



2016 Important Tax-Exempt Fund Information for U.S. Global Investors Funds

Federal Tax Treatment – Federal tax law allows dividends from mutual funds investing in municipal obligations to be considered tax exempt income. Any income distribution that qualifies as a tax exempt interest is reported on your Form 1099-DIV, Box 10. You must report this amount on Line 8b of your 2016 Form 1040. The amount reported in box 11 of Form 1099-DIV must be used in preparing Form 6251 to determine if you are subject to Alternative Minimum Tax. Any income distribution that is taxable income is reported on your Form 1099-DIV, Box 1a. This amount must be reported on Line 9a of Form 1040.

State and Local Tax Treatment – Some of the Federal tax exempt dividends may also be exempt from state and local taxes, depending upon where you file your return. Listed below is the tax exempt percentage of income by state. As state and local tax regulations vary from state to state, not all permit such exclusion. For example, Illinois does not allow a taxpayer to exempt interest paid on Illinois state and local government obligations, if the obligations are held by a shareholder in a mutual fund. Please consult your tax advisor. If the tax law of your state provides for the exemption, multiply the amount in Box 10 of Form 1099-DIV by the appropriate percentage below. This amount can be excluded and the remaining balance should be reported on your state tax return.

STATE	NEARX	STATE	NEARX
Alabama	1.17%	Montana	0.00%
Alaska	0.08%	Nebraska	0.00%
Arizona	0.96%	Nevada	0.27%
Arkansas	0.55%	New Hampshire	0.64%
California	5.63%	New Jersey	4.97%
Colorado	1.58%	New Mexico	0.32%
Connecticut	0.48%	New York	7.71%
Delaware	0.00%	North Carolina	2.10%
District of Columbia	1.02%	North Dakota	0.04%
Florida	7.98%	Ohio	1.39%
Georgia	2.14%	Oklahoma	0.89%
Hawaii	0.00%	Oregon	0.27%
Idaho	0.31%	Pennsylvania	3.45%
Illinois	7.50%	Rhode Island	0.17%
Indiana	2.75%	South Carolina	1.21%
Iowa	0.61%	South Dakota	0.00%
Kansas	0.52%	Tennessee	0.48%
Kentucky	2.42%	Texas	21.15%
Louisiana	1.98%	Utah	1.77%
Maine	0.00%	Vermont	0.00%
Maryland	0.00%	Virginia	0.16%
Massachusetts	0.57%	Washington	4.74%
Michigan	3.82%	West Virginia	0.00%
Minnesota	0.96%	Wisconsin	2.76%
Mississippi	0.13%	Wyoming	0.04%
Missouri	1.90%	US Territories & Other	0.41%
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Alternative Minimum Tax	0.00 %		

For California and Minnesota residents, all of the income distribution by these funds is subject to state income tax.