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 February 2013 when preparing tax returns.

Based on preliminary calculations in late October, the funds listed below may have income dividend and/or capital gains distributions in December 2012. 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 mailed by February 15, 2013.)

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, 2012
Ex-dividend date	December 11, 2012
Payable date	December 11, 2012

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, 2012?

A. The estimates provide a snapshot of each fund's capital gains and income as of September 30, 2012. 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 31, 2012

The estimates below are based on the fund shares outstanding on October 26, 2012 and estimated to be within the ranges shown based on preliminary calculations as of the last week of September 2012.

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 payable date.

Fund	NAV as of Oct. 26, 2012	Ordinary Income*	Long-Term Capital Gain
Holmes Growth Fund (ACBGX)	$19.09	$0.00	$0.22 - $0.37
Global MegaTrends Fund (MEGAX)	$8.01	$0.03 - $0.05	$0.00
Global MegaTrends Fund, Institutional Class (MEGIX)	$7.95	$0.03 - $0.05	$0.00
Global Resources Fund (PSPFX)	$9.91	$0.24 - $0.35	$0.00
Global Resources Fund, Institutional Class (PIPFX)	$9.98	$0.24 - $0.35	$0.00
World Precious Minerals Fund (UNWPX)	$12.78	$0.31 - $0.46	$0.00
World Precious Minerals Fund, Institutional Class (UNWIX)	$12.77	$0.31 - $0.46	$0.00
Gold and Precious Metals Fund (USERX)	$13.03	$0.01 - $0.02	$0.00
Eastern European Fund (EUROX)	$8.78	$0.06 - $0.09	$0.00
China Region Fund (USCOX)	$7.12	$0.04 - $0.06	$0.00

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

Important Information

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Please consider carefully a fund's investment objectives, risks, charges and expenses. For this and other important information, obtain a fund prospectus by visiting www.usfunds.com or by calling 1-800-US-FUNDS (1-800-873-8637). Read it carefully before investing. Distributed by U.S. Global Brokerage, Inc. Past performance does not guarantee future results.

Foreign and emerging market investing involves special risks such as currency fluctuation and less public disclosure, as well as economic and political risk. By investing in a specific geographic region, a regional fund's returns and share price may be more volatile than those of a less concentrated portfolio.

The Eastern European Fund invests more than 25% of its investments in companies principally engaged in the oil & gas or banking industries. The risk of concentrating investments in this group of industries will make the fund more susceptible to risk in these industries than funds which do not concentrate their investments in an industry and may make the fund's performance more volatile.

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

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