COMMODITIES AND THE MEAN REVERSION PRINCIPLE

U.S. Global Investors

2000	2001	2002	2003	2004	2005	2006	2007	2008
319.71% 🔥	7.01% Pb	86.34% 🔥	133.07% Ni	67.57% 🪨	82.55% 🔥	154.45% Ni	76.65% 🌾	12.61% 🪨
113.45% Pd	5.69% 🪨	57.26% 💧	75.44% Pb	42.80% Pb	50.79% Zn	126.16% Zn	57.22% 💧	5.77% Au
38.42% Pt	3.40% 🌾	25.63% Pt	51.11% Cu	41.30% Cu	40.48% 💧	80.88% 🌽	42.65% Pb	-10.65% 🌽
37.40% 🪨	2.46% Au	24.77% Au	35.61% Pt	33.61% 💧	39.79% Cu	61.36% Pb	34.33% Pt	-23.01% Ag
13.33% 🌽	0.43% Ag	21.46% Ni	34.55% 🪨	25.99% Zn	36.46% Pd	47.68% 🌾	30.98% Au	-24.87% 🔥
12.47% 🌾	-9.82% 🌽	12.80% 🌽	34.49% Zn	23.52% Al	29.20% Ag	46.40% Ag	29.07% 🪨	-30.99% 🌾
4.69% 💧	-14.61% Al	12.46% 🌾	29.23% 🔥	14.86% Ag	17.92% Au	37.20% Cu	18.80% 🔥	-36.06% Al
-1.46% Pb	-17.61% Ni	5.06% Cu	24.27% Ag	5.90% Pt	16.19% Al	31.24% Pd	16.72% 🌽	-38.76% Pt
-2.03% Cu	-19.16% Cu	3.46% Ag	19.37% Au	5.54% Au	12.65% Pt	24.15% Al	14.65% Ag	-49.29% Pd
-3.76% Al	-22.04% Pt	0.53% Al	17.98% Al	-0.65% 🔥	10.33% 🌾	23.15% Au	10.40% Pd	-51.07% Zn
-5.47% Au	-24.83% Zn	-2.35% Zn	16.00% 🌾	-3.62% Pd	5.37% 🌽	17.05% Pt	6.14% Cu	-53.53% 💧
-14.50% Ag	-25.97% 💧	-15.38% 🪨	4.35% 🌽	-10.29% Ni	4.17% Pb	0.02% 💧	-16.70% Al	-55.37% Ni
-15.96% Ni	-54.14% Pd	-16.37% Pb	4.23% 💧	-16.77% 🌽	-7.26% 🪨	-25.22% 🪨	-23.56% Ni	-56.53% Cu
-17.59% Zn	-73.71% 🔥	-45.91% Pd	-18.70% Pd	-18.44% 🌾	-10.12% Ni	-43.88% 🔥	-47.13% Zn	-62.52% Pb

LEGEND

Al	Aluminum
🪨	Coal
Cu	Copper
🌽	Corn
💧	Crude Oil
Au	Gold
Pb	Lead
🔥	Natural Gas
Ni	Nickel
Pd	Palladium
Pt	Platinum
Ag	Silver
Zn	Zinc
🌾	Wheat

***Source:** Steele and U.S. Global Research*

Investments can have wide price swings during any given year. But, over time, they usually revert to their long-term averages. This principle is called “mean reversion.” The chart above demonstrates the fluctuation of various commodities for the past 9 years. As you can see, not one category has performed consistently over the 9-year period. By allocating your assets among a variety of categories, and understanding mean reversion, you protect yourself from unpredictable shifts in the market. Diversification does not protect an investor from market risks and does not assure a profit. 09-119

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