

Estimated Year-End Distributions for Equity Funds

This information is for tax planning purposes and may not be accurate for tax reporting. Please use the information in the tax documents that U.S. Global Investors will send in January 2010 when preparing tax returns.

Based on preliminary calculations in early November, the funds listed below may have income dividend and/or capital gains distributions in December 2009. Money market and most bond funds accrue dividends daily and distribute them on the last business day of each month. (Tax forms 1099 will be delivered in late January 2010.)

Note: Investing in a taxable account shortly before a fund distributes dividends and/or capital gains may result in a taxable distribution. In certain cases, particularly if that fund expects to make a large distribution, it may be advisable to delay an investment until after the fund's dividends are distributed.

Distribution Dates

The following dates will apply to each U.S. Global Investors fund that will pay distributions:

Record date	December 10, 2009
Ex-dividend date	December 11, 2009
Payable date	December 11, 2009

Record date Fund shareholders on this date will receive a distribution.

Ex-dividend date The date on which there will be a decrease in the net asset value per share equal to the amount of the distribution. Shareholders who have elected reinvestment will have their distributions reinvested on this date in additional shares of the fund at the day's closing price.

Payable date Shareholders who have not elected reinvestment will have their distributions paid on this date.

Q: What is a mutual fund distribution?

A: A mutual fund distribution is derived from net capital gains realized from the sale of a fund's investments, and income from dividends and interest earned by a fund's holdings less the fund's operating expenses. By law, mutual funds must pay substantially all net investment income and net capital gains to their investors, who may elect to receive cash or reinvest in additional shares of the fund.

Q: Why does a fund's share price (NAV) drop when distributions are paid?

A: A fund's net investment income and net capital gains contribute to the rise of the fund's net asset value (NAV), or share price. Each fund is required to distribute nearly all of its net income and capital gains to shareholders (see above question on distributions), and the fund's NAV is reduced by the amount of this distribution.

Example: A fund has a NAV of \$10. If the fund is required to make a **distribution** of \$2 per share during the year, \$2 will be deducted from the NAV and then paid to shareholders on the specified date. On the ex-dividend date, the fund share price will decrease to \$8.

Q: Do I lose money when distributions are paid?

A: No. The shareholder still has \$10 per share in value — \$8 in the fund's NAV and \$2 per share reinvested in the fund or paid by check. For those who automatically reinvest distributions, the distribution is used to buy additional fund shares at \$8 per share. These additional shares compensate for the drop in the NAV, so the total account value does not change as a result of the distribution. If there is a decline in the market at the same time as the distribution, however, there may be a drop in the account's post-distribution value.

Example: A shareholder has 100 shares in his account. At an NAV of \$10 a share, the account value is \$1,000. If the fund pays a \$2 per share distribution, the NAV drops to \$8, making the original 100 shares worth \$800. Reinvesting the \$200 distribution, however, will buy an additional 25 shares. Now the shareholder's account holds 125 shares at \$8 each, for a total value of \$1,000, the same as before the distribution was paid.

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Q. Why is there no breakout of qualified dividend estimates in ordinary income?

A. Funds that invest in stocks of U.S. and many non-U.S. corporations pay dividends that qualify for lower tax rates. However, when a fund derives a significant portion of its income from sources such as interest, short-term capital gains and dividends from certain non-U.S. corporations (passive foreign investment companies, or PFICs), a portion of its dividend does not qualify for reduced taxation. Instead, that portion is taxed at ordinary income rates. Funds that derive all of their income from investments in bonds, money market instruments and non-dividend-paying investments do not pay qualified dividends.

The calculations are complex, and usually are not finalized until shortly before the distribution record date. We provide the table below solely to give investors an estimate of the fund's expected distributions.

Q. How will the fund estimates differ from the final distribution reported on December 11, 2009?

A. The estimates provide a snapshot of each fund's capital gains and income as of September 30, 2009. In most cases, as required under the federal tax code, the final distributions will be based on each fund's capital gains realized through October 31 and the net investment income expected to be earned through December 31.

Estimated Distributions as of October 30, 2009

The estimates below are based on the fund shares outstanding on October 30, 2009 and estimated to be within the ranges shown based on preliminary calculations as of the first week of November 2009.

Special Note: Only funds that are expected to pay distributions this year are included in the table.

The actual per share distribution amounts will not be available until the record date.

Fund	NAV as of Oct. 30, 2009	Ordinary Income*	Long-Term Capital Gain
All American Equity Fund (GBTFX)	\$18.22	\$0.08 to \$0.13	\$0
Global MegaTrends Fund (MEGAX)	\$7.41	\$0.04 to \$0.06	\$0
World Precious Minerals Fund (UNWPX)	\$15.67	\$0.00 to \$0.07	\$0

* This amount includes qualified dividends, non-qualified dividends, and short-term capital gains.

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