply



"cover ratio" as determined in 1934 when gold was revalued to \$35
Source: DundeeWealth



Trying to Stop a Bull Market Has Risks



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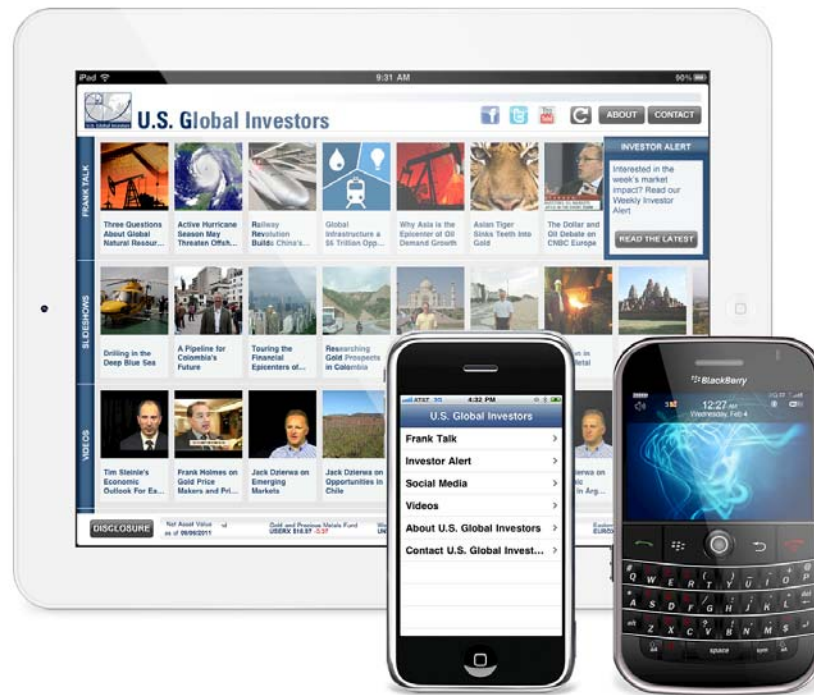


Investor Alert: www.usfunds.com/alert



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Disclosures

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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% to 10% of your portfolio in these sectors.

Foreign and emerging market investing involves special risks such as currency fluctuation and less public disclosure, as well as economic and political risk. 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. 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.

Although Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Lipper. Users acknowledge that they have not relied upon any warranty, condition, guarantee, or representation made by Lipper. Any use of the data for analyzing, managing, or trading financial instruments is at the user's own risk. This is not an offer to buy or sell securities.



Disclosures

The S&P 500 Stock Index is a widely recognized capitalization-weighted index of 500 common stock prices in U.S. 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 MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. 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 S&P/TSX Composite Index is a capitalization-weighted index designed to measure market activity of stocks listed on the TSX. The Nasdaq Composite Index is a capitalization-weighted index of all Nasdaq National Market and SmallCap stocks. The Nominal Broad Dollar Index is a weighted average of the foreign exchange values of the U.S. dollar against the currencies of a large group of major U.S. trading partners. The index weights, which change over time, are derived from U.S. export shares and from U.S. and foreign import shares.

M1 Money Supply includes funds that are readily accessible for spending. M2 Money Supply is a broad measure of money supply that includes M1 in addition to all time-related deposits, savings deposits, and non-institutional money-market funds. Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. 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. R-squared is a statistical measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. R-squared values range from 0 to 100. An R-squared of 100 means that all movements of a security are completely explained by movements in the index.



Disclosures

Holdings in the Gold and Precious Metals Fund (USERX), World Precious Minerals Fund (UNWPX), Global Resources Fund (PSPFX) and Eastern European Fund (EUROX) as a percentage of net assets as of 9/30/2011: Agnico-Eagle Mines (USERX 5.04%, UNWPX 4.50%); Alamos 0.00%; Allied Nevada 0.00%; Andina Minerals 0.00%; Argonaut (UNWPX 0.07%); Atna Resources 0.00%; Banro Corp 0.00%; Barrick Gold (USERX 5.46%, UNWPX 1.22%, PSPFX 3.35%); Bendigo Mining 0.00%; BHP (PSPFX 2.84%); BYD Auto 0.00%; Centerra Gold 0.00%; Citigold 0.00%; Claude Resources (USERX 2.18%, UNWPX 0.74%); Colossus (UNWPX 0.43%); Continental Gold (UNWPX 1.85%); Continental Minerals 0.00%; Crystalex International (UNWPX 0.06%); Detour Gold Corp 0.00%; Eldorado Gold Corp (USERX 0.77%, UNWPX 0.69%, EUROX 0.47%); Exeter Resource 0.00%; Gabriel Resources 0.00%; Glamis 0.00%; Goldcorp (USERX 2.58%, UNWPX 1.97%, PSPFX 1.60%); Gran Colombia (USERX 3.92%, UNWPX 4.16%, PSPFX 1.58%); Great Basin Gold (USERX 0.23%, UNWPX 0.34%); Greystar Resources 0.00%; Guyana Goldfields (UNWPX 0.58%); Homestake 0.00%; International Minerals 0.00%; International Tower Hill Mines 0.00%; Jaguar Mining 0.00%; Kinross Gold (USERX 3.37%, UNWPX 3.29%); Kirkland Lake 0.00%; Lake Shore Gold Corp 0.00%; Market Vectors Junior Gold Miners 0.00%; McDonald's 0.00%; Medoro 0.00%; Minefinders (USERX 0.53%, UNWPX 0.32%); Mundoro 0.00%; Newmont Mining Corp (USERX 1.02%, PSPFX 1.82%); Northgate Minerals Corp 0.00%; Novagold Resources 0.00%; Osisko 0.00%; Pacific Rubiales (UNWPX 0.46%, PSPFX 0.67%); Primero 0.00%; Rainy River 0.00%; Romarco (UNWPX 1.73%); Rubicon (UNWPX 1.03%); San Gold (USERX 0.67%, UNWPX 0.59%); Seabridge Gold 0.00%; Silver Standard (USERX 1.95%, UNWPX 1.16%); St. Andrew Goldfields 0.00%; Starbucks 0.00%; Timmins Gold 0.00%; Ventana 0.00%; Yamana Gold (USERX 4.32%, UNWPX 3.56%).

