

U.S. GLOBAL INVESTORS FUNDS

STATEMENT OF ADDITIONAL INFORMATION

**GLOBAL MEGATRENDS FUND (MEGIX)
WORLD PRECIOUS MINERALS FUND (UNWIX)
GLOBAL RESOURCES FUND (PIPFX)**

INSTITUTIONAL CLASS SHARES

U.S. Global Investors Funds (Trust) is an open-end series investment company. This Statement of Additional Information is not a prospectus. You should read it in conjunction with the prospectus dated May 1, 2012, which you may request from U.S. Global Investors, Inc. (Adviser), 7900 Callaghan Road, San Antonio, Texas 78229, or 1-800-873-3639.

The date of this Statement of Additional Information is May 1, 2012.

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GENERAL INFORMATION

U.S. Global Investors Funds (Trust), an open-end management investment company, was organized as a Delaware statutory trust on July 31, 2008. The Trust is permitted to offer separate series (i.e., funds) and different classes of shares, and additional series and/or classes may be created from time to time. This Statement of Additional Information (SAI) relates to the Institutional Class shares of the Global MegaTrends Fund, World Precious Minerals Fund, and Global Resources Fund. The Trust currently offers 13 funds, three of which that issue a combination of Investor Class shares and Institutional Class shares. The classes provide for variations in certain shareholder servicing and distribution expenses and in the minimum initial investment requirement. The Institutional Class shares commenced operations on March 1, 2010. The World Precious Minerals and Global Resources Funds are non-diversified series, and the Global MegaTrends Fund is a diversified series of the Trust.

The trustees shall accept investments in any series of the Trust from such persons and on such terms as they may from time to time authorize. Investments in a series shall be credited to each shareholder's account in the form of full or fractional shares at a net asset value per share determined after the investment is received; provided, however, that the trustees may, in their sole discretion, (a) fix the net asset value per share of the initial capital contribution or (b) impose a sales charge or other fee in connection with investments in the Trust in such manner and at such time as determined by the trustees. The trustees shall have the right to refuse to accept investments in any series at any time without any cause or reason therefore whatsoever.

All consideration received by the Trust for the issue or sale of shares of a particular series, together with all assets in which such consideration is invested or reinvested, all income, earnings, profits and proceeds thereof, including any proceeds derived from the sale, exchange or liquidation of such assets, and any funds or payments derived from any reinvestment of such proceeds in whatever form the same may be, shall be held and accounted for separately from the other assets of the Trust and of every other series and may be referred to herein as "assets belonging to" that series. The assets belonging to a particular series shall belong to that series for all purposes, and to no other series, subject only to the rights of creditors of that series. In addition, any assets, income, earnings, profits or funds, or payments and proceeds with respect thereto, which are not readily identifiable as belonging to any particular series shall be allocated by the trustees between and among one or more of the series in such manner as the trustees, in their sole discretion, deem fair and equitable. Each such allocation shall be conclusive and binding upon the shareholders of all series for all purposes, and such assets, income, earnings, profits or funds, or payments and proceeds with respect thereto shall be assets belonging to that series. The assets belonging to a particular series shall be so recorded upon the books of the Trust, and shall be held by the trustees in trust for the benefit of the holders of shares of that series. The assets belonging to each particular series shall be charged with the liabilities of that series and all expenses, costs, charges, and reserves attributable to that series. Any general liabilities, expenses, costs, charges or reserves of the Trust which are not readily identifiable as belonging to a particular series shall be allocated and charged by the trustees between or among any one or more of the series in such manner as the trustees, in their sole discretion, deem fair and equitable. Each such allocation shall be conclusive and binding upon the shareholders of all series for all purposes.

Without limitation of the foregoing, but subject to the right of the trustees in their discretion to allocate general liabilities, expenses, costs, charges or reserves as herein provided, the debts, liabilities, obligations, and expenses incurred, contracted for or otherwise existing with respect to a particular series shall be enforceable against the assets of such series and not against the assets of any other series of the assets of the Trust generally. Notice of this contractual limitation on inter-series liabilities may, in the trustee's sole discretion, be set forth in the certificate of trust of the Trust (whether originally or by amendment) as filed or to be filed in the Office of the Secretary of State of the State of Delaware pursuant to the Delaware Statutory Trust Act (the Delaware Act), and upon the giving of such notice in the certificate of trust, the statutory provisions of Section 3804 of the Delaware Act relating to limitations on liabilities among series (and the statutory effect under Section 3804 of setting forth such notice in the certificate of trust) shall become applicable to the Trust and each series. Any person extending credit to, contracting with or having any claim against any series may look only to the assets of that series to satisfy or enforce any debt, liability, obligation or expense incurred, contracted for or otherwise existing with respect to that series. No shareholder or former shareholder of any series shall have a claim on, or any right to, any assets allocated or belonging to any other series.

Shareholders shall have no preemptive or other right to subscribe to any additional shares or other securities issued by the Trust or the trustees, whether of the same or other series. In addition, shares shall not entitle shareholders to preference, appraisal, conversion or exchange rights (except as specified herein or as specified by the trustees when creating the shares, as in preferred shares). Each share has one vote with respect to matters upon which a shareholder vote is required consistent with the requirements of the 1940 Act and the rules promulgated thereunder. Shareholders receive one vote for every full fund share owned. Each fund or class of a fund, if applicable, will vote separately on matters relating solely to that fund or class. All shares of the funds are freely transferable.

As a Delaware statutory trust, the Trust is not required to hold annual shareholder meetings unless otherwise required by the 1940 Act. However, a meeting may be called by shareholders owning at least 10% of the outstanding shares of the Trust. If a meeting is requested by shareholders, the Trust will provide appropriate assistance and information to the shareholders who requested the meeting. Shareholder inquiries can be made by calling 800-873-3639, option 1, or by writing to the Trust at U.S. Global Investors Funds, P.O. Box 781234, San Antonio, Texas 78278-1234 .

Each shareholder of the Trust and of each series shall not be personally liable for debts, liabilities, obligations and expenses incurred by, contracted for, or otherwise existing with respect to, the Trust or by or on behalf of any series. The trustees shall have no power to bind any shareholder personally or to call upon any shareholder for the payment of any sum of money or assessment whatsoever other than such as the shareholder may at any time personally agree to pay by way of subscription for any shares or otherwise. Every note, bond, contract or other undertaking issued by or on behalf of the Trust or the trustees relating to the Trust or to a series shall include a recitation limiting the obligation represented thereby to the Trust or to one or more series and its or their assets (but the omission of such a recitation shall not operate to bind any shareholder or trustee of the Trust). Shareholders shall have the same limitation of personal liability as is extended to shareholders of a private corporation for profit incorporated in the State of Delaware. Every written obligation of the Trust or any series shall contain a statement to the effect that such obligation may only be enforced against the assets of the appropriate series or all series; however, the omission of such statement shall not operate to bind or create personal liability for any shareholder or trustee.

Every shareholder, by virtue of having purchased a share, shall become a shareholder and shall be held to have expressly assented and agreed to be bound by the terms of the Agreement and Declaration of Trust.

FUND POLICIES

The following information supplements the discussion of each fund's policies discussed in the funds' prospectus.

INVESTMENT RESTRICTIONS. If a percentage investment restriction other than a restriction on borrowing is adhered to at the time of investment, a later increase or decrease in percentage, resulting from a change in values of portfolio securities or amount of net assets, will not be considered a violation of any of the following restrictions.

INDUSTRY CLASSIFICATION. All funds use the Bloomberg Sector Classification System (Bloomberg) for industry classification purposes.

FUNDAMENTAL INVESTMENT RESTRICTIONS

Each fund will not change any of the following investment restrictions without the affirmative vote of a majority of the outstanding voting securities of the fund, which, as used herein, means the lesser of (1) 67% of the fund's outstanding shares present at a meeting at which more than 50% of the outstanding shares of the fund are represented either in person or by proxy, or (2) more than 50% of the fund's outstanding shares.

A fund may not:

1. Issue senior securities, except as permitted under the 1940 Act, and as interpreted or modified by regulatory authority having jurisdiction, from time to time.
2. Borrow money, except as permitted under the 1940 Act, and as interpreted or modified by regulatory authority having jurisdiction, from time to time.
3. Engage in the business of underwriting securities issued by other issuers, except to the extent that, in connection with the disposition of portfolio securities, the fund may be deemed an underwriter under the Securities Act of 1933.
4. Purchase or sell real estate, which term does not include securities of companies which deal in real estate and/or mortgages or investments secured by real estate, or interests therein, except that the fund reserves freedom of action to hold and to sell real estate acquired as a result of the fund's ownership of securities.
5. Make loans except as permitted under the 1940 Act, and as interpreted or modified by regulatory authority having jurisdiction, from time to time.

6. Invest more than 25% of its total assets in securities of companies principally engaged in any one industry, except that the World Precious Minerals Fund will invest more than 25% of its total assets in securities of companies involved in the mining, fabrication, processing, marketing or distribution of metals including gold, silver, platinum group, palladium and diamonds; and the Global Resources Fund will invest more than 25% of the value of its respective total assets in securities of companies principally engaged in natural resources operations.

The World Precious Minerals Fund and Global Resources Fund may not:

1. (a) Purchase or sell commodities except for precious metals.

(b) Purchase or sell commodity contracts, except a fund may purchase and sell derivatives (including, but not limited to, options, futures contracts and options on futures contracts) whose value is tied to the value of a financial index or a financial instrument or other asset (including, but not limited to, securities indexes, interest rates, securities, currencies and physical commodities).

The Global MegaTrends Fund may not:

1. Invest more than 25% of its total assets in securities of companies principally engaged in any one industry.

The U.S. government, the Federal Reserve, the Treasury, the Securities and Exchange Commission, the Commodity Futures Trading Commission (the "CFTC"), the Federal Deposit Insurance Corporation and other U.S. governmental and regulatory bodies have recently taken, or are considering taking, actions in response to the economic events of the past few years. These actions include, but are not limited to, the enactment by the United States Congress of the Dodd-Frank Wall Street Reform and Consumer Protection Act, signed into law on July 21, 2010, which imposes a new regulatory framework over the U.S. financial services industry and the consumer credit markets in general, as well as requiring sweeping new regulations by the Commission, the CFTC and other regulators. Given the broad scope, sweeping nature, and relatively recent enactment of some of these statutes and regulatory measures, the potential impact they could have on securities held by the funds currently is unknown. There can be no assurance that these measures will not have an adverse effect on the value or marketability of securities held by the funds. Furthermore, no assurance can be made that the U.S. government or any U.S. regulatory body (or other authority or regulatory body) will refrain from taking further legislative or regulatory action. All swap agreements and other derivative instruments that were not classified as commodities or commodity contracts prior to July 21, 2010, are not deemed to be commodities or commodity contracts for purposes of restrictions 1(a) and (b) above.

NON-FUNDAMENTAL INVESTMENT RESTRICTIONS

The following investment restrictions may be changed by the board of trustees without a shareholder vote.

1. All funds will not borrow money, except that a fund may borrow money for temporary or emergency purposes (not for leveraging or investment) in an amount not exceeding 33 1/3% of a fund's total assets (including the amount borrowed) less liabilities (other than borrowings).
2. All funds will not purchase securities on margin or make short sales, except (i) short sales against the box, (ii) short term credits as are necessary for the clearance of transactions, and (iii) margin payments in connection with futures contracts and options on futures contracts shall not constitute purchasing securities on margin or selling securities short.
3. The Global MegaTrends Fund will not pledge or hypothecate the assets of the fund.

VALUATION OF SHARES

An equity security traded on a domestic stock exchange is valued at its last reported sale price on the primary exchange, as deemed appropriate by the Adviser on the valuation date. If there are no sales on the primary exchange that day, an equity security will be valued at the mean between the last bid and ask quotation. If there is no last bid and ask quotation available, the valuation will revert to the last sales price.

A foreign equity security traded on one or more foreign stock exchanges is valued at its last reported sale price, or the official closing price if deemed appropriate by the Adviser, on the primary exchange of its market on the valuation date. If there are no sales on the primary exchange that day, an equity security will be valued at the mean between the last bid and ask quotation.

Equity securities traded on NASDAQ are valued at the NASDAQ Official Closing Price. If there are no sales that day, such securities will be valued at the mean between the bid and ask quotation, if available. Other over-the-counter securities are valued at the last sale price, if published, or the mean between the last bid and ask quotation, if available.

If market quotations are not readily available, or when the Adviser believes that a readily available market quotation or other valuation produced by the fund's valuation policies is not reliable, the fund values the assets at fair value using procedures established by the board of trustees. The trustees have delegated pricing authority to the fair valuation committee of the adviser, for certain pricing issues, as defined in the valuation policies.

Calculation of net asset value may not take place at the same time as the determination of the prices of a portfolio used in such calculations. Events affecting the value of securities that occur between the time prices are established and the close of regular trading on the New York Stock Exchange are not reflected in the calculation of net asset value unless the fair valuation committee decides that

the event would materially affect the net asset value. If the event would materially affect the fund's net asset value, the security will be fair valued by the fair valuation committee or, at its discretion, by an independent fair valuation vendor.

Net asset value (NAV) is calculated in U.S. dollars. Assets and liabilities valued in another country are converted to U.S. dollars using the exchange rate in effect at the close of the New York Stock Exchange.

INVESTMENT STRATEGIES AND RISKS

The following information supplements the discussion of each fund's investment strategies and risks in the prospectus.

WORLD PRECIOUS MINERALS FUND AND GLOBAL RESOURCES FUND

INVESTMENTS IN PRECIOUS MINERALS. The World Precious Minerals Fund and the Global Resources Fund may invest in precious minerals such as gold, silver, platinum, and palladium bullion. Because precious minerals do not generate investment income, the return from such investments will be derived solely from the gains and losses realized by the funds upon the sale of the precious minerals. The funds may also incur storage and other costs relating to their investments in precious minerals. Under certain circumstances, these costs may exceed the custodial and brokerage costs associated with investments in portfolio securities. To qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the Code), at least ninety percent (90%) of a fund's gross income for any taxable year must be derived from dividends, interest, gains from the disposition of securities, and income and gains from certain other specified sources and transactions (Gross Income Test). Gains from the disposition of precious metals will not qualify for purposes of satisfying the Gross Income Test. Additionally, to qualify under Subchapter M of the Code, at the close of each quarter of each fund's taxable year, at least fifty percent (50%) of the value of the fund's total assets must be represented by cash, Government securities and certain other specified assets (Asset Value Test). Investments in precious minerals will not qualify for purposes of satisfying the Asset Value Test. To maintain each fund's qualification as a regulated investment company under the Code, each fund will establish procedures to monitor its investments in precious metals for purposes of satisfying the Gross Income Test and the Asset Value Test.

INDUSTRY CONCENTRATION. The World Precious Minerals Fund intends to concentrate its investments in securities of companies principally engaged in the exploration for, mining and processing of, or dealing in precious minerals such as gold, silver, platinum, and diamonds. The fund may be subject to greater risks and market fluctuations than a portfolio representing a broader range of industries. The fund invests in securities that typically respond to changes in the price of gold and other precious minerals, which can be influenced by a variety of global economic, financial and political factors; increased environmental and labor costs in mining; and changes in laws relating to mining or gold production or sales; and the price may fluctuate substantially over short periods of time. Therefore, the fund may be more volatile than other types of investments.

The Global Resources Fund intends to concentrate its investments in securities of companies within the natural resources industries including natural gas, integrated oil companies, oil and gas drilling, oil and gas exploration and production, oil and gas refining, oilfield equipment/services, aluminum, chemicals, diversified metals and coal mining, gold and precious metals, iron and steel, paper and forest products, and uranium. The fund invests in securities vulnerable to factors affecting the natural resources industries, such as increasing regulation of the environment by both U.S. and foreign governments and production and distribution policies of OPEC (Organization of Petroleum Exporting Countries) and other oil producing countries. Increased environmental regulations and limitations on production may, among other things, increase compliance costs and affect business opportunities for the companies in which the fund invests. The value is also affected by changing commodity prices, which can be highly volatile and are subject to risks of oversupply and reduced demand.

NON-DIVERSIFICATION. The World Precious Minerals Fund and Global Resources Fund have elected to be classified as non-diversified series. For a diversified fund, with respect to 75% of its total assets, the securities of any one issuer will not amount to any more than 5% of the value of the fund's total assets or 10% of the outstanding voting securities of any single issuer. Under certain conditions, a non-diversified fund may invest without limit in the securities of any single issuer, subject to certain limitations of the Code. Each fund will comply with the diversification requirements imposed by the Code for qualification as a regulated investment company. Because the funds may invest a greater proportion of their assets in the securities of a small number of issuers, changes in the financial condition or market assessment of a single issuer may cause greater fluctuation and volatility in the funds' total returns or asset valuations than if the funds were required to hold smaller positions of the securities of a larger number of issuers.

COMMON INVESTMENT STRATEGIES AND RELATED RISKS

MARKET RISK. Investments in equity and debt securities are subject to inherent market risks and fluctuations in value due to earnings, economic conditions, quality ratings and other factors beyond the Adviser's control. Therefore, the return and net asset value of the funds will fluctuate.

FOREIGN SECURITIES. The funds may invest in foreign securities. Investing in securities issued by companies whose principal business activities are outside the United States may involve significant risks not present in domestic investments. For example, there is generally less publicly available information about foreign companies, particularly those not subject to the disclosure and reporting requirements of the United States securities laws. Foreign issuers are generally not bound by uniform accounting, auditing, and financial reporting requirements and standards of practice comparable to those applicable to domestic issuers. Investments in foreign securities also involve the risk of possible adverse changes in investment or exchange control regulations, expropriation or confiscatory taxation, limitation of the removal of funds or other assets of the fund, political or financial instability or diplomatic and other developments that could affect such investment. In addition, economies of particular countries or areas of the world may differ favorably or unfavorably from the economy of the United States. It is anticipated that in most cases the best available market for foreign securities will be on exchanges or in over-the-counter markets located outside of the United States. Foreign stock markets, while growing in volume and sophistication, are generally not as developed as those in the United States are, and securities of some foreign issuers (particularly those in developing countries) may be less liquid and more volatile than securities of comparable United States companies. In addition, foreign brokerage commissions are generally higher than commissions on securities traded in the United States and may be non-negotiable. In general, there is less overall governmental supervision and regulation of foreign securities markets, broker-dealers, and issuers than in the United States.

AMERICAN DEPOSITORY RECEIPTS (ADRs) AND GLOBAL DEPOSITORY RECEIPTS (GDRs). ADRs are depository receipts typically issued by a U.S. bank or trust company that evidence ownership of underlying securities issued by a foreign corporation. GDRs are typically issued by foreign banks or trust companies, although they also may be issued by U.S. banks or trust companies, and evidence ownership of underlying securities issued by either a foreign or a United States corporation. Generally, depository receipts in registered form are designed for use in the U.S. securities market, and depository receipts in bearer form are designed for use in securities markets outside the United States. Depository receipts may not necessarily be denominated in the same currency as the underlying securities into which they may be converted. In addition, the issuers of the securities underlying unsponsored depository receipts are not obligated to disclose material information in the United States; and, therefore, there may be less information available regarding such issuers and there may not be a correlation between such information and the market value of the depository receipts. For purposes of a fund's investment policies, all funds' investments in depository receipts will be deemed investments in the underlying securities (i.e., investments in foreign issuers).

EMERGING MARKETS. The funds may invest in countries considered by the Adviser to represent emerging markets. The Adviser determines which countries are emerging market countries by considering various factors, including development of securities laws and market regulation, total number of issuers, total market capitalization, and perceptions of the investment community. Generally, emerging markets are those other than North America, Western Europe, and Japan.

Investing in emerging markets involves risks and special considerations not typically associated with investing in other more established economies or securities markets. Investors should carefully consider their ability to assume the below listed risks before making an investment in a fund. Investing in emerging markets is considered speculative and involves the risk of total loss of investment.

Risks of investing in emerging markets include:

1. The risk that a fund's assets may be exposed to nationalization, expropriation or confiscatory taxation.
2. The fact that emerging market securities markets are substantially smaller, less liquid and more volatile than the securities markets of more developed nations. The relatively small market capitalization and trading volume of emerging market securities may cause the fund's investments to be comparatively less liquid and subject to greater price volatility than investments in the securities markets of developed nations. Many emerging markets are in their infancy and have yet to be exposed to a major correction. In the event of such an occurrence, the absence of various market mechanisms that are inherent in the markets of more developed nations may lead to turmoil in the market place, as well as the inability of the fund to liquidate its investments.

3. Greater social, economic and political uncertainty (including the risk of war).
4. Greater price volatility, substantially less liquidity and significantly smaller market capitalization of securities markets.
5. Currency exchange rate fluctuations and the lack of available currency hedging instruments.
6. Higher rates of inflation.
7. Controls on foreign investment and limitations on repatriation of invested capital and on a fund's ability to exchange local currencies for U.S. dollars.
8. Greater governmental involvement in and control over the economy.
9. The fact that emerging market companies may be smaller, less seasoned, and newly organized.
10. The difference in, or lack of, auditing and financial reporting standards, which may result in unavailability of material information about issuers.
11. The fact that the securities of many companies may trade at prices substantially above book value, at high price/earnings ratios, or at prices that do not reflect traditional measures of value.
12. The fact that statistical information regarding the economy of many emerging market countries may be inaccurate or not comparable to statistical information regarding the United States or other economies.
13. Less extensive regulation of the securities markets.
14. Certain considerations, such as currency fluctuations, less public disclosure and economic and political risk, regarding the maintenance of fund portfolio securities and cash with foreign sub-custodians and securities depositories.
15. The risk that it may be more difficult, or impossible, to obtain and/or enforce a judgment than in other countries.
16. The risk that a fund may be subject to income or withholding taxes imposed by emerging market countries or other foreign governments. The funds intend to elect for federal income tax purposes, when eligible, to "pass through" to the funds' shareholders the amount of foreign income tax and similar taxes paid by a fund. The foreign taxes passed through to a shareholder would be included in the shareholder's income and may be claimed as a deduction or credit on their federal income tax return. Other taxes, such as transfer taxes, may be imposed on a fund, but would not give rise to a credit or be eligible to be passed through to the shareholders.
17. The fact that a fund also is permitted to engage in foreign currency hedging transactions and to enter into stock options on stock index futures transactions, each of which may involve special risks, although these strategies cannot at the present time be used to a significant extent by a fund in the markets in which the fund will principally invest.
18. Enterprises in which a fund invests may be or become subject to unduly burdensome and restrictive regulation affecting the commercial freedom of the invested company and thereby diminishing the value of a fund's investment in it. Restrictive or over-regulation may be, therefore, a form of indirect nationalization.
19. Investments in equity securities are subject to inherent market risks and fluctuations in value due to earnings, economic conditions, quality ratings and other factors beyond the control of the Adviser. As a result, the return and net asset value of the funds will fluctuate.
20. The Adviser may engage in hedging transactions in an attempt to hedge a fund's foreign securities investments back to the U.S. dollar when, in its judgment, currency movements affecting particular investments are likely to harm the performance of a fund. Possible losses from changes in currency exchange rates are primarily a risk of unhedged investing in foreign securities. While a security may perform well in a foreign market, if the local currency declines against the U.S. dollar, gains from the investment can disappear or become losses. Typically, currency fluctuations are more extreme than stock market fluctuations. Accordingly, the strength or weakness of the U.S. dollar against foreign currencies may account for part of a fund's

performance even when the Adviser attempts to minimize currency risk through hedging activities. While currency hedging may reduce portfolio volatility, there are costs associated with such hedging, including the loss of potential profits, losses on hedging transactions, and increased transaction expenses.

REPURCHASE AGREEMENTS. The funds may invest a portion of their assets in repurchase agreements with United States broker-dealers, banks and other financial institutions, provided the funds' custodian always has possession of securities serving as collateral or has evidence of book entry receipt of such securities. In a repurchase agreement, a fund purchases securities subject to the seller's agreement to repurchase such securities at a specified time (normally one day) and price. The repurchase price reflects an agreed upon interest rate during the time of investment. All repurchase agreements must be collateralized with securities (typically United States government or government agency securities), the market values of which equal or exceed 102% of the principal amount of the repurchase obligation. If an institution enters an insolvency proceeding, the resulting delay in liquidation of securities serving as collateral could cause a fund some loss if the value of the securities declined before liquidation. To reduce the risk of loss, funds will enter into repurchase agreements only with institutions and dealers the Adviser considers creditworthy.

SECURITIES LENDING. Each fund may lend its portfolio securities to qualified securities dealers or other institutional investors. Currently, it is not the intention of any fund to lend securities. When lending securities, a fund will receive cash or high-quality securities as collateral for the loan. Each fund may invest cash collateral in repurchase agreements, including repurchase agreements collateralized with non-governmental securities. Under the terms of the funds' current securities lending agreements, the funds' lending agent has guaranteed performance of the obligation of each borrower and each counterparty to each repurchase agreement in which cash collateral is invested.

A failure by a borrower to return the loaned securities when due could result in a loss to the fund if the value of the collateral is less than the value of the loaned securities at the time of the default. In addition, a fund could incur liability to the borrower if the value of any securities purchased with cash collateral decreases during the term of the loan.

BORROWING. The funds may have to deal with unpredictable cash flows as shareholders purchase and redeem shares. Under adverse conditions, the funds might have to sell portfolio securities to raise cash to pay for redemptions at a time when investment considerations would not favor such sales. In addition, frequent purchases and sales of portfolio securities tend to decrease fund performance by increasing transaction expenses.

Each fund may borrow money to the extent permitted under the 1940 Act. As a nonfundamental policy, a fund may borrow money for temporary or emergency purposes (not for leveraging or investment) in an amount not exceeding 33-1/3% of a fund's total assets (including the amount borrowed) less liabilities (other than borrowing). Through such borrowings, these funds may avoid selling portfolio securities to raise cash to pay for redemptions at a time when investment considerations would not favor such sales. In addition, the funds' performance may be improved due to a decrease in the number of portfolio transactions. After borrowing money, if subsequent shareholder purchases do not provide sufficient cash to repay the borrowed monies, a fund will liquidate portfolio securities in an orderly manner to repay the borrowed monies.

To the extent that a fund borrows money before selling securities, the fund would be leveraged such that the fund's net assets may appreciate or depreciate more than an unleveraged portfolio of similar securities. Since substantially all of a fund's assets will fluctuate in value and whereas the interest obligations on borrowings may be fixed, the net asset value per share of the fund will increase more when the fund's portfolio assets increase in value and decrease more when the fund's portfolio assets decrease in value than would otherwise be the case. Moreover, interest costs on borrowings may fluctuate with changing market rates of interest and may partially offset or exceed the returns that the funds earn on portfolio securities. Under adverse conditions, the funds might be forced to sell portfolio securities to meet interest or principal payments at a time when market conditions would not be conducive to favorable selling prices for the securities.

LOWER-RATED SECURITIES. The funds may invest in lower-rated debt securities (commonly called "junk bonds"), which may be subject to certain risk factors to which other securities are not subject to the same degree. An economic downturn tends to disrupt the market for lower-rated bonds and adversely affect their values. Such an economic downturn may be expected to result in increased price volatility of lower-rated bonds and of the value of a fund's shares, and an increase in issuers' defaults on such bonds.

In addition, many issuers of lower-rated bonds are substantially leveraged, which may impair their ability to meet their obligations. In some cases, the securities in which a fund invests are subordinated to the prior payment of senior indebtedness, thus potentially limiting the fund's ability to recover full principal or to receive payments when senior securities are in default.

The credit rating of a security does not necessarily address its market value risk. In addition, ratings may, from time to time, be changed to reflect developments in the issuer's financial condition. Lower-rated securities held by a fund have speculative characteristics that are apt to increase in number and significance with each lower rating category.

When the secondary market for lower-rated bonds becomes increasingly illiquid, or in the absence of readily available market quotations for lower-rated bonds, the relative lack of reliable, objective data makes the responsibility of the trustees to value such securities more difficult, and judgment plays a greater role in the valuation of portfolio securities.

Also, increased illiquidity of the market for lower-rated bonds may affect a fund's ability to dispose of portfolio securities at a desirable price.

In addition, if a fund experiences unexpected net redemptions, it could be forced to sell all or some of its lower-rated bonds without regard to their investment merits, thereby decreasing the asset base upon which the fund's expenses can be spread and possibly reducing the fund's rate of return. Prices of lower-rated bonds have been found to be less sensitive to interest rate changes and more sensitive to adverse economic changes and individual corporate developments than more highly rated investments. Certain laws or regulations may have a material effect on the fund's investments in lower-rated bonds.

CONVERTIBLE SECURITIES. The funds may invest in convertible securities, that is, bonds, notes, debentures, preferred stocks and other securities that are convertible into or exchangeable for another security, usually common stock. Convertible debt securities and convertible preferred stocks, until converted, have general characteristics similar to both debt and equity securities. Although to a lesser extent than with debt securities generally, the market value of convertible securities tends to decline as interest rates increase and, conversely, tends to increase as interest rates decline. In addition, because of the conversion or exchange feature, the market value of convertible securities typically increases or declines as the market value of the underlying common stock increases or declines, although usually not to the same extent. Convertible securities generally offer lower yields than non-convertible fixed income securities of similar quality because of their conversion or exchange features. Convertible bonds and convertible preferred stock typically have lower credit ratings than similar non-convertible securities because they are generally subordinated to other similar but non-convertible fixed income securities of the same issuer.

RESTRICTED SECURITIES. From time to time, the funds may purchase securities that are subject to restrictions on resale. While such purchases may be made at an advantageous price and offer attractive opportunities for investment not otherwise available on the open market, a fund may not have the same freedom to dispose of such securities as in the case of the purchase of securities in the open market or in a public distribution. These securities may often be resold in a liquid dealer or institutional trading market, but the fund may experience delays in its attempts to dispose of such securities. If adverse market conditions develop, the fund may not be able to obtain as favorable a price as that prevailing at the time the decision is made to sell. In any case, where a thin market exists for a particular security, public knowledge of a proposed sale of a large block may depress the market price of such securities.

DERIVATIVE SECURITIES. The funds may purchase derivative securities. Derivative securities may be used to attempt (1) to protect against possible changes in the market value of securities held in or to be purchased for a fund's portfolio resulting from securities markets or currency exchange rate fluctuations, (2) to protect a fund's unrealized gains in the value of its portfolio securities, (3) to facilitate the sale of such securities for investment purposes, (4) to manage the effective maturity or duration of a fund's portfolio, or (5) to establish a position in the derivatives markets as a temporary substitute for purchasing or selling particular securities. The funds' ability to successfully use derivative securities will depend upon the Adviser's ability to predict pertinent market movements, which cannot be assured. Investing in derivative securities will increase transaction expenses and may result in a loss that exceeds the principal invested in the transactions.

Derivative securities have risk associated with them including possible default by the other party to the transaction, illiquidity and, to the extent the Adviser's view as to certain market movements is incorrect, the risk that the use of such derivative securities could result in losses greater than if they had not been used. Use of put and call options may result in losses to a fund. For example, selling call options may force the sale of portfolio securities at inopportune times or for lower prices than current market values. Selling call options may also limit the amount of appreciation a fund can realize on its investments or cause a fund to hold a security it might otherwise sell. The use of currency transactions can result in a fund incurring losses as a result of a number of factors including the imposition of exchange controls, suspension of settlements, or the inability to deliver or receive a specified currency. The use of options and futures transactions entails certain other risks. In particular, the variable degree of correlation between price movements of futures contracts and price movements in the related portfolio position of a fund creates the possibility that losses on the hedging instrument may be greater than gains in the value of a fund's position. In addition, futures and options markets may not be liquid in all circumstances and certain over-the-counter options may have no markets. As a result, in certain markets, a fund might not be able to

close out a transaction, and substantial losses might be incurred. However, the use of futures and options transactions for hedging should tend to minimize the risk of loss due to a decline in the value of a hedged position. At the same time, they tend to limit any potential gain that might result from an increase in value of such position. Finally, the daily variation margin requirement for futures contracts would create a greater ongoing potential financial risk than would purchases of options, where the exposure is limited to the cost of the initial premium. Losses resulting from the use of derivative securities would reduce net asset value, and possibly income, and such losses can be greater than if the derivative securities had not been used.

The funds' activities involving derivative securities may be limited by the requirements of Subchapter M of the Code for qualification as a regulated investment company.

OPTIONS. The funds may purchase and sell options. A fund will not purchase any option if, immediately thereafter, the aggregate market value of all outstanding options purchased by that fund would exceed 10% of that fund's total assets.

A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the issuer of the option the obligation to buy the underlying security, commodity, index, currency or other instrument at the exercise price. For instance, a fund's purchase of a put option on a security might be designed to protect its holdings in the underlying instrument (or, in some cases, a similar instrument) against a substantial decline in the market value by giving a fund the right to sell such instrument at the option exercise price. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the issuer the obligation to sell, the underlying instrument at the exercise price. A fund's purchase of a call option on a security, financial future, index currency or other instrument might be intended to protect a fund against an increase in the price of the underlying instrument that it intends to purchase in the future by fixing the price at which it may purchase such instrument. An "American style" put or call option may be exercised at any time during the option period while a "European style" put or call option may be exercised only upon expiration or during a fixed period prior thereto.

Exchange-listed options are issued by a regulated intermediary such as the Options Clearing Corporation (OCC), which guarantees the performance of the obligations of the parties to such options. Over-the-counter (OTC) options are purchased from or sold to securities dealers, financial institutions or other parties (Counterparty (ies)) through direct bilateral agreement with the Counterparty. In contrast to exchange listed options, which generally have standardized terms and performance mechanics, all the terms of an OTC option are set by negotiation of the parties. Unless the parties provide for it, there is no central clearing or guaranty function in an OTC option.

The funds' ability to close out their position as a purchaser or seller of a put or call option is dependent, in part, upon the liquidity of the market for that particular option. Exchange-listed options, because they are standardized and not subject to Counterparty credit risk, are generally more liquid than OTC options. There can be no guarantee that a fund will be able to close out an option position, whether in exchange listed options or OTC options, when desired. An inability to close out its options positions may reduce a fund's anticipated profits or increase its losses.

If the Counterparty to an OTC option fails to make or take delivery of the security, currency or other instrument underlying an OTC option it has entered into with a fund, or fails to make a cash settlement payment due in accordance with the terms of that option, a fund may lose any premium it paid for the option as well as any anticipated benefit of the transaction. Accordingly, the Adviser must assess the creditworthiness of each such Counterparty or any guarantor or credit enhancement of the Counterparty's credit to determine the likelihood that the terms of the OTC option will be satisfied.

The funds will realize a loss equal to all or a part of the premium paid for an option if the price of the underlying security, commodity, index, currency or other instrument security decreases or does not increase by more than the premium (in the case of a call option), or if the price of the underlying security, commodity, index, currency or other instrument increases or does not decrease by more than the premium (in the case of a put option).

WRITING OPTIONS ON SECURITIES. The funds may write "covered" put and call options. The funds may also enter into transactions to close out an investment in any put or call options. If a fund writes (i.e., sells) a call option, the premium received may serve as a partial hedge, to the extent of the option premium, against a decrease in the value of the underlying securities or instruments in a portfolio, or may increase the fund's income. If a fund sells (i.e., issues) a put option, the premium that it receives may serve to reduce the cost of purchasing the underlying security, to the extent of the option premium, or may increase a fund's capital gains. All options sold by a fund must be "covered" (i.e., the fund must be long when selling a call option). The securities or futures contract subject to the calls or puts must meet the asset segregation requirements described below as long as the option is outstanding. Even though a fund will receive the option premium to help protect it against loss or reduce its cost basis, an option sold by a fund exposes

the fund during the term of the option to possible loss. When selling a call, a fund is exposed to the loss of opportunity to realize appreciation in the market price of the underlying security or instrument, and the transaction may require the fund to hold a security or instrument that it might otherwise have sold. When selling a put, a fund is exposed to the possibility of being required to pay greater than current market value to purchase the underlying security. The funds will not write any call or put options if, immediately afterwards, the aggregate value of a fund's securities subject to outstanding "covered" call or put options would exceed 50% of the value of the fund's total assets.

WARRANTS. The Funds may invest in warrants to gain exposure to individual securities in a specific industry over the long term. Warrants allow the funds to imitate a purchase or sale of a stock for a fraction of its price (premium) and hold that option for a long period of time before it expires. The funds may also receive warrants when they participate in a private placement. The issuer of the private placement may provide a warrant as an incentive for investing in the initial financing of the company.

Warrants are different from options in that they are issued by a company as opposed to a broker and typically have a longer life than an option. When the underlying stock goes above the exercise price of the warrant the warrant is "in the money." If the exercise price of the warrant is above the value of the underlying stock it is "out of the money." "Out of money" warrants tend to have different price behaviors than "in the money" warrants. As an example, the value of an "out of the money" warrant with a long time to expiration generally declines less than a drop in the underlying stock price because the warrant's value is primarily derived from the time component.

Most warrants are exchange-traded. The holder of a warrant has the right, until the warrant expires, to sell an exchange-traded warrant or to purchase a given number of shares of a particular issue at a specified price. Such investments can provide a greater potential for profit or loss than an equivalent investment in the underlying security. Prices of warrants do not necessarily move, however, in tandem with prices of the underlying securities particularly for shorter periods of time, and, therefore, may be considered speculative investments. The key driver to the movements in warrants are the fundamentals of the underlying company. Warrants, unlike options, may allow the holder to vote on certain issues and often are issued with certain anti-dilutive rights. Warrants pay no dividends. If a warrant held by a fund were not exercised by the date of its expiration, the fund would incur a loss in the amount of the cost of the warrant.

FUTURES CONTRACTS. The funds may enter into financial futures contracts or purchase or sell put and call options on such futures as a hedge against anticipated interest rate, currency or equity market changes, for duration management and for risk management purposes. Futures are generally bought and sold on the commodities exchange where they are listed with payment of an initial variation margin as described below. The sale of a futures contract creates a firm obligation by a fund, as seller, to deliver to the buyer the specific type of financial instrument called for in the contract at a specific future time for a specified price (or, with respect to index futures and Eurodollar instruments, the net cash amount). Options on futures contracts are similar to options on securities except that an option on a futures contract gives the purchaser the right in return for the premium paid to assume a position in a futures contract and obligates the seller to deliver such position.

The use by the funds of financial futures and options thereon will in all cases be consistent with applicable regulatory requirements and in particular the rules and regulations of the CFTC and will be entered into only for bona fide hedging, risk management (including duration management) or other portfolio management purposes. Typically, maintaining a futures contract or selling an option thereon requires a fund to deposit with a financial intermediary as security for its obligations an amount of cash or other specified assets (initial margin) that initially is typically 1% to 10% of the face amount of the contract (but may be higher in some circumstances). Additional cash or assets (variation margin) may be required to be deposited thereafter on a daily basis as the marked-to-market value of the contract fluctuates. The purchase of an option on financial futures involves payment of a premium for the option without any further obligation on the part of the purchaser. If a fund exercises an option on a futures contract, it will be obligated to post initial margin (and potentially subsequent variation margin) for the resulting futures position just as it would for any futures position. Futures contracts and options thereon are generally settled by entering into an offsetting transaction, but there can be no assurance that the position can be offset, before settlement, at an advantageous price, nor that delivery will occur.

A fund will not enter into a futures contract or related option (except for closing transactions) if, immediately afterwards, the sum of the amount of its initial margin and premiums on open futures contracts and options thereon would exceed 5% of the fund's total assets (taken at current value). However, in the case of an option that is in the money at the time of the purchase, the in-the-money amount may be excluded in calculating the 5% limitation. The segregation requirements with respect to futures contracts and options thereon are described below.

Management of the Trust has claimed an exclusion from the definition of "commodity pool operator" under the Commodity Exchange Act and, therefore, is not subject to registration or regulation as a commodity pool operator under that Act. On February 9, 2012, the CFTC adopted amendments to its rules that, once effective, may affect the ability of a fund to continue to claim this exclusion. A fund that seeks to claim the exclusion after the effectiveness of the amended rules would be limited in its ability to use futures and options on futures or commodities or engage in swap transactions. If a fund were no longer able to claim the exclusion, the Adviser would be required to register as a "commodity pool operator," and the fund and the Adviser would be subject to regulation under the Commodity Exchange Act.

FOREIGN CURRENCY TRANSACTIONS. The funds may engage in currency transactions with counterparties in an attempt to hedge an investment in an issuer incorporated or operating in a foreign country or in a security denominated in the currency of a foreign country against a devaluation of that country's currency. Currency transactions include forward currency contracts, exchange -

listed currency futures, and exchange-listed and OTC options on currencies. A fund's dealing in forward currency contracts and other currency transactions such as futures, options, and options on futures generally will be limited to hedging involving either specific transactions or portfolio positions. Transaction hedging is entering into a currency transaction with respect to specific assets or liabilities of a fund, which will generally arise in connection with the purchase or sale of its portfolio securities or the receipt of income therefrom. Position hedging is entering into a currency transaction with respect to portfolio security positions denominated or generally quoted in that currency.

A fund may cross-hedge currencies by entering into transactions to purchase or sell one or more currencies that are expected to decline in value relative to other currencies in which a fund has (or expects to have) portfolio exposure.

To reduce the effect of currency fluctuations on the value of existing or anticipated holdings or portfolio securities, the funds may engage in proxy hedging. Proxy hedging may be used when the currency to which a fund's portfolio is exposed is difficult to hedge. Proxy hedging entails entering into a forward contract to sell a currency whose changes in value are generally considered to be linked to a currency in which some or all of a fund's portfolio securities are, or are expected to be denominated, and to buy U.S. dollars.

To hedge against a devaluation of a foreign currency, a fund may enter into a forward market contract to sell to banks a set amount of such currency at a fixed price and at a fixed time in the future. If, in foreign currency transactions, the foreign currency sold forward by a fund is devalued below the price of the forward market contract and more than any devaluation of the U.S. dollar during the period of the contract, a fund will realize a gain as a result of the currency transaction. In this way, a fund might reduce the impact of any decline in the market value of its foreign investments attributable to devaluation of foreign currencies.

A fund may sell foreign currency forward only as a means of protecting their foreign investments or to hedge in connection with the purchase and sale of foreign securities, and may not otherwise trade in the currencies of foreign countries. Accordingly, a fund may not sell forward the currency of a particular country to an extent greater than the aggregate market value (at the time of making such sale) of the securities held in its portfolio denominated in that particular foreign currency (or issued by companies incorporated or operating in that particular foreign country) plus an amount equal to the value of securities it anticipates purchasing less the value of securities it anticipates selling, denominated in that particular currency.

As a result of hedging through selling foreign currencies forward, in the event of a devaluation, it is possible that the value of a fund's portfolio would not depreciate as much as the portfolio of a fund holding similar investments that did not sell foreign currencies forward. Even so, the forward market contract is not a perfect hedge against devaluation because the value of a fund's portfolio securities may decrease more than the amount realized by reason of the foreign currency transaction. To the extent that a fund sells forward currencies that are thereafter revalued upward, the value of that fund's portfolio would appreciate to a lesser extent than the comparable portfolio of a fund that did not sell those foreign currencies forward. If, in anticipation of a devaluation of a foreign currency, a fund sells the currency forward at a price lower than the price of that currency on the expiration date of the contract, that fund will suffer a loss on the contract if the currency is not devalued, during the contract period, below the contract price. Moreover, it will not be possible for a fund to hedge against a devaluation that is so generally anticipated that the fund is not able to contract to sell the currency in the future at a price above the devaluation level it anticipates. It is possible that, under certain circumstances, a fund may have to limit its currency transactions to permit that fund to qualify as a regulated investment company under Subchapter M of the Code. Foreign currency transactions would involve a cost to the funds, which would vary with such factors as the currency involved, the length of the contract period and the market conditions then prevailing.

The funds will not attempt to hedge all their foreign investments by selling foreign currencies forward and will do so only to the extent deemed appropriate by the Adviser.

USE OF SEGREGATED AND OTHER SPECIAL ACCOUNTS. Many derivative securities, in addition to other requirements, require that the funds segregate liquid high grade assets with their custodian to the extent that the fund's obligations are not otherwise "covered" through ownership of the underlying security, financial instrument or currency. In general, either the full amount of any obligation of a fund to pay or deliver securities or assets must be covered at all times by the securities, instruments or currency required to be delivered, or subject to any regulatory restrictions, an amount of cash or liquid high grade debt securities at least equal to the current amount of the obligation must either be identified as being restricted in a fund's accounting records or physically segregated in a separate account at that fund's custodian. The segregated assets cannot be sold or transferred unless equivalent assets are substituted in their place or it is no longer necessary to segregate them. For the purpose of determining the adequacy of the liquid securities that have been restricted, the securities will be valued at market or fair value. If the market or fair value of such securities declines, additional cash or liquid securities will be restricted on a daily basis so that the value of the restricted cash or liquid securities, when added to the amount deposited with the broker as margin, equals the amount of such commitments by a fund.

PARTICIPATORY NOTES. These are derivative securities that are linked to the performance of an underlying foreign security. This type of investment allows a fund to have market exposure to foreign securities without trading directly in the local market. The purchaser of a participatory note must rely on the creditworthiness of the bank or broker-dealer who issues the participatory note, and these notes do not have the same rights as a shareholder of the underlying foreign security.

TEMPORARY DEFENSIVE INVESTMENTS. For temporary defensive purposes during periods that, in the Adviser’s opinion, present the funds with adverse changes in the economic, political or securities markets, the funds may seek to protect the capital value of its assets by temporarily investing up to 100% of its assets in: U.S. Government securities, short-term indebtedness, repurchase agreements money market instruments, or other investment grade cash equivalents, each denominated in U.S. dollars or any other freely convertible currency. When a fund is in a defensive investment position, it may not achieve its investment objective.

U.S. GOVERNMENT SECURITIES. U.S. Government obligations include securities, which are issued or guaranteed by the United States Treasury, by various agencies of the United States Government, and by various instrumentalities, which have been established or sponsored by the United States Government. U.S. Treasury obligations are backed by the “full faith and credit” of the U.S. Government. U.S. Treasury obligations include Treasury bills, Treasury notes, and Treasury bonds.

Agencies or instrumentalities established by the U.S. Government include the Federal Home Loan Bank, the Federal Land Bank, the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Student Loan Marketing Association. Also included is the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Financing Bank, the Federal Farm Credit Bank, the Federal Agricultural Mortgage Corporation, the Resolution Funding Corporation, the Financing Corporation of America and the Tennessee Valley Authority. Some of these securities are supported by the full faith and credit of the United States Government while others are supported only by the credit of the agency or instrumentality, which may include the right of the issuer to borrow from the United States Treasury. Securities issued by such agencies or instrumentalities are neither insured nor guaranteed by the U.S. Treasury.

PORTFOLIO TURNOVER

The Adviser buys and sells securities for a fund to accomplish the fund’s investment objective. A fund’s investment policy may lead to frequent changes in investments, particularly in periods of rapidly changing markets. A fund’s investments may also be traded to take advantage of perceived short-term disparities in market values. A change in the securities held by a fund is known as “portfolio turnover.”

A fund does not intend to use short-term trading as a primary means of achieving its investment objective. However, the fund’s rate of portfolio turnover will depend on market and other conditions, and it will not be a limiting factor when portfolio changes are deemed necessary or appropriate by the Adviser. High turnover involves correspondingly greater commission expenses and transaction costs and increases the possibility that a fund would not qualify as a regulated investment company under Subchapter M of the Code. High turnover may result in a fund recognizing greater amounts of income and capital gains, which would increase the amount of income and capital gains that the fund must distribute to its shareholders in order to maintain its status as a regulated investment company and to avoid the imposition of federal income and excise taxes (see “Federal Income Taxes”).

The portfolio turnover rates for the two most recent fiscal years are as follows:

FUND	Fiscal Year Ended	
	December 31, 2010	December 31, 2011
Global MegaTrends Fund	104%	163%
World Precious Minerals Fund	68%	96%
Global Resources Fund	145%	232%

PORTFOLIO HOLDINGS DISCLOSURE POLICY

It is the policy of the Trust to protect the confidentiality of all fund holdings and prevent the selective disclosure of nonpublic information about all fund portfolio holdings. The Trust publicly discloses holdings of the funds in accordance with regulatory requirements, such as periodic portfolio disclosure in filings with the Securities and Exchange Commission. Portfolio information is provided to the Trust’s service providers and others who generally need access to such information in the performance of their contractual duties and responsibilities, such as the Trust’s custodians, fund accountants, investment adviser, independent public accountants, attorneys, officers and trustees and each of their respective affiliates and advisers, and are subject to duties of confidentiality, including a duty not to trade on nonpublic information, imposed by law and/or contract.

There are numerous mutual fund evaluation services such as Standard & Poor’s, Morningstar, or Lipper Analytical Services, that regularly analyze the portfolio holdings of mutual funds in order to monitor and report on various attributes including style,

capitalization, maturity, yield, beta, etc. These services then distribute the results of their analysis to the public and/or paid subscribers. In order to facilitate the review of the funds by these services, the funds may distribute (or authorize their service providers to distribute) portfolio holdings to such services before its public disclosure is required as discussed above. These service providers must sign a written confidentiality agreement and must not distribute the portfolio holdings or results of the analysis to third parties, other departments or persons who are likely to use the information for purposes of purchasing or selling the funds before the portfolio holdings or results of the analysis become public information.

The Adviser of the funds may periodically distribute a list of the issuers and securities that are covered by their research department as of a particular date. The list of issuers and securities may represent securities currently held by the funds and securities that may be purchased for the funds. In no case will a list specifically identify an issuer's securities as either currently held or anticipated to be held by the funds or identify funds' position sizes.

For press interviews commentary, or reports on a media that result in immediate public dissemination, such as television or the funds' and/or Adviser's website(s), portfolio managers and other senior officers or spokespersons of the funds may disclose or confirm the ownership of an individual portfolio holding position. Once the portfolio holding is disclosed in an interview over such media, that holding will be deemed to be previously publicly disclosed in accordance with these disclosure policies.

Notwithstanding anything herein to the contrary, the funds' board of trustees and an appropriate officer of the funds and/or Adviser's legal department, or the funds' Chief Compliance Officer ("CCO") may, on a case-by-case basis, impose additional restrictions on the dissemination of portfolio information beyond those found in the Trust's disclosure policies. (For example, the funds may determine to not provide purchase and sale information with respect to funds that invest in smaller capitalization companies or less liquid securities.)

The board has approved the Trust's portfolio holdings disclosure policies and procedures and must approve any material change to such policies and procedures. The board oversees the monitoring of the policy, and exceptions to the policy must be approved by the Trust's CCO. Any violation of the policies and procedures that constitutes a material compliance matter and any waiver or exception to the policies and procedures will be reported to the board.

MANAGEMENT OF THE TRUST

The Trust's board of trustees manages the business affairs of the Trust. The trustees establish policies and review and approve contracts and their continuance. The Agreement and Declaration of Trust provides that each trustee shall serve as a trustee of the Trust during the lifetime of this Trust and until its termination except as such trustee sooner dies, resigns or is removed. In addition, each trustee who is not an "interested person" of the Trust shall be required to retire in accordance with the terms of any retirement policy then in effect that has been approved by a majority vote of all independent trustees. The current retirement policy provides that the retirement age for non-interested trustees is 75 years of age. Trustees also elect the officers on an annual basis who serve until their successors are elected and qualified, and select the trustees to serve as Audit Committee members and Nominating and Governance Committee members. The trustees and officers of the trust and their principal occupations during the past five years are set forth below. Except as otherwise indicated, the business address of each trustee and officer is 7900 Callaghan Road, San Antonio, Texas 78229.

The board has an Audit Committee and a Nominating and Governance Committee. The Audit Committee is responsible for monitoring the funds' accounting policies, financial reporting and internal control system; monitoring the work of the funds' independent accountants; and providing an open avenue of communication among the independent accountants, fund management and the board. Members of the Audit Committee are: J. Michael Belz, James F. Gaertner, Clark R. Mandigo, and Joe C. McKinney, all of whom are non-interested trustees. The Audit Committee had four meetings during the past year. The Nominating and Governance Committee is primarily responsible for the identification and recommendation of individuals for board membership and for overseeing the administration of the Trust's Governance Guidelines. The members of the Nominating and Governance Committee are: J. Michael Belz, James F. Gaertner, Clark R. Mandigo, and Joe C. McKinney, all of whom are non-interested trustees. The Nominating and Governance Committee had two meetings during the past year. Pursuant to the Trust's Nominating and Governance Committee Charter, shareholders may submit recommendations for board candidates by sending a resume of the candidate by U.S. mail or courier service to the Secretary of the Trust for the attention of the Chairman of the Nominating and Governance Committee.

NON-INTERESTED TRUSTEES

NAME, ADDRESS, AND AGE	POSITION(S) HELD WITH TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY TRUSTEE	OTHER DIRECTORSHIPS HELD BY TRUSTEE
J. Michael Belz 7900 Callaghan Rd San Antonio, TX 78229 (59)	Trustee	November 1998 to present*	President and Chief Executive Officer of Catholic Life Insurance since 1984.	Thirteen	Director, Broadway National Bank from October 2003 to present.
James F. Gaertner 7900 Callaghan Rd San Antonio, TX 78229 (69)	Trustee	November 2002 to present*	President Emeritus, Sam Houston State University. Served as President from August 2001 to August 2010.	Thirteen	None.
Clark R. Mandigo 7900 Callaghan Rd San Antonio, TX 78229 (68)	Trustee	May 1993 to present*	Restaurant operator, business consultant from 1991 to present.	Thirteen	None.
Joe C. McKinney 7900 Callaghan Rd San Antonio, TX 78229 (65)	Trustee	October 2008 to present	Vice Chairman. Broadway National Bank from October 2002 to present.	Thirteen	Director, Broadway National Bank from October 2002 to present; Director, USAA Real Estate Company from September 2004 to present; Director, Luby's, Inc. from January 2003 to present.

* These dates include service for a predecessor trust.

INTERESTED TRUSTEES

NAME, ADDRESS, AND AGE	POSITION(S) HELD WITH TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY TRUSTEE	OTHER DIRECTORSHIPS HELD BY TRUSTEE
Frank E. Holmes* 7900 Callaghan Rd San Antonio, TX 78229 (57)	Trustee, Chief Executive Officer, President, Chief Investment Officer	January 1990 to present** August 1999 to present**	Director, Chief Executive Officer and Chief Investment Officer of the Adviser. Since October 1989, Mr. Holmes has served and continues to serve in various positions with the Adviser, its subsidiaries, and the investment companies it sponsors.	Thirteen	None.

* Mr. Holmes is an "interested person" of the Trust by virtue of his positions with U.S. Global Investors, Inc.

** This date includes service for a predecessor trust.

EXPERIENCE AND QUALIFICATION OF TRUSTEES. The following is a summary of the experience, qualifications, attributes and skills of each trustee that support the conclusion, as of the date of this Statement of Additional Information, that each trustee should serve as a trustee in light of the Trust’s business and structure.

J. Michael Belz . Mr. Belz has served as a trustee of the Trust (including a predecessor trust) since 1998 and has served as Chairman of the Nominating and Governance Committee since its creation in 2006. He has been President and Chief Executive Officer of Catholic Life Insurance since 1984 and has served as a director of Broadway National Bank since 2003. He also has served on the Board of the Christus Santa Rosa Hospital from 2002 until 2010.

James F. Gaertner . Dr. Gaertner has served as a trustee of the Trust (including a predecessor trust) since 2002 and has served as chairman of the Audit Committee since May 2005. He served as President of Sam Houston State University from 2001 to 2010, and as President Emeritus since then. Dr. Gaertner served as a director from 1990 to 2011, Chairman of the Board from 1998 to 2008 and Chairman of the Audit Committee from 2008 to 2011 of Tandy Brands Accessories, Inc. Dr. Gaertner served as Dean of the College of Business at the University of Texas at San Antonio (“UTSA”) from September 1, 1987 until June 30, 2000. Before his appointment as Dean, Dr. Gaertner served for four years as a professor and Director of the Division of Accounting and Information Systems at UTSA. Dr. Gaertner served as an associate professor at the University of Notre Dame from September 1976 until August 1983. During that period, Dr. Gaertner served as director of Notre Dame’s London master of business program in London, England. From 1968 to 1973, Dr. Gaertner served as a director and Chief Financial Officer of Tex Tan Welhausen Co., and later served as the Controller for Tex Tan Welhausen, a division of Tandy Corporation. Prior to his employment at Tex Tan Welhausen, he was employed as a member of the audit staff of KPMG Peat Marwick in Houston, Texas. The Board of the Trust has determined that Dr. Gaertner is an “audit committee financial expert” as defined by the SEC.

Frank E. Holmes . Mr. Holmes has served as a trustee and Chief Executive Officer of the Trust (including its predecessors) since 1990 and as Chief Investment Officer since 1999. He has been a director and Chief Executive Officer of the Adviser since 1989, Chief Investment Officer since 1999, and since 1989 has served in various management and investment positions with the Adviser and its subsidiaries. Before purchasing a controlling interest in the Adviser in 1989, Mr. Holmes worked as a research analyst, portfolio manager and managing director of corporate finance with a Canadian investment firm. He is a former president and chairman of the Toronto Society of the Investment Dealers Association and has served on the Toronto Stock Exchange’s Listing Committee. He has served as a director of 71316 Ontario, Inc. from 1987 to 2006 and of F.E. Holmes Organization, Inc. from 1978 to 2009. Mr. Holmes is a member of the President’s Circle and on the investment committee of International Crisis Group, which works to resolve conflict around the world. He is also an advisor to the William J. Clinton Foundation on sustainable development in countries with resource-based economies. Mr. Holmes is also an author and frequent speaker on investments and is a regular commentator on CNBC and Bloomberg.

Clark R. Mandigo . Mr. Mandigo has served as a trustee of the Trust (including a predecessor trust) since 1993 and as Chairman of the Board since February 2007. He has been a restaurant operator and business consultant since 1991 and was a director of Lone Star Steakhouse & Saloon, Inc. from 1992 to 2007 and of Horizon Organic Holdings from 1996 to 2004. From 1986 to 1991, he was President, Chief Executive Officer and Director of Intelogic Trace, Inc., a corporation engaged in the sale, lease and support of computer and communications systems and equipment. From 1985 to 1997, Mr. Mandigo served on the Board of Directors of Physician Corporation of America, a managed health care company and from 1993 to 1997, Mr. Mandigo served on the Board of Palmer Wireless, Inc., a cellular telephone system operator. The Board of the Trust has determined that Mr. Mandigo is an “audit committee financial expert” as defined by the SEC.

Joe C. McKinney . Mr. McKinney has served as a trustee of the Trust since 2008. He has been Vice Chairman and a director of Broadway National Bank since 2002 and a director of USAA Real Estate Company since 2004 and of Luby’s, Inc. since 2003. He also serves as the Chairman of the Finance and Audit Committee of the Board of Luby’s and has been determined to be an audit committee financial expert by the Luby’s Board. Mr. McKinney retired in March 2002 as Chairman of JP Morgan Chase Bank (formerly Chase Manhattan Bank and Texas Commerce Bank) — San Antonio Region with over 28 years of banking experience. He is former Chairman of the San Antonio Economic and Development Foundation and Executive Committee and serves on the boards of the Cancer Therapy and Research Center, the Southwest Foundation for Biomedical Research, the Greater San Antonio Chamber of Commerce and Texas Lutheran University. The Board of the Trust has determined that Mr. McKinney is an “audit committee financial expert” as defined by the SEC.

BOARD STRUCTURE. The Trust’s board of trustees manages the business affairs of the Trust. The trustees establish policies and review and approve contracts and their continuance. The trustees regularly request and/or receive reports from the Adviser, the Trust’s other service providers and the Trust’s Chief Compliance Officer. The Board is comprised of five trustees, four of whom (including

the chairman) are independent trustees. The Board has established two standing committees, each of which is comprised of all four non-interested trustees. The Audit Committee is responsible for monitoring the funds' accounting policies, financial reporting and internal control system; monitoring the work of the funds' independent accountants and providing an open avenue of communication among the independent accountants, fund management and the Board. The Nominating and Governance Committee is primarily responsible for the identification and recommendation of individuals for Board membership and for overseeing the administration of the Trust's Governance Guidelines. The Trust's day-to-day operations are managed by the Adviser and other service providers. The Board and the committees meet periodically throughout the year to review the Trust's activities, including, among others, fund performance, valuation matters and compliance with regulatory requirements, and to review contractual arrangements with service providers. The Board has determined that the Trust's leadership structure is appropriate given the number, size and nature of the funds in the fund complex.

RISK OVERSIGHT. Consistent with its responsibility for oversight of the Trust and its Funds, the Board, among other things, oversees risk management of each Fund's investment program and business affairs directly and through the committee structure that it has established. Risks to the Funds include, among others, investment risk, credit risk, liquidity risk, valuation risk and operational risk, as well as the overall business risk relating to the Funds. The Board has adopted, and periodically reviews, policies and procedures designed to address these risks. Under the overall supervision of the Board, the Adviser and other services providers to the Funds also have implemented a variety of processes, procedures and controls to address these risks. Different processes, procedures and controls are employed with respect to different types of risks. These processes include those that are embedded in the conduct of regular business by the Board and in the responsibilities of officers of the Trust and other service providers.

The Board requires senior officers of the Trust, including the President, Treasurer and Chief Compliance Officer ("CCO"), to report to the full Board on a variety of matters at regular and special meetings of the Board and its committees, as applicable, including matters relating to risk management. The Treasurer also reports regularly to the Audit Committee on the Trust's internal controls and accounting and financial reporting policies and practices. The Audit Committee also receives reports from the Trust's independent registered public accounting firm on internal control and financial reporting matters. On at least a quarterly basis, the Board meets with the Trust's CCO, including separate meetings with the non-interested trustees in executive session, to discuss issues related to portfolio compliance and, on at least an annual basis, receives a report from the CCO regarding the effectiveness of the Trust's compliance program. In addition, the Board receives reports from the Adviser on the investments and securities trading of the Funds, as well as valuation reports and minutes from the Adviser's valuation committee meetings. The Board also receives reports from the Trust's primary service providers on a periodic or regular basis, including the Adviser to the Funds as well as the Trust's custodian, distributor and transfer agent. The Board also requires the Adviser to report to the Board on other matters relating to risk management on a regular and as-needed basis.

OFFICERS

NAME, ADDRESS, AND AGE	POSITION(S) HELD WITH TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED*	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
Frank E. Holmes 7900 Callaghan Rd San Antonio, TX 78229 (57)	President and Chief Executive Officer; Chief Investment Officer	January 1990 to present August 1999 to present	Director, Chief Executive Officer, and Chief Investment Officer of the Adviser. Since October 1989, Mr. Holmes has served and continues to serve in various positions with the Adviser, its subsidiaries, and the investment companies it sponsors.
Susan B. McGee 7900 Callaghan Rd San Antonio, TX 78229 (53)	Executive Vice President and General Counsel; Secretary	March 1997 to present	President and General Counsel of the Adviser. Since September 1992, Ms. McGee has served and continues to serve in various positions with the Adviser, its subsidiaries, and the investment companies it sponsors.
Catherine A. Rademacher 7900 Callaghan Rd San Antonio, TX 78229 (52)	Treasurer	July 2004 to present	Chief Financial Officer of the Adviser since April 2004. Ms. Rademacher has served and continues to serve in various positions with the Adviser, its subsidiaries, and the investment companies it sponsors.
James L. Love, Jr. 7900 Callaghan Rd San Antonio, TX 78229 (43)	Chief Compliance Officer	September 2007 to present	Chief Compliance Officer of the Adviser since September 2007. Mr. Love has served and continues to serve in various positions with the Adviser, its subsidiaries, and the investment companies it sponsors. Executive Director Executive Attorney from January 2003 to September 2007, Senior Counsel May 2002 to January 2003 with USAA.

NAME, ADDRESS, AND AGE	POSITION(S) HELD WITH TRUST	TERM OF OFFICE AND LENGTH OF TIME SERVED*	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
T. Kelly Niland 7900 Callaghan Rd San Antonio, TX 78229 (50)	Vice President Investment Operations Assistant Treasurer	December 2008 to present May 2006 to December 2008	Vice President of Investment Operations of the Adviser since January 2006
Susan K. Filyk 7900 Callaghan Rd San Antonio, TX 78229 (42)	Vice President Marketing	December 2008 to present	Director of Marketing of the Adviser since August 2007. Sr. VP Marketing with Frost National Bank from May 1998 to August 2007.

* These dates include service for a predecessor trust.

NON-INTERESTED TRUSTEES	DOLLAR RANGE OF EQUITY SECURITIES IN THE FUNDS HELD AS OF 12/31/2011
J. Michael Belz	
Global MegaTrends Fund	\$10,001-\$50,000
World Precious Minerals Fund	\$10,001-\$50,000
Global Resources Fund	\$10,001-\$50,000
Aggregate Dollar Range of Ownership of the Trust's Funds	Over \$100,000
Clark Mandigo	
Global MegaTrends Fund	\$10,001-\$50,000
World Precious Minerals Fund	\$1-\$10,000
Global Resources Fund	\$1-\$10,000
Aggregate Dollar Range of Ownership of the Trust's Funds	Over \$100,000
James F. Gaertner	
Global MegaTrends Fund	\$1-\$10,000
World Precious Minerals Fund	\$10,001-\$50,000
Global Resources Fund	\$10,001-\$50,000
Aggregate Dollar Range of Ownership of the Trust's Funds	\$50,001-100,000
Joe C. McKinney	
Global MegaTrends Fund	\$1-\$10,000
World Precious Minerals Fund	\$1-\$10,000
Global Resources Fund	\$1-\$10,000
Aggregate Dollar Range of Ownership of the Trust's Funds	Over \$100,000

None of the non-interested trustees, nor their immediate family members, own any shares in the Adviser, U.S. Global Brokerage, Inc. or a person directly or indirectly controlling, controlled by, or under common control with the Adviser or U.S. Global Brokerage, Inc.

INTERESTED TRUSTEE	DOLLAR RANGE OF EQUITY SECURITIES IN THE FUNDS HELD AS OF 12/31/2011
Frank E. Holmes	
Global MegaTrends Fund	\$10,001-\$50,000
World Precious Minerals Fund	\$10,001-\$50,000
Global Resources Fund	\$10,001-\$50,000
Aggregate Dollar Range of Ownership of the Trust's Funds	Over \$100,000

The following table provides information on compensation paid by U.S. Global Investors Funds to each of the trustees and the Trust's Chief Compliance Officer. As shown in the table, the Trust is not responsible for compensation of the interested trustee of the Trust.

	TOTAL 2011 COMPENSATION FROM U.S. GLOBAL INVESTORS FUNDS(1)	
NON-INTERESTED TRUSTEES		
J. Michael Belz, Trustee	\$	51,100
James F. Gaertner, Trustee	\$	53,600
Clark R. Mandigo, Trustee	\$	55,600
Joe C. McKinney, Trustee	\$	48,600
INTERESTED TRUSTEE		
Frank E. Holmes, Trustee, Chief Executive Officer, Chief Investment Officer		None
CHIEF COMPLIANCE OFFICER		
James L. Love, Jr.	\$	154,724

(1) The U.S. Global Investors Funds do not provide any pension or retirement benefit for the trustees.

CODE OF ETHICS

The Trust, the Adviser, and the Distributor have each adopted a Code of Ethics in accordance with Rule 17j-1 under the Investment Company Act of 1940 (the “1940 Act”). The Code of Ethics allows access persons to purchase and sell securities for their own accounts, subject to certain reporting requirements and trading restrictions. The Code of Ethics prohibits all persons subject to the Code of Ethics from purchasing or selling any security if such person knows or reasonably should know at the time of the transaction that the security was being purchased or sold or was being considered for such purchase or sale by a fund for a certain prescribed period of time. The foregoing description is qualified in its entirety by the Code of Ethics, a copy of which has been filed with the Securities and Exchange Commission.

PROXY VOTING POLICIES

Proxies for each fund’s portfolio securities are voted in accordance with the Adviser’s proxy voting policies and procedures, which are set forth below. Each fund’s proxy voting record, including information regarding how each fund voted proxies relating to portfolio securities held by the fund, for the most recent twelve-month period ended June 30, is available without charge, upon request, by calling 1-800-US-FUNDS and on the SEC’s website at <http://www.sec.gov>.

VOTING PROCEDURES

The Trust has retained Glass Lewis & Co. (“Glass Lewis”), a proxy voting and consulting firm, to receive proxy voting statements, provide information and research, make proxy vote recommendations, and handle the administrative functions associated with the voting of fund proxies. The proxy voting guidelines developed and maintained by Glass Lewis are an extensive list of common proxy voting issues and its voting recommendations. A copy of the guidelines can be obtained by calling 1-800-USFUNDS and on the funds’ website at www.usfunds.com. Common proxy voting issues in the guidelines include, but are not limited to, the following:

Election of Auditors - considering factors such as auditors financial interest or association with company, poor accounting practices, and fees paid for non-audit services.

Election of Directors - considering factors such as attendance at board meetings, service on other boards, failure to act on shareholder proposals, lack of audit, compensation, or nominating committee, correlation between CEO pay and company performance.

Proxy Contest - considering factors such as performance of the target company, management’s track record, and reimbursing solicitation expenses.

Takeover Defenses - considering factors such as poison pills, shareholder ability to call special meetings, and supermajority vote requirements.

Merger and Corporate Restructurings - considering factors such as valuation, market reaction, strategic rationale, negotiations, conflicts of interest, and governance.

State of Incorporation- considering factors such as governance provisions, economic benefits, and jurisdictional law.

Capital Structure - considering factors such as common stock authorization, dual-class stock authorization, and preferred stock authorization.

Executive and Director Compensation - considering factors such as equity compensation plans, poor pay practices, employee stock purchase plans, and option backdating practices.

While Glass Lewis makes the proxy vote recommendations, the Adviser retains the ultimate authority on deciding how to vote. However, in general, it is the Adviser's policy to vote in accordance with Glass Lewis. A decision to override Glass Lewis' recommendation is made by the Adviser's Proxy Review Committee. In reviewing and evaluating Glass Lewis' recommendations, the Proxy Review Committee may consider information from other sources, including the recommendation of a portfolio team member as well as the fundamental and statistical models used by the portfolio department when making investment decisions. One of the primary factors the committee considers when determining the desirability of investing in a particular company is the quality and depth of that company's management. Accordingly, the recommendation of management on any issue is a factor that the committee considers in determining how proxies should be voted. As a matter of practice, the committee will vote in accordance with management's position. However, each issue is individually evaluated and the committee will consider its effect on the investment merits of owning that company's shares. With respect to international securities, the committee is mindful of the varied market practices and environments relating to corporate governance in the local regions. The committee members' experience enables them to understand the complexities of the regions in which they invest and to skillfully analyze the proxy issues relevant to the regions. The committee may decide that it is in a fund's best interest to not vote the shares of foreign companies. All votes contrary to Glass Lewis's recommendation are reported to the board of trustees.

Glass Lewis does not provide proxy voting services for certain securities held by the fund (i.e., a privately held company) and, therefore, will not make a vote recommendation. The Adviser's Proxy Review Committee will evaluate these proxies in the same manner it uses to determine if it is appropriate to override Glass Lewis' recommendation.

CONFLICT OF INTEREST

If the Proxy Review Committee determines that, through reasonable inquiry, an issue raises a potential material conflict of interest, the Proxy Review Committee will follow the recommendations of Glass Lewis except as follows. If the committee believes that it would be in the best interest of the Trust to vote a proxy other than according to the recommendation of Glass Lewis, the committee shall document in writing the basis supporting its determination. A summary of all such votes shall be presented to the board of trustees at the next regularly scheduled meeting of the board.

PRINCIPAL HOLDERS OF SECURITIES

As of March 31, 2012, the officers and trustees of the Trust, as a group, owned less than 1% of the outstanding shares of the Institutional Class shares of each fund. The funds are aware of the following entities or persons who owned more than 5% of the outstanding shares of the Institutional Class shares of the funds as of March 31, 2012.

<u>FUND</u>	<u>SHAREHOLDERS</u>	<u>PERCENTAGE OWNED</u>	<u>TYPE OF OWNERSHIP</u>
Global MegaTrends Fund	Customers of Charles Schwab & Company, Inc.(1)	99.56%	Beneficial
World Precious Minerals Fund	Customers of Charles Schwab & Company, Inc.(1)	99.54%	Beneficial
Global Resources Fund	Customers of Charles Schwab & Company, Inc.(1) Customers of SEI Private Trust Company(2)	52.49% 47.46%	Beneficial Beneficial

- (1) Charles Schwab & Company, Inc., a broker-dealer located at 101 Montgomery Street, San Francisco, CA 94104-4122, has advised that no individual client owns more than 5% of the Institutional Class shares of the fund.
- (2) SEI Private Trust Company, a broker-dealer located at 1 Freedom Valley Drive, Oaks, PA 19456-9989, has advised that no individual client owns more than 5% of the Institutional Class shares of the fund.

INVESTMENT ADVISORY AND OTHER SERVICES

The investment adviser to the funds is U.S. Global Investors, Inc. (Adviser), a Texas corporation, pursuant to an advisory agreement dated as of October 1, 2008. Frank E. Holmes, Chief Executive Officer and a Director of the Adviser, as well as a Trustee, President and Chief Executive Officer of the Trust, beneficially owns more than 25% of the outstanding voting stock of the Adviser and may be deemed to be a controlling person of the Adviser. The Institutional Class of the funds paid the following management fees (inclusive of any performance fee adjustments) for the two most recent fiscal years:

FUND	Fiscal Year Ended	
	December 31, 2010*	December 31, 2011
Global MegaTrends Fund	\$ 4,293	\$ 30,924
World Precious Minerals Fund	\$ 1,956	\$ 23,959
Global Resources Fund	\$ 43,953	\$ 373,444

* From March 1, 2010, commencement of operations for the Institutional Class.

BASE ADVISORY FEE SCHEDULE

NAME OF FUND	ANNUAL PERCENTAGE OF AVERAGE DAILY NET ASSETS
Global MegaTrends Fund	1.00%
World Precious Minerals Fund	1.00% ≤ \$500,000,000; 0.95% \$500,000,001 - \$1,000,000,000; 0.90% > \$1,000,000,000
Global Resources Fund	0.95% ≤ \$500,000,000; 0.90% \$500,000,001 - \$1,000,000,000; 0.85% > \$1,000,000,000

The Adviser has voluntarily agreed to waive all class specific expenses, including but not limited to, administrative expenses and transfer agency expenses. The expense waiver is exclusive of performance fees, acquired fund fees and expenses, taxes, brokerage commissions and interest. The Adviser can modify or terminate this arrangement at any time.

The base advisory fee for the funds listed above may be adjusted up or down by 0.25% based upon the fund's performance relative to the cumulative performance of its benchmark index and hurdle rate. The chart below reflects each fund's base advisory fee, its relative benchmark, and hurdle rate.

PERFORMANCE FEE SCHEDULE

	Base Advisory Fee	Benchmark	Hurdle Rate	Base Advisory Fee Range With Performance Fee Adjustment
Global MegaTrends Fund	1.00%	S&P 500 Index	+/- 5%	0.75%-1.25%
World Precious Minerals Fund	1.00%	NYSE Arca Gold Miners Index	+/- 5%	0.75%-1.25%
Global Resources Fund	0.95%	Morgan Stanley Commodity Related Equity Index	+/- 5%	0.70%-1.20%

A performance fee, or fulcrum fee, is designed to reward the Adviser for the performance of the Institutional Class of a fund that exceeds a fund's designated benchmark or penalize the Adviser for the performance of the Institutional Class of a fund which is lower than a fund's designated benchmark. The cumulative performance of the Institutional Class of a fund is compared to that of its designated benchmark over a rolling 12-month period. When the difference between a fund's Institutional Class performance and the performance of its designated benchmark is less than 5% (this is known as the hurdle rate) there will be no adjustment to the base advisory fee. This is often referred to as the null zone. If a fund's Institutional Class's cumulative performance exceeds by 5% or more (hurdle rate) the performance of its designated benchmark, the base advisory fee will be increased by 0.25%. If a fund's Institutional Class's cumulative performance falls below its designated benchmark by 5% or more, the base advisory fee will be decreased by 0.25%. The chart reflects the minimum and maximum advisory fee applicable to each fund. Certain funds are subject to breakpoints in the base advisory fee as noted in the Base Advisory Fee Schedule section. For purposes of calculating the performance adjustment, the performance will include the performance of the Investor Class shares of the funds for periods prior to March 1, 2011. After such time, the performance will be calculated based on the Institutional Class shares of the fund.

The investment advisory agreement will continue in effect from year to year with respect to a fund only if the agreement is approved at least annually both (i) by a vote of a majority of the outstanding voting securities of such fund (as defined in the 1940 Act) or by the board of trustees of the Trust, and (ii) by a vote of a majority of the trustees who are not parties to the advisory agreement or "interested persons" of any party thereto (the "Independent Trustees"), cast in person at a meeting called for the purpose of voting on such approval.

The advisory agreement may be terminated on 60 days' written notice by either party and will terminate automatically if it is assigned.

The Adviser may, out of profits derived from its management fee, pay certain financial institutions (which may include banks, securities dealers and other industry professionals) a “servicing fee” and other non-cash compensation for performing certain administrative servicing functions for fund shareholders to the extent these institutions are allowed to do so by applicable statute, rule or regulation. These payments and compensation are in addition to the fees paid by the funds. These fees will be paid periodically and will generally be based on a percentage of the value of the institutions’ client fund shares. Additional cash payments may be made by the Adviser or Distributor to intermediaries that provide marketing support and/or access to sales meetings, sales representatives and management representatives of the intermediaries.

From time to time, the Adviser or U.S. Global Brokerage, Inc. may also pay non-cash compensation to the sales representatives of intermediaries in the form of (i) occasional gifts; (ii) occasional meals, tickets or other entertainment; and/or (iii) sponsorship support of regional or national events of intermediaries.

In addition to advising client accounts, the Adviser may invest in securities for their own accounts. The Adviser has adopted policies and procedures intended to minimize or avoid potential conflicts with their clients when trading for their own accounts. The investment objectives and strategies of the Adviser are different from those of its clients, emphasizing venture capital investing, private placement arbitrage, and speculative short-term trading. The Adviser uses a diversified approach to venture capital investing. Investments typically involve early-stage businesses seeking initial financing as well as more mature businesses in need of capital for expansion, acquisitions, management buyouts, or recapitalization. Overall, the Adviser typically invests in start-up companies in the natural resources or technology fields.

ADMINISTRATIVE SERVICES AGREEMENT

Under a separate written agreement effective March 1, 2010, the Adviser provides day-to-day administrative services to the Trust including preparing compliance materials pursuant to Rule 38a-1 of the 1940 Act to improve overall compliance by the Trust and its various agents; arranging for the preparation and filing for the Trust of all required tax returns; preparing and filing the periodic updating of the Trust’s prospectus and statement of additional information; preparing and filing, or overseeing the preparation and filing of, any currently required or to be required reports filed with the Securities and Exchange Commission and other regulatory and self-regulatory authorities including, but not limited to, preliminary and definitive proxy materials, post-effective amendments to the registration statement, semi-annual reports on Form N-SAR, Form N-CSR, Form N-Q, Form N-PX, and notices pursuant to Rule 24f-2 under the 1940 Act; and preparing and filing any regulatory reports as required by any regulatory agency. Monthly, the Adviser receives an administrative fee from the Institutional Class shares of the funds for these services that is calculated at an average annual rate of 0.06% on the monthly average net asset of each fund. The agreement provides that 0.03% of the administrative fee is for fund level administrative duties and 0.03% of the administrative fee is for class level administrative duties.

The Institutional Class of the funds paid the following administrative fees (net of expenses paid by the Adviser or fee waivers) for the fiscal years indicated:

FUND	Fiscal Year Ended	
	December 31, 2010*	December 31, 2011
Global MegaTrends Fund	\$ 129	\$ 1,040
World Precious Minerals Fund	\$ 60	\$ 747
Global Resources Fund	\$ 1,371	\$ 11,752

* From March 1, 2010, commencement of operations for the Institutional Class.

The Trust pays all other expenses for its operations and activities. Each of the funds of the Trust, and each of the funds’ classes, if applicable, pays its allocable portion of these expenses. The expenses borne by the Trust include the charges and expenses of any transfer agents and dividend disbursing agents, custodian fees, legal and auditors’ expenses, bookkeeping and accounting expenses, brokerage commissions for portfolio transactions, taxes, if any, the advisory fee, extraordinary expenses, expenses of issuing and redeeming shares, expenses of shareholder and trustee meetings, expenses of preparing, printing and mailing proxy statements, reports and other communications to shareholders, expenses of registering and qualifying shares for sale, fees of trustees who are not “interested persons” of the Adviser, expenses of attendance by officers and trustees at professional meetings of the Investment Company Institute, the Mutual Fund Education Alliance or similar organizations, and membership or organization dues of such organizations, expenses of preparing and setting in type the prospectus and periodic reports and expenses of mailing them to current shareholders, fidelity bond premiums, cost of maintaining the books and records of the Trust, and any other charges and fees not specified.

DISTRIBUTION AGREEMENT

U.S. Global Brokerage, Inc., 7900 Callaghan Road, San Antonio, Texas 78229, a subsidiary of the Adviser (U.S. Global Brokerage), is the principal underwriter and agent for distribution of the funds' shares. U.S. Global Brokerage is obligated to use all reasonable efforts, consistent with its other business, to secure purchasers for the funds' shares, which are offered on a continuous basis.

U.S. Global Brokerage markets the fund and distributes each fund's shares pursuant to a distribution agreement between the Trust and U.S. Global Brokerage (Distribution Agreement). Under the Distribution Agreement, U.S. Global Brokerage may enter into agreements with selling brokers, financial planners and other financial representatives for the sale of the funds' shares. Following such sales, a fund will receive the net asset value per share. Pursuant to the Distribution Agreement, the Trust is responsible for the payment of all fees and expenses (i) in connection with the preparation, setting in type and filing of any registration statement, prospectus and statement of additional information under the 1933 Act and amendments for the issue of its shares, (ii) in connection with the registration and qualification of shares for sale in the various states in which the officers of the Trust shall determine to be advisable (including registering the Trust as a broker or dealer or any officers of the Trust as agent or salesperson in any state); (iii) of preparing, setting in type, printing and mailing any report or other communication to shareholders of the Trust in their capacity as such, and (iv) of preparing, setting in type, printing and mailing prospectuses, SAIs and any supplements thereto sent to existing shareholders. The Distribution Agreement continues in effect from year to year, provided continuance is approved at least annually by either (i) the vote of a majority of the trustees of the Trust, or by the vote of a majority of the outstanding voting securities of the Trust, and (ii) the vote of a majority of the qualified trustees of the Trust; however, the Distribution Agreement may be terminated at any time by vote of a majority of the Qualified Trustees, or by vote of a majority of the outstanding voting securities of the Trust, on not more than sixty (60) day written notice by the Trust. For these purposes, the term "vote of a majority of the outstanding voting securities" is deemed to have the meaning specified in the 1940 Act and the rules enacted hereunder. U.S. Global Brokerage, the principal underwriter for distribution of the funds' shares, and its affiliated persons, including Frank Holmes, a trustee of the Trust, have a direct or indirect financial interest in the operation of the funds' Distribution Agreement.

TRANSFER AGENCY AGREEMENT

The transfer agency agreement with the Trust provides for each fund to pay United Shareholder Services, Inc. (USSI) the following: an annual fee of \$10,509.32 per cusip and \$15.11 per account. In addition, the funds will bear transaction-related expenses, other miscellaneous expenses, and out-of-pocket expenses. In connection with obtaining and/or providing administrative services to the beneficial owners of Trust shares through broker-dealers, banks, trust companies and similar institutions which provide such services, the Trust has adopted a Shareholder Services Plan. The Shareholder Services Plan provides that each fund shall pay a monthly fee up to one-twelfth (1/12) of 20 basis points (.0020%) of the value of the shares of the fund held in accounts at the institutions. These fees cover the usual transfer agency functions.

The Institutional Class of the funds paid the amounts below for transfer agency fees and expenses (net of expenses paid by the Adviser or fee waivers):

FUND	Fiscal Year Ended	
	December 31, 2010*	December 31, 2011
Global MegaTrends Fund	\$ 0	\$ 0
World Precious Minerals Fund	\$ 0	\$ 0
Global Resources Fund	\$ 0	\$ 0

* From March 1, 2010, commencement of operations for the Institutional Class. Pursuant to a voluntary arrangement, the Adviser has agreed to waive all class specific expenses of each fund including, but not limited to, administrative services fees and transfer agency fees and expenses. The Adviser can modify or terminate this arrangement at any time. The expense waiver is exclusive of performance fees, acquired fund fees and expenses, extraordinary expenses, taxes, brokerage commissions and interest.

ACCOUNTING AND CUSTODY AGREEMENT

Brown Brothers Harriman & Co., an independent service provider, provides the funds with bookkeeping, accounting, and custody services and determines the daily net asset value for each of the funds. The Institutional Class of the funds paid the following amounts for bookkeeping and accounting services:

FUND	Fiscal Year Ended	
	December 31, 2010*	December 31, 2011
Global MegaTrends Fund	\$ 655	\$ 6,132
World Precious Minerals Fund	\$ 81	\$ 839
Global Resources Fund	\$ 1,587	\$ 13,528

* From March 1, 2010, commencement of operations for the Institutional Class.

PORTFOLIO MANAGERS

COMPENSATION FOR FRANK HOLMES, JOHN DERRICK, RALPH ALDIS, BRIAN HICKS AND EVAN SMITH

The Adviser seeks to maintain a compensation program that is competitively positioned to attract and retain high-caliber portfolio managers. Compensation for the portfolio managers consists of the following:

BASE SALARY. Each portfolio manager is paid a base salary that is competitive in light of the portfolio manager's experience and responsibilities.

MONTHLY AND QUARTERLY BONUSES. The bonuses are primarily driven by assets under management and performance of the funds. Bonuses are awarded only if the fund performance is within certain percentiles of each fund's Lipper peer group (or pertinent subset) or are awarded certain rankings by third-party ranking services. The following is the Lipper peer group for each of the funds: Global MegaTrends Fund - Lipper Multi-Cap Growth Funds; World Precious Minerals Fund - Lipper Precious Metal Funds; Global Resources Fund - pertinent subset of Lipper Global Natural Resources Funds. The portfolio managers serving on investment teams providing advisory services to accounts with performance-based fees may be given a discretionary bonus.

The portfolio managers are provided benefits packages including life insurance, health insurance and a company 401(k) plan comparable to that received by other company employees.

Frank Holmes receives a base salary and in addition receives a percentage of the bonuses paid to the other portfolio managers, an annual bonus based upon the Adviser's operational earnings, an annual bonus based upon the performance of the Adviser's own investment account, and a quarterly bonus for the management of the three offshore accounts.

The Adviser manages three offshore accounts that pay a performance-based fee which could result in a higher fee than the management of the funds. The payment of a higher fee may create an incentive to give preferential treatment to the performance fee accounts. The Adviser has adopted trade allocation procedures designed to address this potential conflict.

PORTFOLIO MANAGER: FRANK E. HOLMES

Other Managed Accounts as of 12/31/2011

TYPE OF ACCOUNT	NUMBER OF ACCOUNTS	TOTAL ASSETS	NUMBER OF PERFORMANCE FEE ACCOUNTS	TOTAL ASSETS OF PERFORMANCE FEE ACCOUNTS
Registered investment companies	0	\$ 0	0	\$ 0
Pooled investment vehicles	2	\$ 30,911,592	2	\$ 30,911,592
Other accounts	1	\$ 10,182,323	2	\$ 10,182,323

Mr. Holmes also manages the Adviser's own investment account and earns a bonus based on the performance of the investments. The payment of a bonus may create an incentive to give preferential treatment to the Adviser's own account. The Adviser has adopted trade allocation procedures and a code of ethics designed to address this potential conflict.

Ownership of Securities

NAME OF FUND	DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND HELD AS OF 12/31/2011
Global MegaTrends Fund	\$10,001-\$50,000
World Precious Minerals Fund	\$10,001-\$50,000
Global Resources Fund	\$10,001-\$50,000

PORTFOLIO MANAGER: JOHN DERRICK

Other Managed Accounts as of 12/31/2011

TYPE OF ACCOUNT	NUMBER OF ACCOUNTS	TOTAL ASSETS	NUMBER OF PERFORMANCE FEE ACCOUNTS	TOTAL ASSETS OF PERFORMANCE FEE ACCOUNTS
Registered investment companies	0	\$ 0	0	\$ 0
Pooled investment vehicles	0	\$ 0	0	\$ 0
Other accounts	0	\$ 0	0	\$ 0

Ownership of Securities

NAME OF FUND	DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND HELD AS OF 12/31/2011
Global MegaTrends Fund	\$10,001-\$50,000

PORTFOLIO MANAGER: BRIAN HICKS

Other Managed Accounts as of 12/31/2011

TYPE OF ACCOUNT	NUMBER OF ACCOUNTS	TOTAL ASSETS	NUMBER OF PERFORMANCE FEE ACCOUNTS	TOTAL ASSETS OF PERFORMANCE FEE ACCOUNTS
Registered investment companies	0	\$ 0	0	\$ 0
Pooled investment vehicles	2	\$ 30,911,592	2	\$ 30,911,592
Other accounts	0	\$ 0	0	\$ 0

Ownership of Securities

NAME OF FUND	DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND HELD AS OF 12/31/2011
Global Resources Fund	\$100,001-\$500,000
Global MegaTrends Fund	\$1-\$10,000

PORTFOLIO MANAGER: EVAN SMITH

Other Managed Accounts as of 12/31/2011

TYPE OF ACCOUNT	NUMBER OF ACCOUNTS	TOTAL ASSETS	NUMBER OF PERFORMANCE FEE ACCOUNTS	TOTAL ASSETS OF PERFORMANCE FEE ACCOUNTS
Registered investment companies	0	\$ 0	0	\$ 0
Pooled investment vehicles	2	\$ 30,911,592	2	\$ 30,911,592
Other accounts	0	\$ 0	0	\$ 0

Ownership of Securities

NAME OF FUND	DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND HELD AS OF 12/31/2011
Global Resources Fund	\$100,001-\$500,000
Global MegaTrends Fund	\$1-\$10,000

PORTFOLIO MANAGER: RALPH ALDIS

Other Managed Accounts as of 12/31/2011

TYPE OF ACCOUNT	NUMBER OF ACCOUNTS	TOTAL ASSETS	NUMBER OF PERFORMANCE FEE ACCOUNTS	TOTAL ASSETS OF PERFORMANCE FEE ACCOUNTS
Registered investment companies	0	\$ 0	0	\$ 0
Pooled investment vehicles	2	\$ 30,911,592	2	\$ 30,911,592
Other accounts	0	\$ 0	0	\$ 0

Ownership of Securities

NAME OF FUND	DOLLAR RANGE OF EQUITY SECURITIES IN THE FUND HELD AS OF 12/31/2011
World Precious Minerals Fund	\$100,001-\$500,000

BROKERAGE ALLOCATION AND OTHER PRACTICES

Decisions to buy and sell securities for the funds and placing the funds' securities transactions and negotiation of commission rates, where applicable, are made by the Adviser and are subject to review by the board of trustees. The Adviser seeks best execution for a fund taking into account various factors, including the breadth of the market in the security, the price of the security, the financial condition and execution capability of the broker or dealer (for a specified transaction and on a continuing basis), the reasonableness of the commission, if any, and the brokerage and research services provided to the Trust and/or other accounts over which the Adviser or an affiliate of the Adviser exercises investment discretion. The Adviser is permitted, in certain circumstances, to pay a higher commission than might otherwise be obtained in order to acquire brokerage and research services. The Adviser must determine in good faith, however, that such commission is reasonable in relation to the value of the brokerage and research services provided - viewed in terms of that particular transaction or in terms of all the accounts over which investment discretion is exercised. In such case, the board of trustees will review the commissions paid by each fund of the Trust to determine if the commissions paid over representative periods of time were reasonable in relation to the benefits obtained. The advisory fee of the Adviser will not be reduced due to its receipt of such brokerage and research services. To the extent that research services of value are provided by broker-dealers through or with whom the Trust places portfolio transactions the Adviser may be relieved of expenses which it might otherwise bear. Research services and products may be useful to the Adviser in providing investment advice to other clients they advise. Thus, there may be no correlation between the amount of brokerage commissions generated by a particular fund or client and the indirect benefits received by that fund or client.

The funds may, in some instances, purchase securities that are not listed on a national securities exchange or quoted on NASDAQ, but rather are traded in the over-the-counter market. When the transactions are executed in the over-the-counter market, the funds generally intend to deal with the primary market makers. However, the services of brokers will be utilized if it is anticipated that the best overall terms can thereby be obtained.

The brokerage fees paid by the following funds for the most recent fiscal years were as follows:

	Fiscal Year Ended		
	December 31, 2009	December 31, 2010	December 31, 2011
Global MegaTrends Fund	\$ 108,209	\$ 111,883	\$ 111,115
World Precious Minerals Fund	\$ 2,417,880	\$ 3,569,237	\$ 4,086,800
Global Resources Fund	\$ 4,724,099	\$ 4,438,248	\$ 6,782,358

During the fiscal year ended December 31, 2011, the following funds paid approximately \$1,045,275 in brokerage commissions to firms that provided research services to the Adviser. These trades involved approximately \$526,724,813 in principal value. The brokerage fees paid in this manner for each fund were as follows:

	COMMISSIONS	PRINCIPAL VALUE
Global MegaTrends Fund	\$ 9,177	\$ 4,422,421
World Precious Minerals Fund	\$ 312,770	\$ 150,317,123
Global Resources Fund	\$ 723,328	\$ 371,985,269
Total	\$ 1,045,275	\$ 526,724,813

TRADE AGGREGATION AND ALLOCATION PROCEDURES

The Adviser has adopted Trade Aggregation and Allocation Procedures (the "Procedures") under which the Adviser may aggregate client (including the funds) purchase or sale orders and may also aggregate orders for the Adviser's own account to achieve more efficient execution, lower per share brokerage costs, and in the aggregate, better prices. The Adviser's Procedures are designed to ensure that each of the Adviser's clients is treated in a fair and equitable manner over time by not intentionally favoring one client over another. Among other things, the Procedures require the Adviser to: (i) aggregate client orders only when consistent with the Adviser's duty of best execution and with the client's investment objectives, account guidelines and other objective criteria, (ii)

specify in advance the client accounts that will participate in the aggregated transaction, (iii) specify the relevant allocation method with respect to the aggregated order, and (iv) allocate on a pro rata basis the price and per share commission and transaction costs to each client participating in the aggregated transaction. The Adviser does not receive additional compensation or remuneration solely as a result of a trade aggregation or allocation. Trades will be aggregated when in the best interest of and overall fairness to each client. The Procedures also provide that the Adviser will monitor to ensure that no client is disadvantaged as a result of aggregated transactions over time.

Investments in private placements of limited size are not subject to the aggregation policy described above, and priority may be given to accounts managed by the investment personnel generating the investment idea pursuant to the Procedures. However, the Procedures are designed to monitor allocations of limited investment opportunities to ensure that such opportunities are allocated in a fair and equitable manner over time. In addition, the funds' ability to participate in certain private placements could be limited as a result of direct or indirect relationships of the Adviser or its principals with other clients or potential portfolio companies.

PURCHASE, REDEMPTION AND PRICING OF SHARES

The following information supplements the discussion of how to buy fund shares as discussed in the prospectus.

Shares of each fund are continuously offered by the Trust at their net asset value next determined after an order is accepted. The methods available for purchasing shares of the fund are described in the prospectus. In addition, shares of the fund may be purchased using securities, so long as the securities delivered to the Trust meet the investment objectives and concentration policies of the fund and are otherwise acceptable to the Adviser, which reserves the right to reject all or any part of the securities offered in exchange for shares of the fund. On any such "in kind" purchase, the following conditions will apply:

1. The securities offered by the investor in exchange for shares of the fund must not be in any way restricted as to resale or otherwise be illiquid.
2. Securities of the same issuer must already exist in the fund's portfolio.
3. The securities must have a value that is readily ascertainable (and not established only by evaluation procedures) as evidenced by a listing on the NYSE, or NASDAQ-AMEX.
4. Any securities so acquired by the fund shall not comprise over 5% of the fund's net assets at the time of such exchange.
5. No over-the-counter securities will be accepted unless the principal over-the-counter market is in the United States.
6. The securities are acquired for investment and not for resale.

The Trust believes that this ability to purchase shares of the fund using securities provides a means by which holders of certain securities may obtain diversification and continuous professional management of their investments without the expense of selling those securities in the public market.

An investor who wishes to make an "in kind" purchase should furnish a list (either in writing or by telephone) to the Trust with a full and exact description of all of the securities he or she proposes to deliver. The Trust will advise him or her as to those securities it is prepared to accept and will provide the investor with the necessary forms to be completed and signed by the investor. The investor should then send the securities, in proper form for transfer, with the necessary forms to the Trust and certify that there are no legal or contractual restrictions on the free transfer and sale of the securities. The securities will be valued as of the close of business on the day of receipt by the Trust in the same manner as portfolio securities of the fund are valued. See the section entitled Net Asset Value in the prospectus. The number of shares of the fund, having a net asset value as of the close of business on the day of receipt equal to the value of the securities delivered by the investor, will be issued to the investor, less applicable stock transfer taxes, if any.

The exchange of securities by the investor pursuant to this offer is a taxable transaction and may result in a gain or loss for federal income tax purposes. Each investor should consult his or her tax adviser to determine the tax consequences under federal and state law of making such an "in kind" purchase.

ADDITIONAL INFORMATION ON REDEMPTIONS

REDEMPTION IN KIND. The Declaration of Trust permits the right to redeem funds shares in cash or in kind. However, the Global MegaTrends Fund has elected to be governed by Rule 18f-1 under the Investment Company Act of 1940, pursuant to which the Trust is obligated to redeem shares of these funds solely in cash up to the lesser of \$250,000 or one percent of the net asset value of the Trust during any 90-day period for any one shareholder. Any shareholder of these funds receiving a redemption in kind would then have to pay brokerage fees in order to convert the investment into cash. All redemptions in kind will be made in marketable securities of the particular fund. Redemptions in kind are taxable for federal income tax purposes in the same manner as when sales proceeds are paid in cash.

SUSPENSION OF REDEMPTION PRIVILEGES. The Trust may not suspend redemption privileges, or postpone the date of payment for more than seven days after the redemption order is received, except during any period (1) when the NYSE is closed, other than customary weekend and holiday closings, or trading on the NYSE is restricted as determined by the Securities and Exchange Commission (SEC), (2) when an emergency exists, as defined by the SEC, which makes it not reasonably practicable for the Trust to dispose of securities owned by it or fairly to determine the value of its assets, or (3) as the SEC may otherwise permit.

FEDERAL INCOME TAXES

TAXATION OF THE FUNDS - IN GENERAL

Each fund has elected and intends to continue to qualify as a “regulated investment company” under Subchapter M of the Code. Accordingly, no fund will be liable for federal income taxes on its taxable net investment income and capital gain net income that are distributed to shareholders, provided that a fund distributes each taxable year at least the sum of (i) 90% of the fund’s investment company taxable income (which includes, among other items, dividends, interest, the excess of any net short-term capital gain over net long-term capital loss and other taxable income, other than any net long-term capital gain, reduced by deductible expenses) determined without regard to the deduction for dividends paid and (ii) 90% of a fund’s net tax-exempt interest (the excess of its gross tax-exempt interest over certain disallowed deductions). Each fund intends to distribute substantially all of such income each year. A fund will be subject to federal income tax at regular corporate rates on any taxable income or gains that it does not distribute to its shareholders.

To qualify as a regulated investment company, each fund must, among other things: (a) derive in each taxable year at least 90% of its gross income from dividends, interest, payments with respect to securities loans, gains from the sale or other disposition of stock, securities or foreign currencies, or other income derived with respect to its business of investing in such stock, securities or currencies and net income derived from interests in qualified publicly traded partnerships (“90% test”); and (b) satisfy certain diversification requirements at the close of each quarter of the fund’s taxable year. The requirements for qualification as a regulated investment company may significantly limit the extent to which a fund may invest some investment, including certain commodity exchange-traded funds and commodity-linked investments.

The Code imposes a non-deductible 4% excise tax on a regulated investment company that fails to distribute during each calendar year an amount equal to at least the sum of (1) 98% of its ordinary income for the calendar year, (2) 98.2% of its capital gain net income for the twelve-month period ending on October 31 of the calendar year and (3) any portion not taxable to the fund of the respective balance from the preceding calendar year. The funds intend to make such distributions as are necessary to avoid imposition of this excise tax.

A possibility exists that exchange control regulations imposed by foreign governments may restrict or limit the ability of a fund to distribute net investment income or the proceeds from the sale of its investments to its shareholders.

TAXATION OF THE FUNDS’ INVESTMENTS

Securities sold during a period may generate gains or losses based on the cost at which they were purchased. Net realized capital losses, for federal income tax purposes, may be carried forward to offset current or future capital gains until expiration. The funds’ capital gains and losses are determined only at the end of each fiscal year. Under the Regulated Investment Company Modernization Act of 2010, the funds are permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010, for an unlimited period. However, any losses incurred during those future years are required to be utilized prior to the losses incurred in pre-enactment tax years.

In addition, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law. The loss carry forwards and related expiration dates for each fund listed below, as of December 31, 2011, are as follows:

FUND	Post December 31, 2010 Capital Losses					
	No Expiration		Expiration Date			
	Short Term	Long Term	2012	2013	2014	
Global MegaTrends Fund	\$ —	\$ —	\$ —	\$ —	\$ —	
World Precious Minerals Fund	\$ —	\$ —	\$ —	\$ —	\$ —	
Global Resources Fund	\$ —	\$ —	\$ —	\$ —	\$ —	

FUND	Expiration Date					Total
	2015	2016	2017	2018		
Global MegaTrends Fund	\$ 6,801,143	\$ 5,994,166	\$ 995,675	\$ —	\$ 13,790,984	
World Precious Minerals Fund	\$ —	\$ —	\$ 63,779,512	\$ —	\$ 63,779,512	
Global Resources Fund	\$ —	\$ —	\$ 259,212,558	\$ —	\$ 259,212,558	

In accordance with federal income tax rules, the following net capital losses and ordinary losses (currency and late year losses) incurred after October 31, within each fund's tax year, are deemed to arise on the first day of the fund's next tax year if the fund elects to defer such losses.

The Funds elected to defer losses incurred after October 31, 2011, as follows:

FUND	POST OCTOBER 31, 2011, CAPITAL LOSS DEFERRAL	POST OCTOBER 31, 2011 ORDINARY LOSS DEFERRAL
	Global MegaTrends Fund	\$ 163,657
World Precious Minerals Fund	\$ 11,908,415	\$ 7,709,872

A fund's ability to make certain investments may be limited by provisions of the Code that require inclusion of certain unrealized gains or losses in the fund's income for purposes of the 90% test and the distribution requirements of the Code, and by provisions of the Code that characterize certain income or loss as ordinary income or loss rather than capital gain or loss.

For federal income tax purposes, debt securities purchased by a fund may be treated as having original issue discount. Original issue discount can generally be defined as the excess of the stated redemption price at maturity of a debt obligation over the issue price. Original issue discount is treated as interest earned by the fund for federal income tax purposes, whether or not any income is actually received, and therefore, is subject to the distribution requirements of the Code. Because a fund will not receive a cash payment of interest, in order to satisfy the distribution requirements, a fund may have to sell other securities at a time when it might otherwise have continued to hold them. Original issue discount with respect to tax-exempt obligations generally will be excluded from a fund's taxable income, although such discount will be included in gross income for purposes of the 90% test described above. Original issue discount is accrued and added to the adjusted tax basis of the securities for purposes of determining gain or loss upon sale or at maturity. Generally, the amount of original issue discount is determined based on a constant yield to maturity, which takes into account the compounding of accrued interest. Under section 1286 of the Code, an investment in a stripped bond or stripped coupon will result in original issue discount. In addition, to the extent that a fund holds zero coupon or deferred interest bonds in its portfolio, or bonds paying interest in the form of additional debt obligations, the fund would recognize income currently under the original issue discount rules even though the fund received no cash payment of interest, and would need to raise cash to satisfy the obligations to distribute such income to shareholders from sales of portfolio securities.

Debt securities may be purchased by a fund at a discount that exceeds the original issue price plus previously accrued original issue discount remaining on the securities, if any, at the time a fund purchases the securities. This discount represents market discount for federal income tax purposes. To the extent that a fund purchases debt securities (including tax exempt bonds) at a market discount, the accounting accretion of such discount may generate taxable income for the fund and its shareholders. In the case of any debt security having a fixed maturity date of more than one year from the date of issue and having market discount, the gain realized on disposition will generally be treated as taxable interest income to the extent it does not exceed the accrued market discount on the security (unless the fund elects to include such accrued market discount in income in the tax year to which it is attributable). Generally, market discount is accrued on a daily basis.

A fund whose portfolio is subject to the market discount rules may be required to defer the deduction of part or all of any direct interest expense incurred to purchase or carry any debt security (other than a tax exempt obligation) having market discount, unless the fund makes the election to include market discount in income currently.

The funds may purchase debt securities at a premium, i.e., at a purchase price in excess of face amount. With respect to tax-exempt securities, the premium must be amortized to the maturity date but no deduction is allowed for the premium amortization. Instead, the amortized bond premium will reduce the fund's adjusted tax basis in the securities. For taxable securities, the premium may be amortized if the fund so elects. The amortized premium on taxable securities is allowed as a deduction, reduces the fund's basis in the securities and, generally, must be amortized under a constant yield method.

A fund's investment in lower-rated or unrated debt securities may present issues for the fund if the issuers of these securities default on their obligations because the federal income tax consequences to a holder of such securities are not certain.

If a fund owns shares in a foreign corporation that is a "passive foreign investment company" for U.S. federal income tax purposes and that fund does not elect alternative tax treatment, that fund may be subject to U.S. federal income tax on part of any "excess distribution" it receives from the foreign corporation or any gain it derives from the disposition of such shares, even if the fund distributes such income as a taxable dividend to its shareholders. The fund may also be subject to additional tax similar to an interest charge with respect to deferred taxes arising from such distributions or gains. Any tax paid by the fund because of its ownership of shares in a "passive foreign investment company" will not lead to any deduction or credit to the fund or any shareholder. Rather than being taxed on passive foreign investment company income as discussed above, a fund may be eligible to elect alternative tax treatment. If the fund elects to treat the foreign corporation as a "qualified electing fund" under the Code, the fund may be required to include its share of the passive foreign investment company's ordinary income and net capital gains in its income each year, even if this income is not distributed to the fund. Any such income would be subject to the distribution requirements described above even if the fund did not receive any income to distribute.

In addition, another election may be available that would involve marking-to-market the fund's shares in a passive foreign investment company at the end of each taxable year (and on certain other dates prescribed in the Code); with the result that unrealized gains are treated as though they were realized. If this election is available and is made, federal income tax at the fund level under the passive foreign investment company rules would generally be eliminated, but the fund could, in limited circumstances, incur nondeductible interest charges. A fund's intention to qualify annually as a regulated investment company may limit its options with respect to shares in a passive foreign investment company.

A fund's transactions, if any, in forward contracts, options, futures contracts and hedged investments may be subject to special provisions of the Code that, among other things, may affect the character of gain and loss realized by the fund (i.e., may affect whether gain or loss is ordinary or capital), accelerate recognition of income to the fund, defer the fund's losses, and affect whether capital gain and loss is characterized as long-term or short-term. These rules could therefore affect the character, amount and timing of distributions to shareholders. These provisions also may require a fund to mark-to-market certain types of positions (i.e., treat them as if they were closed out), which may cause the fund to recognize income without receiving cash with which to make distributions in amounts necessary to satisfy the distribution requirements for avoiding income and excise taxes.

If an option which a fund has written expires on its stipulated expiration date, the fund recognizes a short-term capital gain. If a fund enters into a closing purchase transaction with respect to an option which the fund has written, the fund realizes a short-term capital gain (or loss if the cost of the closing transaction exceeds the premium received when the option was sold) without regard to any unrealized gain or loss on the underlying security. If a call option which a fund has written is exercised, the fund realizes a capital gain or loss from the sale of the underlying security and the proceeds from such sale are increased by the premium originally received.

If an option which a fund has purchased expires on the stipulated expiration date, the fund realizes a short-term or long-term capital loss for federal income tax purposes in the amount of the cost of the option. If a fund exercises a put option, it realizes a capital gain or loss (long-term or short-term, depending on the holding period of the underlying security) from the sale of the underlying security and the proceeds from such sale are decreased by the premium originally paid.

The amount of any realized gain or loss on closing out options on certain stock indices will result in a capital gain or loss for federal income tax purposes. Such options held by a fund at the end of each fiscal year on a broad-based stock index generally are treated under the Code as "Section 1256 contracts" and will be required to be "marked-to-market" for federal income tax purposes. Sixty percent of any net gain or loss recognized on such deemed sales or on any actual sales will be treated as long-term capital gain or loss,

and the remainder will be treated as short-term capital gain or loss (“60/40 gain or loss”). Certain other options, futures contracts and options on futures contracts utilized by a fund may also be Section 1256 contracts. Any gains or losses on these Section 1256 contracts held by a fund at the end of each taxable year (and on October 31 of each year for purposes of the 4% excise tax) are “marked-to-market” with the result that unrealized gains or losses are treated as though they were realized and the resulting gain or loss is treated as a 60/40 gain or loss.

A fund’s investments in REITs may result in the fund’s receipt of cash in excess of the REIT’s earnings; if the fund distributes these amounts, these distributions could constitute a return of capital to fund shareholders for federal income tax purposes. Investments in REIT equity securities also may require a fund to accrue and distribute income not yet received. To generate sufficient cash to make the requisite distributions, a fund may be required to sell securities in its portfolio (including when it is not advantageous to do so) that it otherwise would have continued to hold. Dividends received by a fund from a REIT will not qualify for the corporate dividends received deduction and generally will not constitute qualified dividend income (see “Taxation of the Shareholder” below). The funds may invest in REITs that hold residual interests in real estate mortgage investment conduits (REMICs). Under a notice issued by the Internal Revenue Service, a portion of a fund’s income from a REIT that is attributable to the REIT’s residual interest in a REMIC (referred to in the Code as an “excess inclusion”) will be subject to federal income tax in all events. The notice provides that excess inclusion income of a regulated investment company, such as a fund, will be allocated to shareholders of the regulated investment company in proportion to the dividends received by such shareholders, with the same consequences as if the shareholders held the related REMIC residual interest directly. In general, excess inclusion income allocated to shareholders (a) cannot be offset by net operating losses (subject to a limited exception for certain thrift institutions), (b) will constitute unrelated business taxable income to entities (including a qualified pension plan, an individual retirement account, a 401(k) plan, a Keogh plan or other tax-exempt entity) subject to tax on unrelated business income, thereby potentially requiring such an entity that is allocated excess inclusion income, and otherwise might not be required to file a federal income tax return, to file a tax return and pay tax on such income, and (c) in the case of a foreign shareholder, will not qualify for any reduction in U.S. federal withholding tax. In addition, if at any time during any taxable year a “disqualified organization” (as defined in the Code) is a record holder of a share in a regulated investment company, then the regulated investment company will be subject to a tax equal to that portion of its excess inclusion income for the taxable year that is allocable to the disqualified organization, multiplied by the highest federal income tax rate imposed on corporations.

TAXATION OF THE SHAREHOLDER

Shareholders will be subject to federal income taxes on distributions made by a fund whether received in cash or additional shares of the fund. Distributions of net investment income (including any net short-term capital gain in excess of any net long-term capital loss), other than “qualified dividend income,” if any, will be taxable to shareholders as ordinary income. For taxable years beginning prior to January 1, 2013, distributions of “qualified dividend income,” as such term is defined in section 1(h) (11) of the Code (generally dividends received from U.S. domestic corporations and qualified foreign corporations), by a fund to its noncorporate shareholders generally will be taxed at the federal income tax rates applicable to net capital gain, provided certain holding period and other requirements described below are satisfied. Dividends received from REITs and certain foreign corporations generally will not constitute qualified dividend income. Unless extended by future legislation, the favorable treatment of qualified dividend income will expire for taxable years beginning on or after January 1, 2013. Distributions of net capital gain (the excess of net long-term capital gains over net short-term capital losses), if any, will be taxable to noncorporate shareholders at a maximum federal income tax rate of 15%, without regard to how long a shareholder has held shares of the fund. Unless extended by future legislation, the 15% federal income tax rate on net capital gain will expire for taxable years beginning after 2012 and will be replaced by a maximum federal income tax rate on net capital gains of 20%. Corporate shareholders are taxed on net capital gain at the same federal income tax rates applicable to ordinary income. Dividends paid by a fund may qualify in part for the 70% dividends received deduction available to corporate shareholders, provided that certain holding period and other requirements under the Code are satisfied. Generally, however, dividends received on most REITs and on stocks of foreign issuers that are held by a fund are not eligible for the dividends received deduction when distributed to the fund’s corporate shareholders.

To be eligible for treatment as qualified dividend income, shareholders generally must hold their shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date. In order for dividends received by a fund’s shareholders to be treated as qualified dividend income, the fund must also meet holding period and other requirements with respect to such dividend paying stocks it owns. A dividend will not be treated as qualified dividend income at the fund level if the dividend is received with respect to any share of stock held for 60 days or fewer during the 121-day period beginning on the date which is 60 days before the date on which such share becomes ex-dividend with respect to such dividend (or, in the case of certain preferred stock, 90 days or fewer during the 181-day period beginning 90 days before such date). In addition to the above holding period requirements, a dividend will not be treated as qualified dividend income (at either the fund or shareholder level), (1) to the extent that the recipient is under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property, (2) if the recipient elects to have the dividend income treated as investment income for purposes of the limitation on deductibility of investment interest, or (3) if the dividend is received from a foreign corporation that is (a) not eligible for the benefits

of a comprehensive income tax treaty with the United States (with the exception of stock of a foreign corporation that is readily tradeable on an established securities market in the United States) or (b) treated as a passive foreign investment company.

Taxable distributions generally are included in a shareholder's gross income for the taxable year in which they are received. However, dividends declared in October, November or December and made payable to shareholders of record in such a month will be deemed to have been received on December 31, if a fund pays the dividends during the following January.

Distributions by a fund will result in a reduction in the net asset value of fund shares. Should a distribution reduce the net asset value below a shareholder's cost basis, such distribution nevertheless may be taxable to the shareholder as ordinary income or long-term capital gain, even though, from an investment standpoint, it may constitute a partial return of capital. In particular, investors should be careful to consider the tax implications of buying shares of such funds just prior to a distribution. The price of such shares purchased at that time includes the amount of any forthcoming distribution. Those investors purchasing the fund shares just before a distribution may receive a return of investment upon distribution that will nevertheless be taxable to them.

A shareholder of a fund should be aware that a redemption of shares (including any exchange into another U.S. Global Investors Fund) is a taxable event and, accordingly, a capital gain or loss may be recognized. The gain or loss will generally be long term if the shares were held more than one year and short term if the shares were held less than one year. If a shareholder of a fund receives a distribution taxable as long-term capital gain with respect to shares of the fund and redeems or exchanges shares before he has held them for more than six months, any loss on the redemption or exchange (not otherwise disallowed as attributable to an exempt-interest dividend) will be treated as long-term capital loss to the extent of the long-term capital gain recognized. Any loss a shareholder realizes on a sale or exchange of shares will be disallowed if the shareholder acquires other shares of the fund (whether through the automatic reinvestment of dividends or otherwise) or substantially identical stock or securities within a 61-day period beginning 30 days before and ending 30 days after the shareholder's sale or exchange of the shares. In such case, the shareholder's tax basis in the shares acquired will be adjusted to reflect the disallowed loss. Capital losses may be subject to limitations on their use by a shareholder.

For taxable years beginning after December 31, 2012, an additional 3.8% Medicare tax will be imposed on certain net investment income (including ordinary dividends and capital gain distributions received from a fund and net gains from redemptions or other taxable dispositions of fund shares) of U.S. individuals, estates and trusts to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds a threshold amount.

Each fund is required in certain circumstances to withhold federal income tax ("backup withholding") at a current rate of 28% (31% for amounts paid after 2012) on reportable payments, including dividends, capital gain distributions and the proceeds of sales or other dispositions of the fund's shares, paid to certain shareholders who do not furnish the fund with their correct social security number or other taxpayer identification number and certain other certifications, or who are otherwise subject to backup withholding. Backup withholding is not an additional tax. Any amounts withheld from payments made to a shareholder may be refunded or credited against such shareholder's U.S. federal income tax liability, if any, provided that the required information is timely furnished to the Internal Revenue Service.

The foregoing discussion relates solely to U.S. federal income tax law as applied to U.S. investors. Non-U.S. investors should consult their tax advisors concerning the tax consequences of ownership of shares of a fund, including the possibility that distributions may be subject to a 30% U.S. withholding tax (or a reduced rate of withholding provided by an applicable treaty).

CURRENCY FLUCTUATIONS - "SECTION 988" GAINS OR LOSSES

Under the Code, gains or losses attributable to fluctuations in exchange rates that occur between the time a fund accrues income or other receivables, or accrues expenses or other liabilities denominated in a foreign currency and the time a fund actually collects such receivables or pays such liabilities are generally treated as ordinary income or ordinary loss. Similarly, gains or losses from the disposition of foreign currencies or from the disposition of securities denominated in a foreign currency attributable to fluctuations in the value of the foreign currency between the date of acquisition of the currency or security and the date of disposition also are treated as ordinary gain or loss. These gains or losses, referred to under the Code as "section 988" gains or losses, increase or decrease the amount of a fund's net investment income (which includes, among other things, dividends, interest and net short-term capital gains in excess of net long-term capital losses, net of expenses) available to be distributed to its shareholders as ordinary income, rather than

increasing or decreasing the amount of the fund's net capital gain. If section 988 losses exceed such other net investment income during a taxable year, any distributions made by the fund could be recharacterized as a return of capital to shareholders, rather than as an ordinary dividend, reducing each shareholder's basis in his fund shares. To the extent that such distributions exceed such shareholder's basis, they will be treated as a gain from the sale of shares. Certain gains or losses with respect to forward foreign currency contracts, over-the-counter options on foreign currencies and certain options traded on foreign exchanges will also be treated as section 988 gains or losses.

Forward currency contracts and certain options entered into by the fund may create "straddles" for U.S. federal income tax purposes and this may affect the character of gains or losses realized by the fund on forward currency contracts or on the underlying securities and cause losses to be deferred. Transactions in forward currency contracts may also result in the loss of the holding period of underlying securities. The fund may also be required to "mark-to-market" certain positions in its portfolio (i.e., treat them as if they were sold at year end). This could cause the fund to recognize income without having the cash to meet the distribution requirements.

FOREIGN TAXES

Income received by a fund from sources within any countries outside the United States in which the issuers of securities purchased by the fund are located may be subject to withholding and other taxes imposed by such countries.

Under the Code, if more than 50% of the value of a fund's total assets at the close of its taxable year consists of stocks or securities of foreign corporations, the fund will be eligible for, and intends to file, an election with the Internal Revenue Service to "pass-through" to the fund's shareholders the amount of such foreign income and withholding taxes paid by the fund. Pursuant to this election a shareholder will be required to: (1) include in gross income (in addition to taxable dividends actually received) his pro rata share of such foreign taxes paid by the fund; (2) treat his pro rata share of such foreign taxes as having been paid by him; and (3) either deduct his pro rata share of such foreign taxes in computing his taxable income or use it as a foreign tax credit against his U.S. federal income taxes, subject in both cases to certain limitations. No deduction for such foreign taxes may be claimed by a shareholder who does not itemize deductions. Each shareholder will be notified after the close of the fund's taxable year whether the foreign taxes paid by the fund will "pass-through" for that year and, if so, such notification will include the shareholder's proportionate share of foreign source income and foreign taxes paid.

The amount of foreign taxes for which a shareholder may claim a credit in any year will be subject to an overall limitation that is applied separately to "passive income," which includes, among other types of income, dividends, and interest.

The foregoing is only a general description of the foreign tax credit under current law. Because applicability of the credit depends on the particular circumstances of each shareholder, shareholders are advised to consult their own tax advisors.

The foregoing discussion relates only to generally applicable federal income tax provisions in effect as of the date of the prospectus and statement of additional information. Shareholders should consult their tax advisors about the status of distributions from the fund in their own states and localities.

CUSTODIAN, FUND ACCOUNTANT AND ADMINISTRATOR

Brown Brothers Harriman & Co., 40 Water Street, Boston, Massachusetts 02109, serves as custodian, fund accountant, and administrator for all funds of the Trust described in this Statement of Additional Information. With respect to the funds that own foreign securities, Brown Brothers Harriman & Co. may hold securities of the funds outside the United States pursuant to sub-custody arrangements separately approved by the Trust.

DISTRIBUTOR

U.S. Global Brokerage, Inc., 7900 Callaghan Road, San Antonio, Texas 78229, is the exclusive agent for distribution of shares of the funds. The distributor is obligated to sell the shares of the funds on a best-efforts basis only against purchase orders for the shares. Shares of the funds are offered on a continuous basis.

FINANCIAL STATEMENTS

The financial statements for the fiscal year ended December 31, 2011, are hereby incorporated by reference from the funds' 2011 Annual Report to Shareholders dated December 31, 2011. A copy of the financial statement will be provided, free of charge, upon request to U.S. Global Investors, Inc., P.O. Box 659405, San Antonio, Texas 78265-9604, 1-800-873-8637 or 210-308-1234.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM AND LEGAL COUNSEL

KPMG LLP, 60 South Street, Boston, Massachusetts 02111, serves as the independent registered public accounting firm for the Trust. The independent registered public accounting firm audits and reports on the funds' annual financial statements, reviews certain regulatory reports and the funds' federal income tax returns, and may perform other professional accounting, auditing, tax, and advisory services to the extent approved by the Audit Committee of the Trust. Vedder Price P.C., 222 North LaSalle Street, Chicago, Illinois, 60601, serves as legal counsel to the Trust and to the independent trustees of the Trust.