

A person wearing a white long-sleeved shirt and light blue pants is sitting in a meditative pose on a sandy beach. The person's hands are resting on their knees in a mudra. The background shows the ocean with gentle waves and a bright sunset or sunrise, creating a peaceful and serene atmosphere.

TAX-FREE, STRESS-FREE INCOME: THE POWER OF MUNI BONDS

Investing is subject to risk.

Did You Know?

You Are Subscribed to the Best Electronic Newsletter?



Best Overall Advisor and Best Overall Retail Communications

2015 Mutual Fund Education Alliance STAR Awards

The Mutual Fund Education Alliance (MFEA) is a national industry association committed to investor education, and its STAR Awards program recognizes marketing communications efforts in the mutual fund industry. The awards competition is judged by industry professionals, and based on criteria including educational value, content, design and functionality.

Who is U.S. Global Investors?



A boutique publicly listed investment adviser specializing in gold, natural resources, emerging markets, domestic equities and municipal bonds.

Today's Speakers



Frank Holmes

CEO and CIO of U.S. Global Investors



Juan León

Fixed-income Investment Analyst

ODDS OF BECOMING AN
NFL PLAYER

0.08%



DID YOU KNOW?

Out of **31,306** equity and bond mutual funds
only 39 of them have had consecutive,
positive annual returns for the past
21 years.

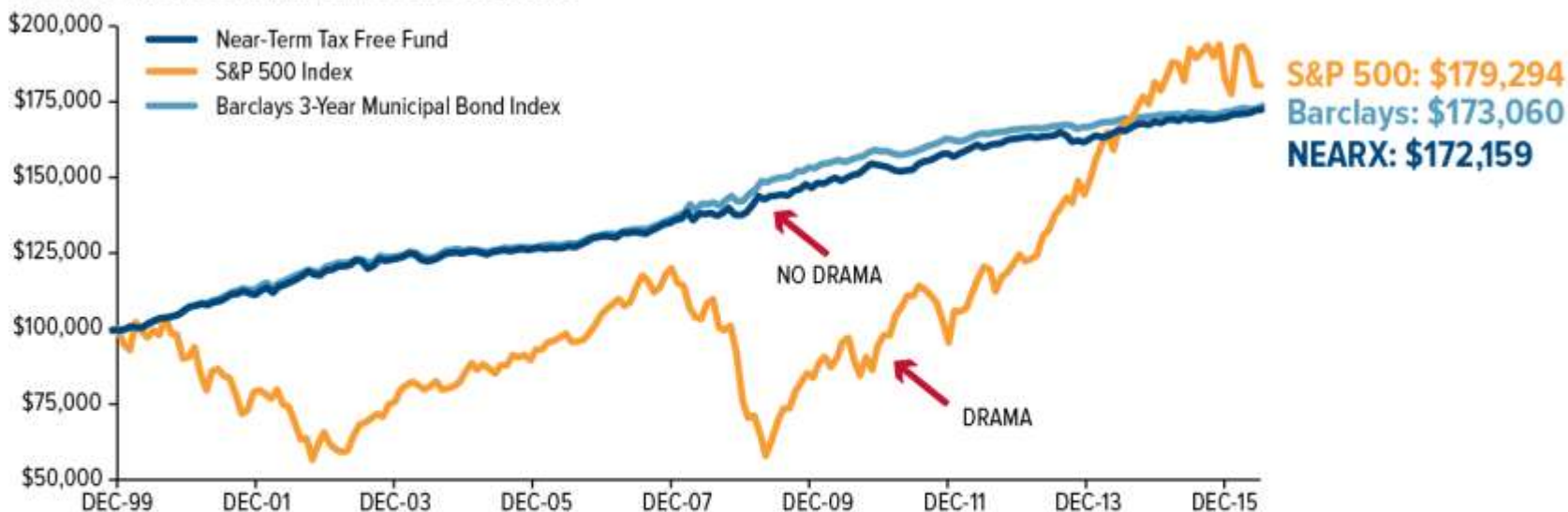
THE NEAR-TERM TAX FREE FUND
IS ONE OF THEM

MORNINGSTAR®

Look at the S&P 500 vs. the NEARX with a History of No Drama

Near-Term Tax Free Fund vs. S&P 500 Index

Growth of \$100,000 from 12/31/1999 to 02/29/2016



Source: Bloomberg, U.S. Global Investors

The chart illustrates the performance of a hypothetical \$100,000 investment made in the fund during the depicted time frame. Figures include reinvestment of capital gains and dividends, but the performance does not include the effect of any direct fees described in the fund's prospectus which, if applicable, would lower your total returns. Past performance doesn't guarantee future results, and you shouldn't reasonably expect the fund to keep pace with an index of equity securities like the S&P 500 over the next 10, 15 and 20 years. However, NEARX has historically shown a greater likelihood of dodging the dramatic swings the equity market has often experienced in times of uncommonly high volatility, such as we saw in the first decade of the century. To see the latest 1-, 5- and 10-year returns, see the performance page.

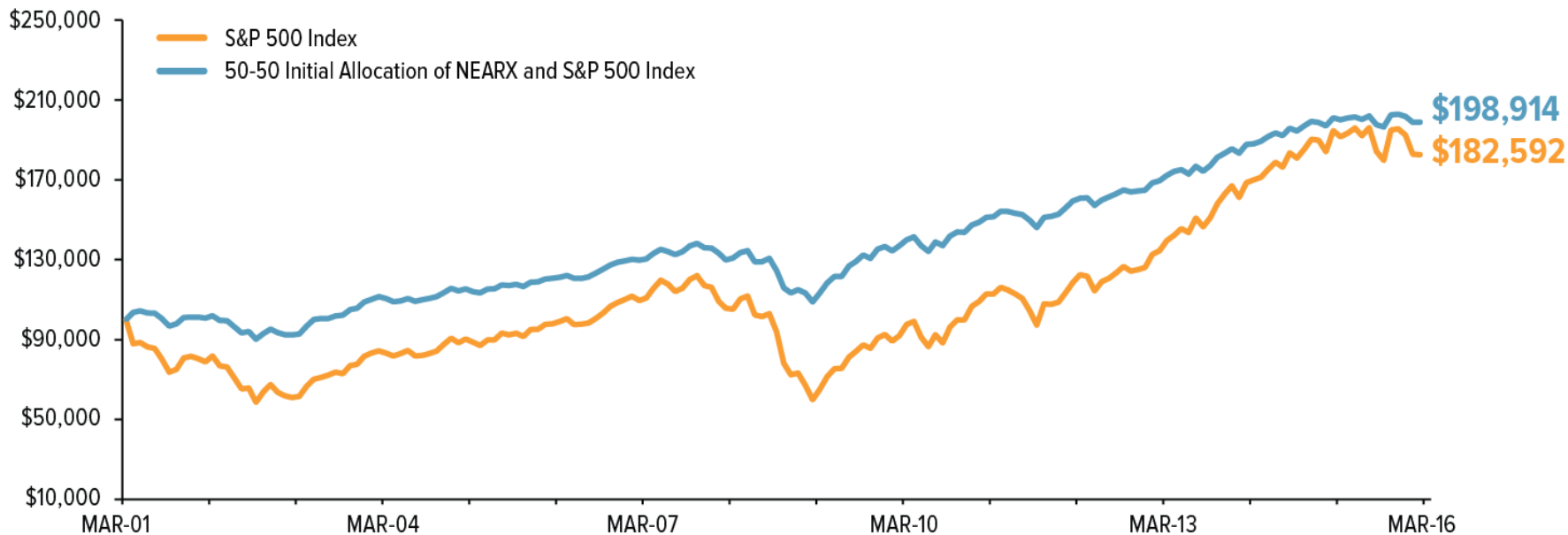


The Power of Rebalancing

A Blended Portfolio Can Cushion Volatility

Performance of S&P 500 versus 50/50 Bond and Equity Allocation

Initial Investment of \$100,000, Rebalanced Annually



Note: 3/30/2001 - 2/29/2016 **Source:** Bloomberg, U.S. Global Investors

The chart illustrates the performance of a hypothetical \$100,000 investment made in the funds and strategy during the depicted time frame. Figures include reinvestment of capital gains and dividends, but the performance does not include the effect of any direct fees described in the fund's prospectus (e.g., short-term trading fees) which, if applicable, would lower your total returns. This hypothetical portfolio is presented for educational and illustrative purposes only and is not a recommendation to engage in any particular investment strategy.

Past performance does not guarantee future results.

It is not possible to invest in an index.



Fund Performance

As of 12/31/15	Average Annual					Since Inception	Gross Expense Ratio	Expense Cap
	1-year	3-year	5-year	10-year				
Near-Term Tax Free Fund (NEARX)	1.45%	1.61%	2.34%	3.03%	4.09%*	1.08%	0.45%	
S&P 500 Index	1.38%	15.13%	12.57%	7.31%	n/a	n/a	n/a	
Barclays 3-Year Municipal Bond Index	1.18%	1.24%	1.81%	3.01%	n/a	n/a	n/a	

*Expense ratio as stated in the most recent prospectus. The expense cap is a contractual limit through April 30, 2016, for the Near-Term Tax Free Fund, on total fund operating expenses (exclusive of acquired fund fees and expenses, extraordinary expenses, taxes, brokerage commissions and interest). Performance data quoted above is historical. Past performance is no guarantee of future results. Results reflect the reinvestment of dividends and other earnings. For a portion of periods, the fund had expense limitations, without which returns would have been lower. Current performance may be higher or lower than the performance data quoted. The principal value and investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. Performance does not include the effect of any direct fees described in the fund's prospectus which, if applicable, would lower your total returns. Performance quoted for periods of one year or less is cumulative and not annualized. Obtain performance data current to the most recent month-end at www.usfunds.com or 1-800-US-FUNDS. *Inception 12/4/90.*



NEARX - 4 Stars Overall

MORNINGSTAR[®]



Overall/184



3-Year/184



5-Year/169



10-Year/118

Morningstar ratings based on risk-adjusted return and number of funds.
Category: Municipal National Short-term funds
Through 12/31/2015

NEARX - Lipper Leader

LIPPER 

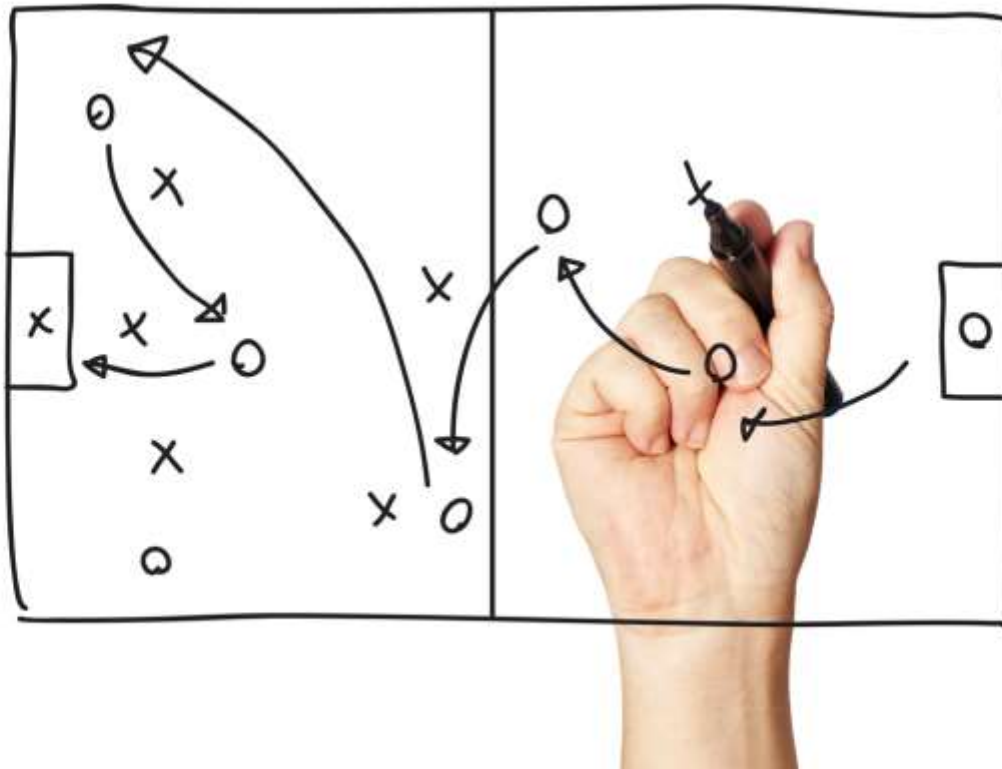
 Lipper Leader
Preservation

Lipper ratings for Preservation reflect funds' historical loss avoidance relative to other funds within the same asset class, as of 12/31/2015. Preservation ratings are relative, rather than absolute, measures, and funds named Lipper Leaders for Preservation may still experience losses periodically; those losses may be larger for equity and mixed equity funds than for fixed income funds. Past performance does not guarantee future results.

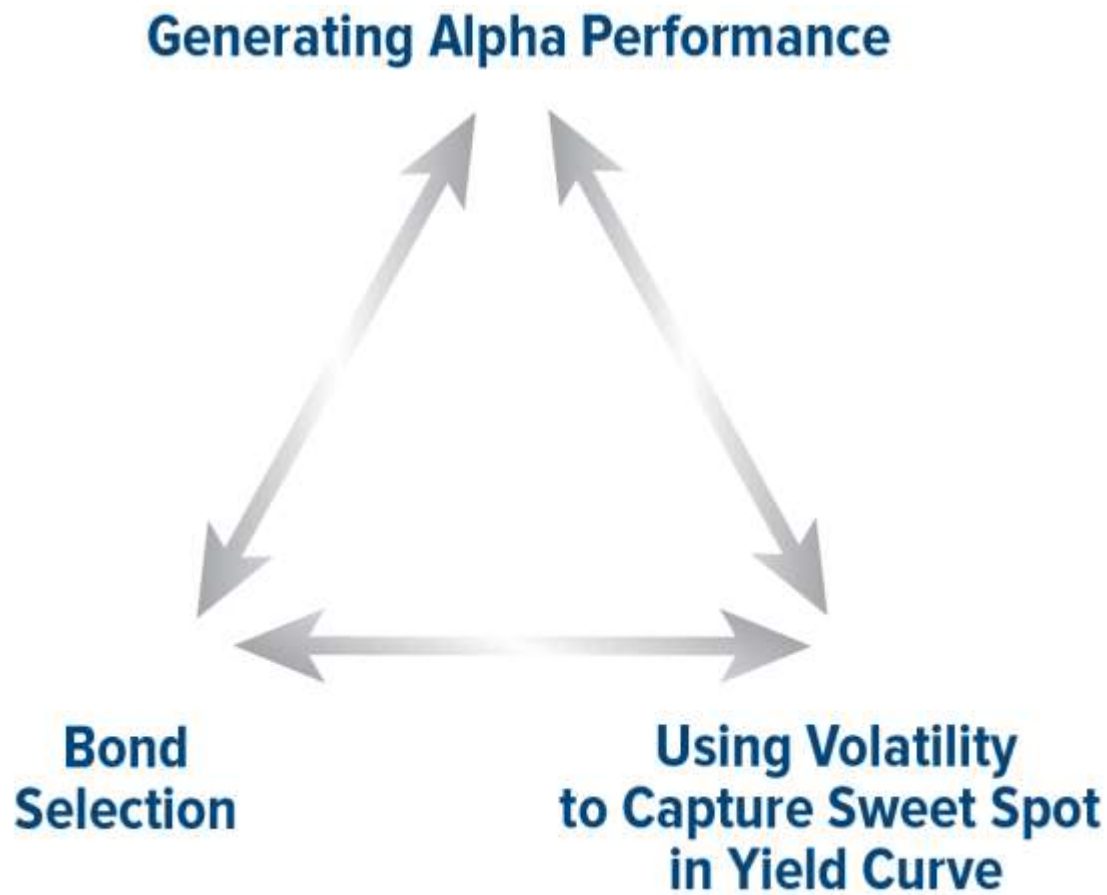
STRATEGY AND TACTICS

Looking for Opportunities for Our Investors

- › Scoring opportunities
- › Knowing when to run and when to pass the ball
- › Block & tackle (cash management)



Want Alpha?



NEARX MODEL

QUALITY
PARAMETER

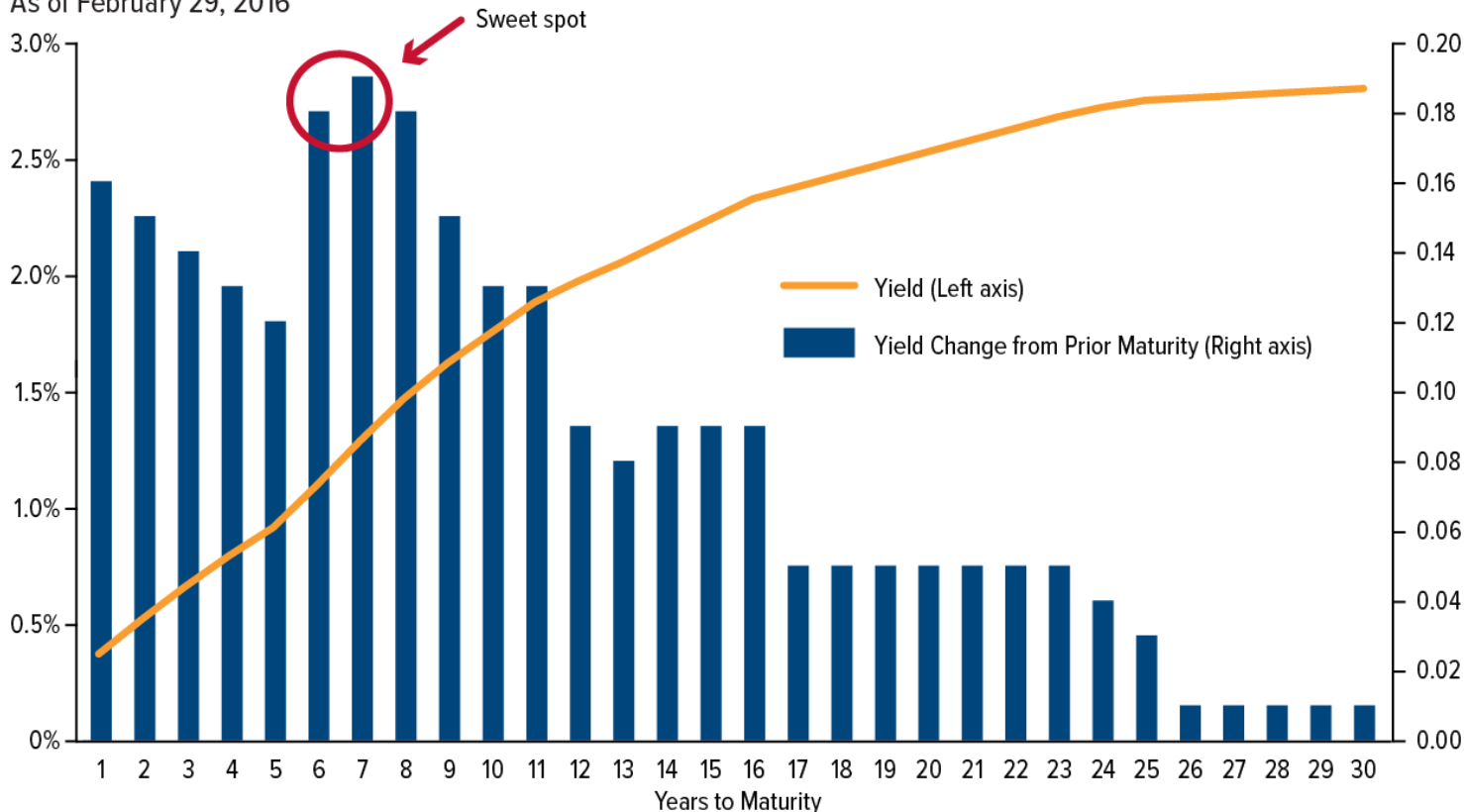


Strategy and Tactics: Municipal Yield Curve is Dynamic

February 2016

Municipal Yield Curve

As of February 29, 2016



Source: Bloomberg, U.S. Global Investors

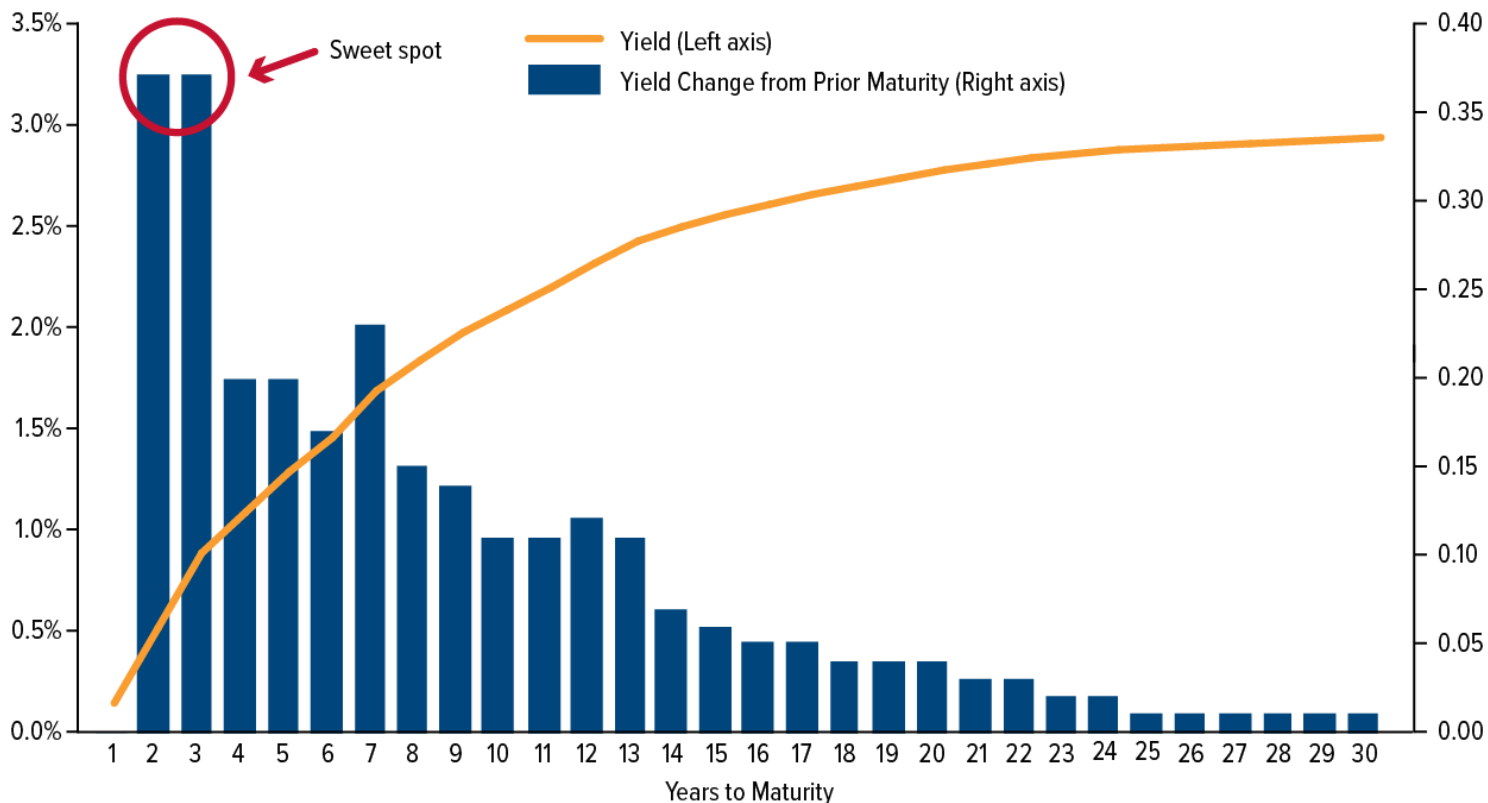


Strategy and Tactics: Municipal Yield Curve

March 2015

Municipal Yield Curve

As of March 03, 2015



Source: Bloomberg, U.S. Global Investors

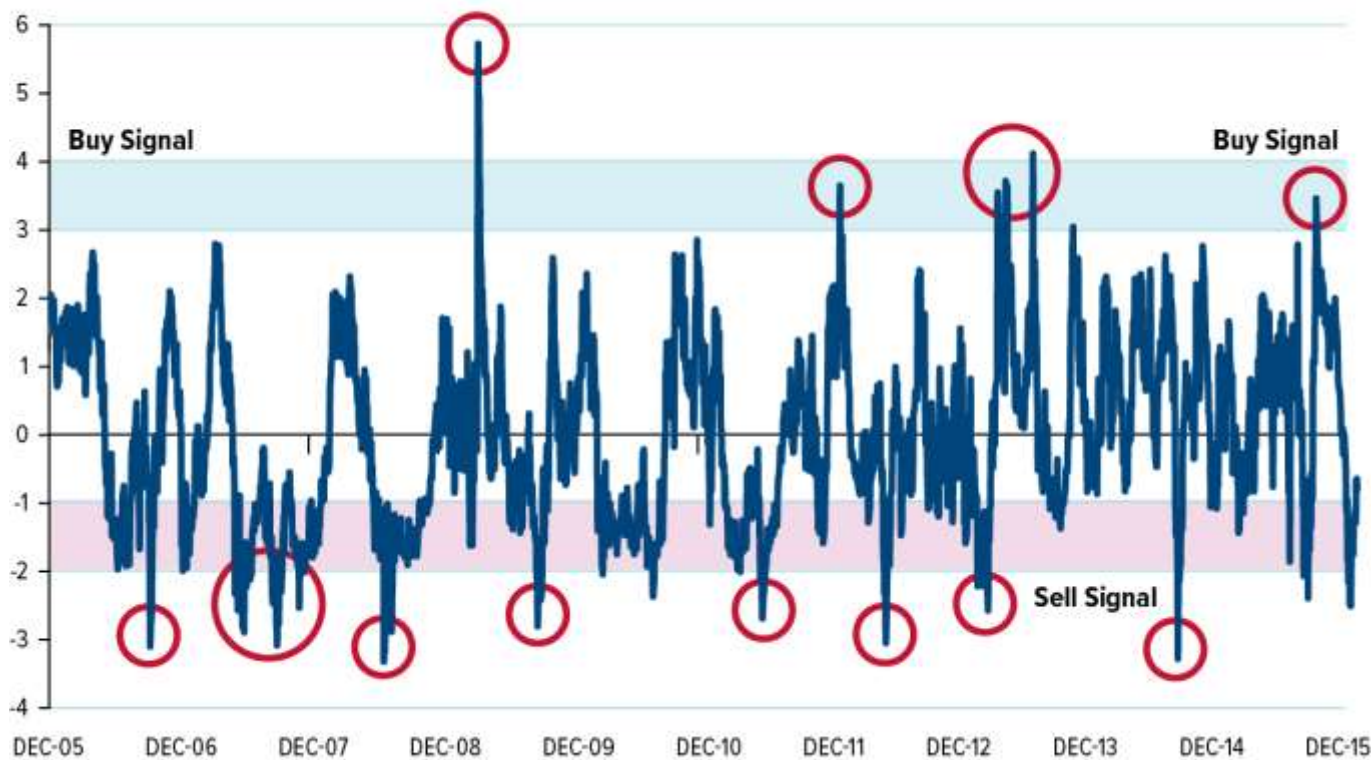


Heartbeat of the Market: Two-Year Treasury Oscillator



Year-Over-Year Percent Change Oscillator: Two-Year Treasury

(Daily, 10 Years through February 29, 2016 in Standard Deviation Terms)



Source: Bloomberg, U.S. Global Investors



NEARX Focuses on High Quality Investment-Grade Debt with Average Maturities of Five Years or Less

Maturity		Quality	
<1 Year	25.81%	AAA	13.95%
1-3 Years	22.46%	AA	54.62%
3-5 Years	15.97%	A	24.75%
5-10 Years	27.60%	BBB	3.32%
10-20 Years	6.97%	BB	0.93%
20+ Years	0.31%	B	0.65%
Average Maturity	2.69	NR	0.91%
Average Duration	2.64		

The Near-Term Tax Free Fund invests at least 80 percent of its net assets in investment-grade municipal securities. At the time of purchase for the fund's portfolio, the ratings on the bonds must be one of the four highest ratings by Moody's Investors Services (Aaa, Aa, A, Baa) or Standard & Poor's Corporation (AAA, AA, A, BBB). Credit quality designations range from high (AAA to AA) to medium (A to BBB) to low (BB, B, CCC, CC to C). In the event a bond is rated by more than one of the ratings organizations, the highest rating is shown.

As of 12/31/2015



5 REASONS MUNICIPAL BONDS MAKE SENSE NOW

- 1** Short-Term Municipal Bonds Less Volatile in Climates of Rising Interest Rates
- 2** Municipal Bonds Make America Stronger
- 3** Investment-Grade Munis Have Had a Low Risk of Default
- 4** Munis Can Help Diversify Your Portfolio
- 5** Tax-Free, Stress-Free Income

1

Short-Term Municipal Bonds Less Volatile in Climates of Rising Interest Rates



NEWS HEADLINES

Federal Reserve Gains More Room for Second Rate Increase

In the Bizarro World of Negative Interest Rates, Saving Will Cost You

Federal Reserve Won't Backpedal on Interest Rates, Janet Yellen Says

Fed Likely to Stand Pat on Rates, Keep Options Open for April or June

U.S.-based bond funds attract \$4 billion as investors warm to riskier debt: ICI

ECB cuts interest rates to zero amid fears of fresh economic crash

Bill Gross: Negative Interest Rates Are Spreading Like The Zika Virus

Will the Federal Reserve Raise Interest Rates in 2016?

European Central Bank launches sweeping stimulus plan, cuts main interest rates

How low will interest rates go?

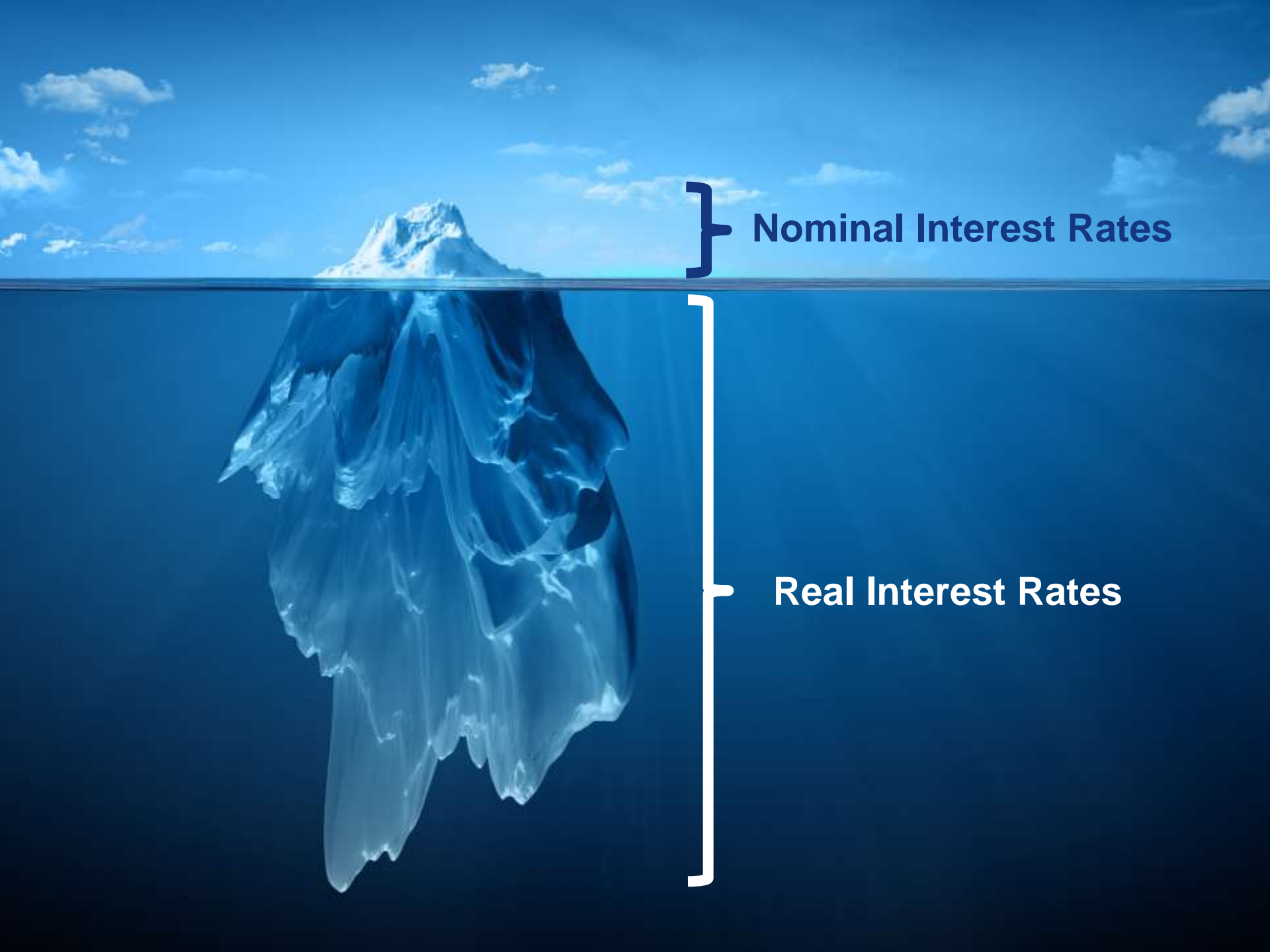
US inflation expectations gathering steam

Central Banks and Markets: Locked in a Deadly Embrace

Central Banks Seek More Ammo for the Bazooka

It's Alive! Negative Interest Rates Turn Rogue

Muni Bonds Look Ready to Outperform in 2016



Nominal Interest Rates



Real Interest Rates

Inverse Relationship Between Real Interest Rates and Gold — Fear Trade

Gold Rebound Linked to Fall in Interest Rates



Source: Bloomberg, U.S. Global Investors

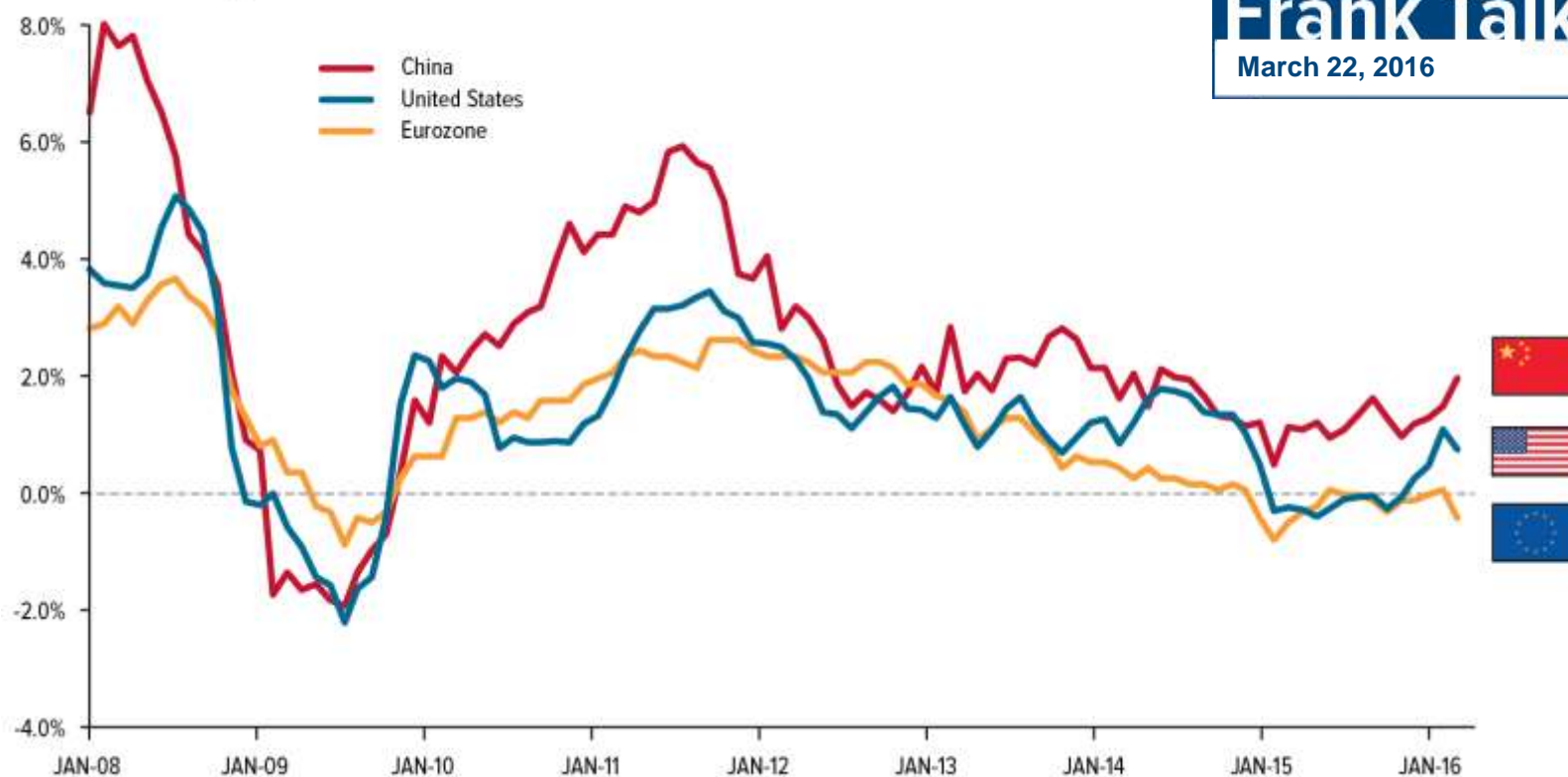


Is the Market Losing Faith in the Fed?

Global Deflationary Trends

Global Consumer Price Index (CPI) Trends

Year-over-Year Change



Frank Talk

March 22, 2016

Source: Bloomberg, U.S. Global Investors



usfunds.com

March 2016 | 16-091



TO CONTINUE TO RAISE RATES
OR NOT TO RAISE RATES?

Inflation Expectations Have Been Revised Down

G7 Consensus Headline CPI Inflation Forecast



Source: Consensus Economics, Goldman Sachs Global Investment



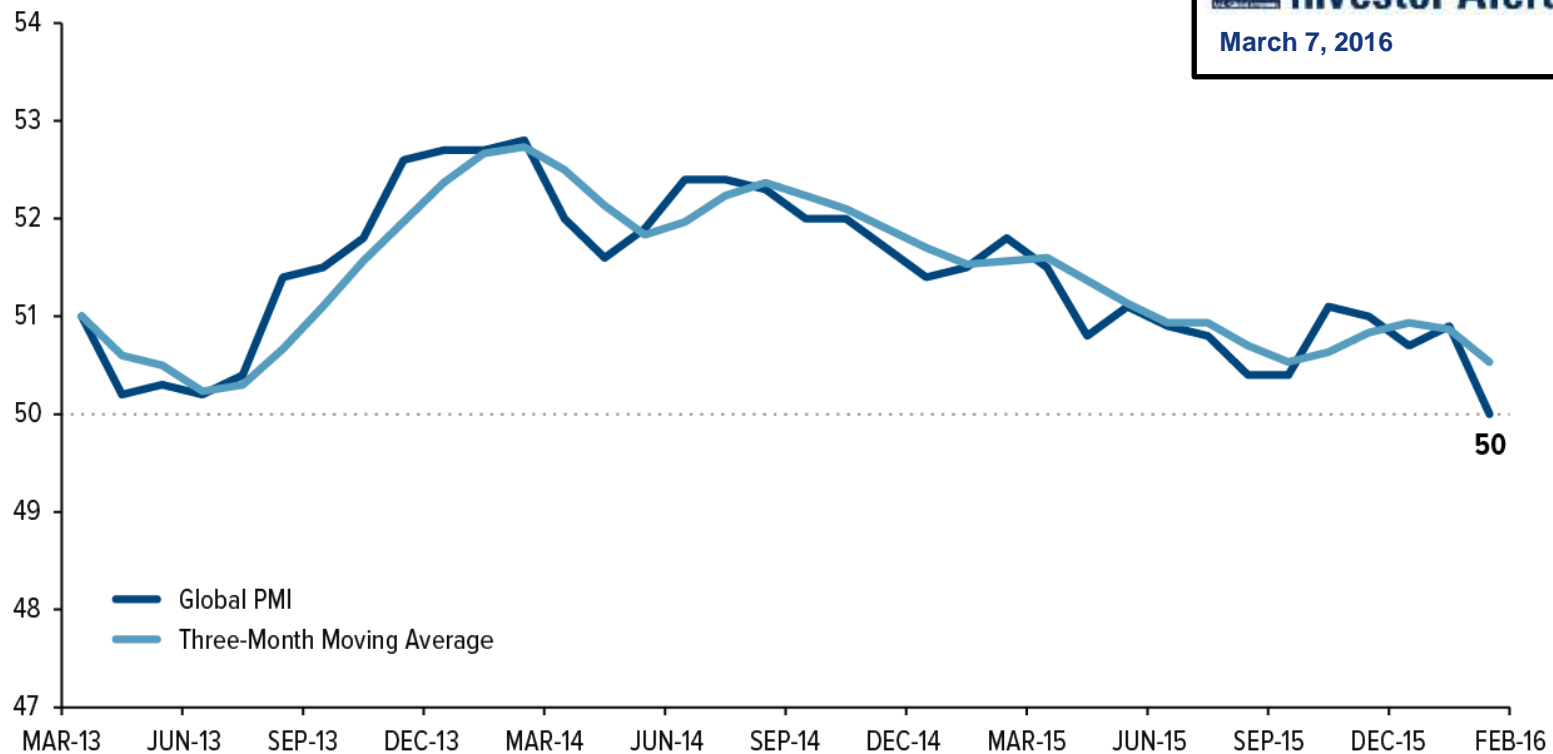
Global Growth Appears to Be Falling Based on Global PMI

Manufacturing Activity Stumbles in February

J.P. Morgan Global Purchasing Manager's Index (PMI)



Investor Alert
March 7, 2016

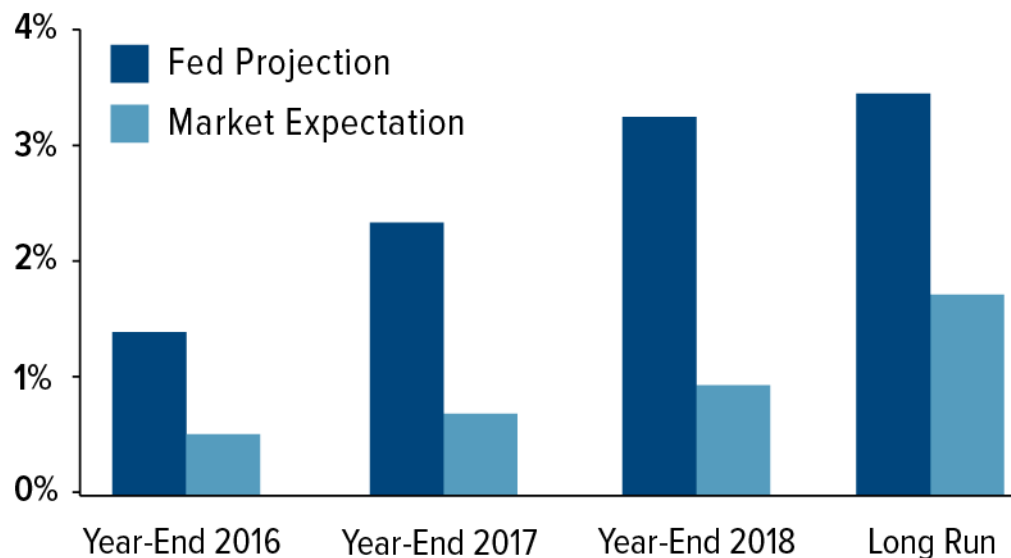


Source: Bloomberg, U.S. Global Investors



Gap Between Fed and Market Expectations

Future Fed Funds Target Rate



Source: LPL Research, Chicago Board of Trade, U.S. Global Investors

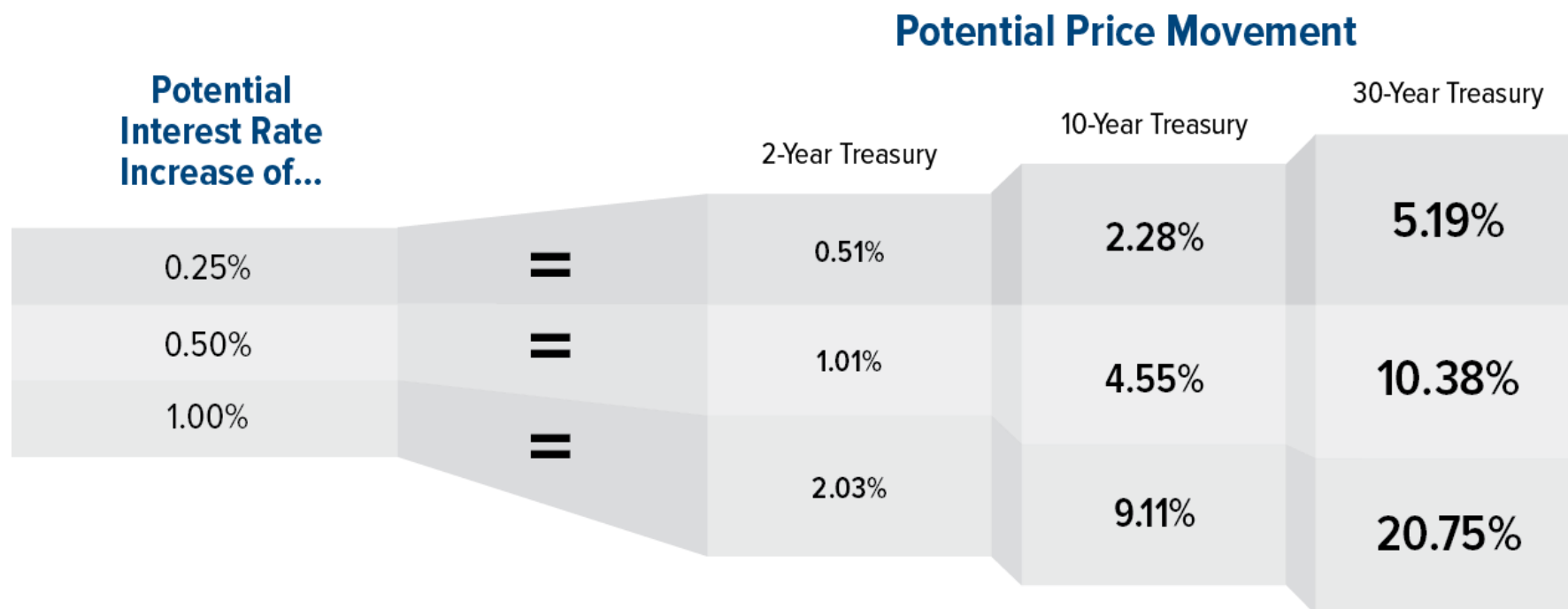


A wooden seesaw is shown in a grassy field. The seesaw is tilted upwards on the right side. The background is a blurred green field with some trees and a building in the distance. The text is overlaid on the image in white.

WHEN
INTEREST RATES
DROP

PRICES
INCREASE

Every Investor Knows, the Longer the Maturity, the Greater the Price Volatility





SEEKING
OPPORTUNITIES

SEEKING OPPORTUNITIES TO EARN MORE IN A LOW INTEREST RATE WORLD

1



Interest rates remain at historic lows and are expected to remain low this year.

2



Your money could benefit from higher yields with low volatility.

3



Shorter-term bond funds are less sensitive to interest rate fluctuation than longer-term bond funds.

2

Municipal Bonds Make America Stronger



THE MUNICIPAL BOND MARKET IS \$3.7 TRILLION

(Who wouldn't want a piece of that?)



What Do Municipal Bonds Finance?

Top 5 Largest Infrastructure Purposes



Schools
\$514 Billion



Hospitals
\$288 Billion



Water/Sewer Facilities
\$258 Billion



Roads
\$178 Billion



Public Power Utilities
\$147 Billion

3

Investment-Grade Munis Have Had a Low Risk of Default



Quality Muni Bonds Much Less Likely to Default



Muni Bond Issuers' Cumulative Default Rates by Initial Moody's Rating

1970 – 2014

Rating/Issuer	1-Year	3-Year	10-Year
	Municipal Bond Issuers	Municipal Bond Issuers	Municipal Bond Issuers
Aaa	0.00%	0.00%	0.00%
Aa	0.00%	0.00%	0.01%
A	0.00%	0.02%	0.06%
Baa	0.01%	0.08%	0.37%
Ba	0.28%	1.27%	4.11%
B	2.92%	8.03%	17.48%
Caa-C	7.83%	12.99%	16.88%

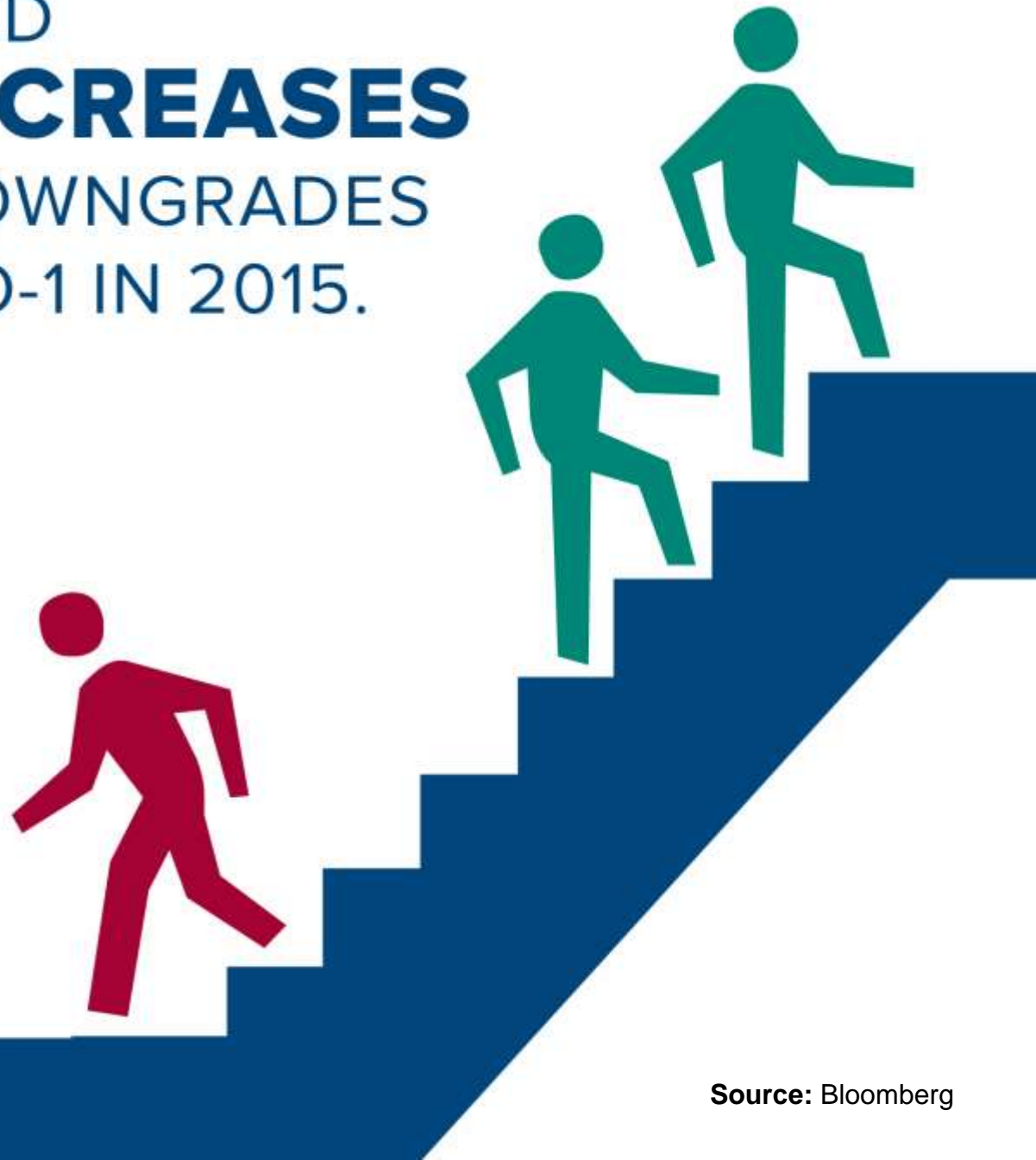
Source: Moody's Investors Service, U.S. Municipal Bond Defaults and Recoveries, U.S. Global Investors



A dramatic landscape featuring a bright lightning bolt striking a field. The sky is dark and stormy, with a large, bright lightning bolt striking down from the left side. The foreground is filled with tall, green grasses, and the middle ground shows a vast, flat field extending to a distant treeline. The overall mood is intense and powerful.

ODDS OF BEING STRUCK
BY LIGHTNING
0.03%

MUNICIPAL-BOND
RATING INCREASES
SURPASSED DOWNGRADES
BY ABOUT 2-TO-1 IN 2015.



Source: Bloomberg



QUALITY
IS KEY

Strategy and Tactics: Credit Quality is Important

MOODY'S

S T A N D A R D
& P O O R ' S
R A T I N G S S E R V I C E S

The Near-Term Tax Free Fund invests at least 80 percent of its net assets in investment grade municipal securities.

At the time of purchase for the fund's portfolio, the ratings on the bonds must be one of the four highest ratings by Moody's Investors Service or Standard & Poor's Corporation (or, if not rated, determined to be of comparable quality).



4

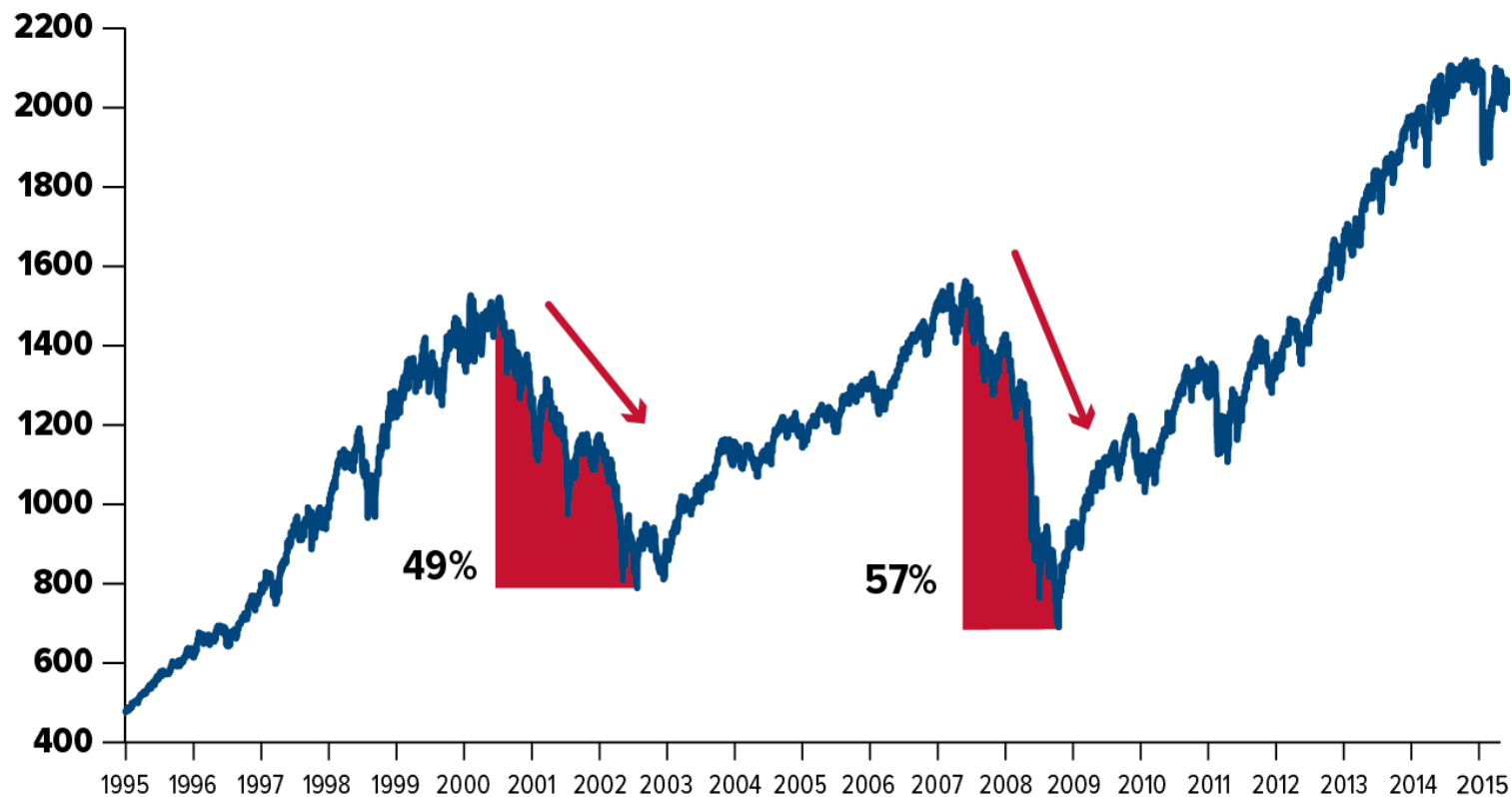
Munis Can Help Diversify Your Portfolio



21 Years of Stock Market History

Two Major Corrections

S&P 500 Index



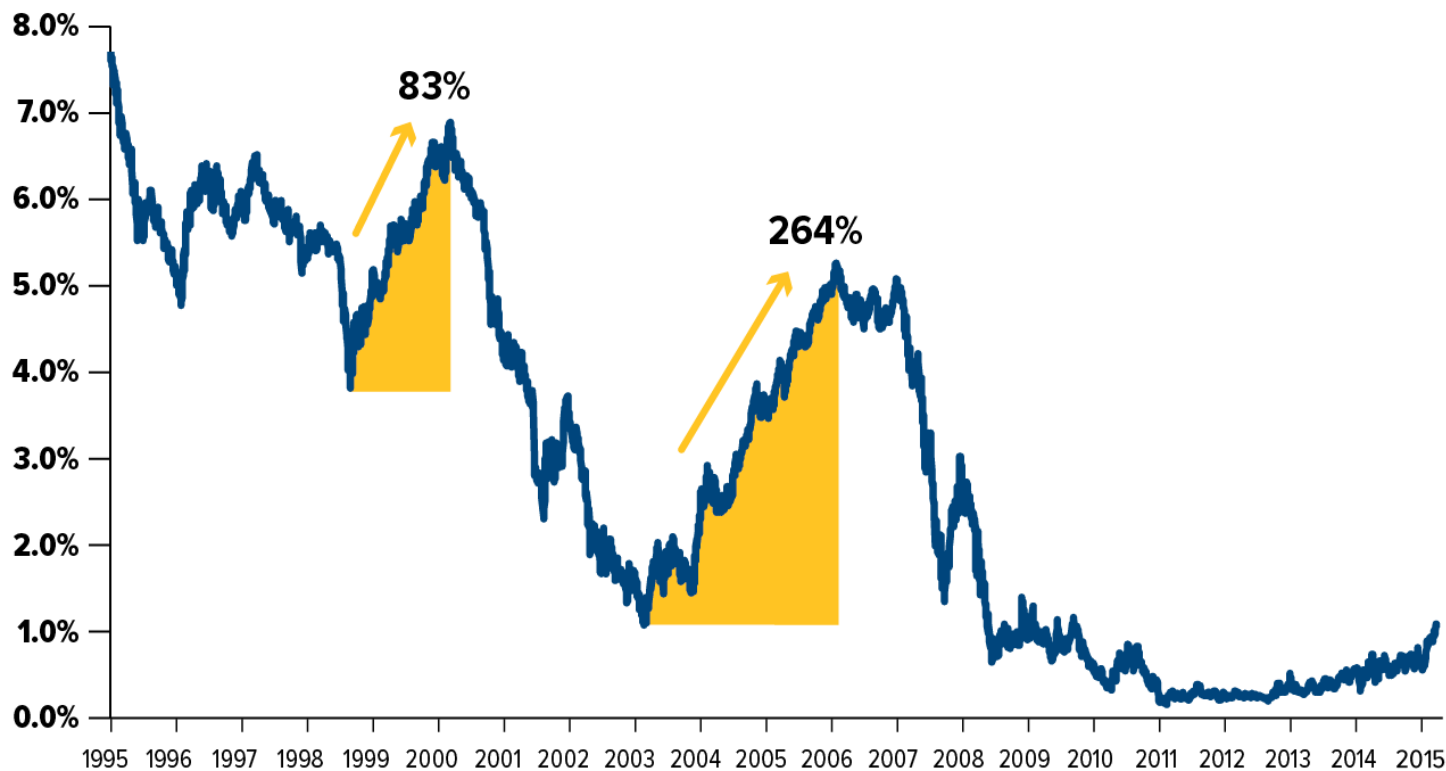
Source: Bloomberg, U.S. Global Investors



21 Years of Interest Rate History

Two Massive Surges in Interest Rates

Two-Year Treasury Yields



Source: Bloomberg, U.S. Global Investors



The NEARX Solution

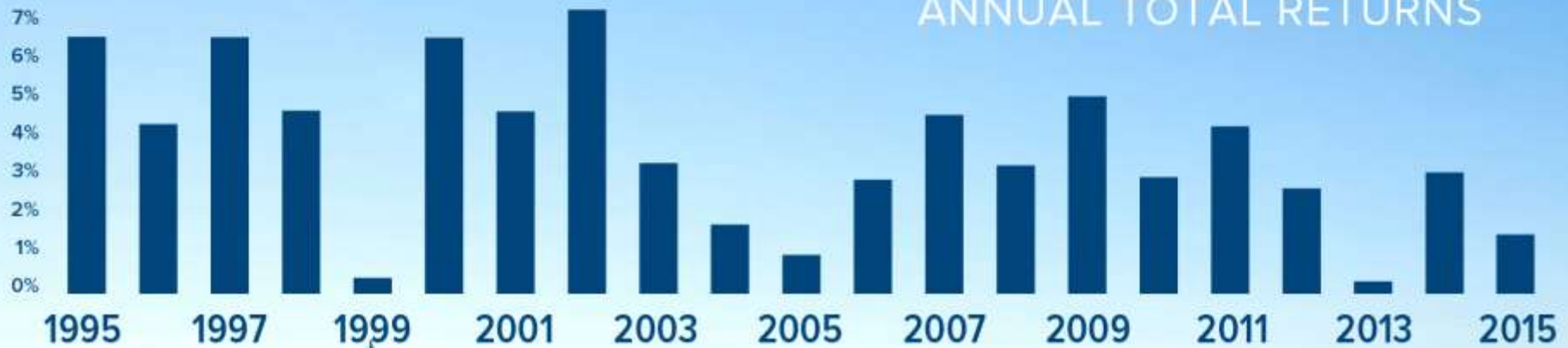
- The Near-Term Tax Free Fund (NEARX) seeks to provide tax-free monthly income and preservation of capital by investing in debt securities issued by state and local governments.
- The portfolio is diversified with high quality municipal bonds with relatively short maturities.



NEARX:

21 YEARS OF POSITIVE

ANNUAL TOTAL RETURNS



5

Tax-Free, Stress-Free Income



Investing is subject to risk.

WATCH THE PENNIES

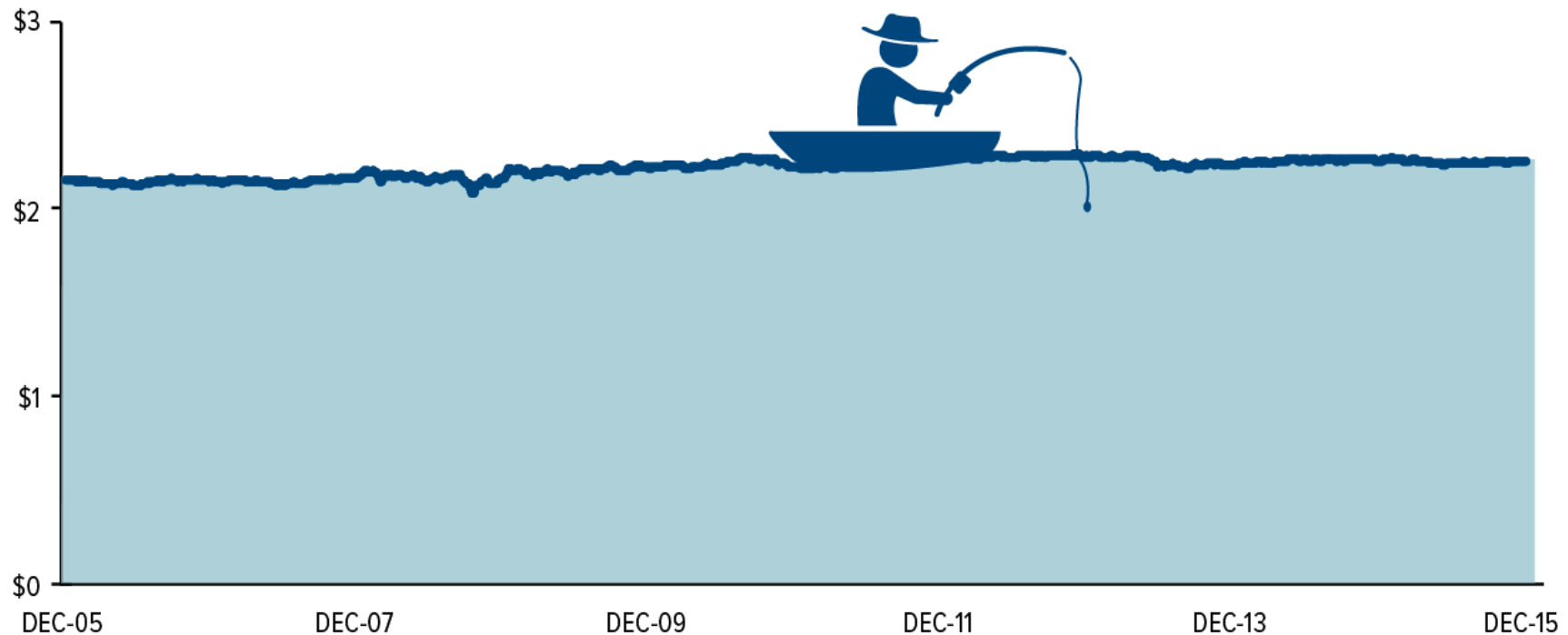
AND THE DOLLARS WILL
TAKE CARE OF THEMSELVES



NEARX Seeks to Minimize Daily Share Price Penny Volatility



10+ Years Minimal Daily Drama
Near-Term Tax Free Fund Share Price

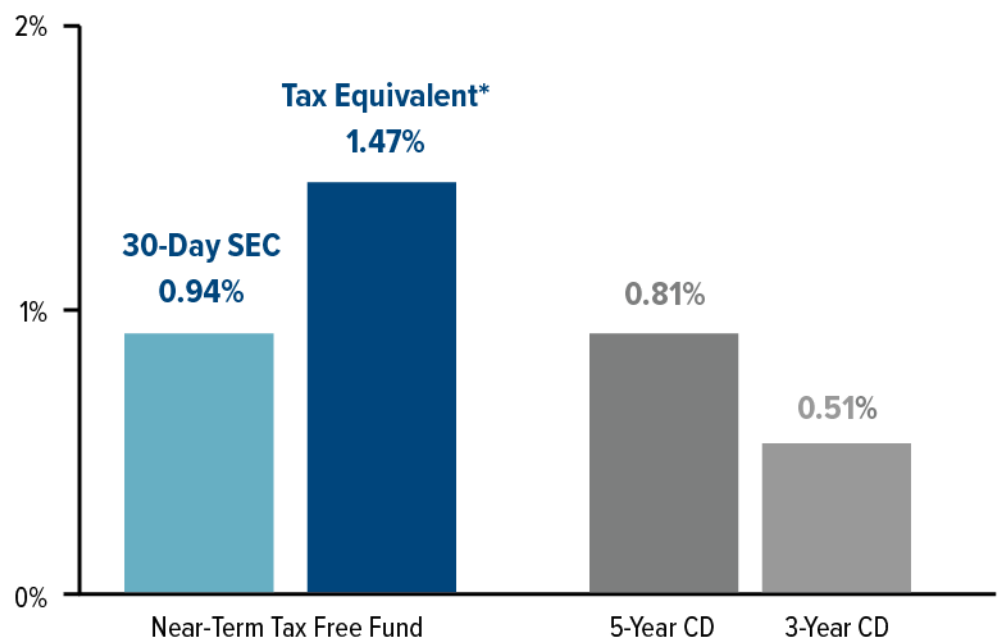


Past performance does not guarantee future results.
See complete fund performance information on performance page.



Compare Yields to CDs — No Redemption Penalties and a Higher Rate

Compare Yields



*Based on 43.4% tax rate.

The CD interest rate is typically a fixed rate of interest, and payable on a set maturity date. The 30-day yield is used for bond funds, balanced funds, and stock funds. It consists of the interest income the fund pays over a 30-day period, net of expenses, expressed as an annualized percentage of the fund's share price. Tax Equivalent Yield is the before-tax yield you would have to get from a higher-paying but taxable investment to equal the yield from a tax-exempt investment and was computed assuming a 43.4% tax rate.

NEARX yields as of 12/31/15. CD rates from FDIC.gov national average as of 3/7/2016. NEARX SEC yield without waiver and reimbursement 0.02%. See additional important information on performance pages.



Compare


Compare	Near-Term Tax Free Fund	Bank CD
Type of Investment and Objective	Municipal bond fund; seeks current income that is exempt from federal income tax and seeks preservation of capital	Certificate of deposit; entitles the bearer to receive interest
Primary Investments	Investment grade municipal bonds with relatively short maturity	A promissory note issued by a bank
Stable share price?	No, but seeks minimal fluctuations	Yes
Withdrawal penalty?	No	Yes, withdrawal before the maturity date usually incurs a penalty
FDIC insured? Refers to principal and yield	No	Yes, up to \$250,000

It is important to consider the differences



DOWNLOAD OUR SPECIAL MUNI BONDS REPORT

5 REASONS WHY SHORT-TERM MUNICIPAL BONDS MAKE SENSE NOW



We'll admit it upfront: Short-term municipal bonds are not as sexy as common stock in biotech firms or airlines. Compared to many stocks' speedboat nature—hopping across the choppy surface, sending ripples far and wide—munis often glide like sailboats on calm waters.

For this reason, among others, they play an important role in any serious investor's portfolio.

Five reasons why investing in municipal bonds makes sense now more than ever:

Investment grade municipal bonds have hit a milestone of rising interest rates.

The real value of bonds is only 25% more than it was in 2011.

30% NGS



Even higher interest rates. What happens on the yield curve and typically leads to a rise in interest rates, the further out the horizon, the more volatility is reflected.

Year-to-Year Interest Rate

Year	Interest Rate
2011	4.0%
2012	3.7%
2013	3.0%

It's a low risk of interest rate volatility. The advantage of short-term bonds is that they are less volatile than long-term bonds.

a very slow 0.17 percent. Out of more than 20,000 bonds in the S&P Municipal Bond Index, only 25 failed to meet their payment obligations.

3 Municipal bonds are tax-free at the federal level and often exempt from state and local income taxes as well. They're also help investors "optimize" their tax situation from the 3.8 percent "Obamacare" ACA tax on investment income (applicable to those who make more than \$200,000 in taxable income per year). This fact is especially appealing to high net worth individuals who want to minimize the tax impact on their investments.

4 Bonds help diversify your portfolio. It's prudent to have a diversified portfolio of both equity and debt securities, not to mention cash and other assets provide income. They can also help protect your assets during more volatile times.

Even within the bond allocation of your portfolio, it's important to diversify the types of debt securities. Our Near-Zero Tax Free Fund (NZTFX) holds a wide range of high-quality municipal bonds, from school districts to transportation to utilities.

5 Municipal bonds help make America strong.

One of the most compelling reasons to invest in short-term, investment grade munis is that they help state and local governments build, repair and improve essential services.

Below you can see what some of the largest bond issuers are committed to. Without exception, the revenue that state, local and other services that make America's cities function.

Bonds directly fund what they're designed to do, namely, fund projects such as hospitals and roads that benefit a billion of us.

Municipal Bond Issuance for the Top 5 Largest Infrastructure Purposes

- Schools: \$28.1 billion
- Hospitals: \$20.3 billion
- Water and Sewer Facilities: \$20.0 billion
- Roads: \$19.7 billion
- Public Power Utilities: \$14.1 billion



Subscribe to our **FREE** Newsletter, **INVESTOR ALERT**

Written each week by the investment team
with a special commentary by Frank Holmes

usfunds.com/subscribe

A person is shown from the side, sitting in a meditative lotus position on a sandy beach. They are wearing a white long-sleeved shirt and light blue pants. Their hands are resting on their knees in a mudra. The background features the ocean with gentle waves and a bright, hazy sky, suggesting a sunset or sunrise. The overall mood is peaceful and serene.

Q&A

Disclosures

Please consider carefully the 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.

Unlike bank savings accounts, an investment in a municipal bond fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Though the Near-Term Tax Free Fund seeks minimal fluctuations in share price, it is subject to the risk that the credit quality of a portfolio holding could decline, as well as risk related to changes in the economic conditions of a state, region or issuer. These risks could cause the fund's share price to decline. Tax-exempt income is federal income tax free. A portion of this income may be subject to state and local taxes and at times the alternative minimum tax. The Near-Term Tax Free Fund may invest up to 20% of its assets in securities that pay taxable interest. Income or fund distributions attributable to capital gains are usually subject to both state and federal income taxes. Bond funds are subject to interest-rate risk; their value declines as interest rates rise.

The Near-Term Tax Free Fund invests at least 80 percent of its net assets in investment-grade municipal securities. At the time of purchase for the fund's portfolio, the ratings on the bonds must be one of the four highest ratings by Moody's Investors Services (Aaa, Aa, A, Baa) or Standard & Poor's Corporation (AAA, AA, A, BBB). Credit quality designations range from high (AAA to AA) to medium (A to BBB) to low (BB, B, CCC, CC to C). In the event a bond is rated by more than one of the ratings organizations, the highest rating is shown.



Disclosures

Morningstar Ratings are based on risk-adjusted return. The Morningstar Rating for a fund is derived from a weighted-average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Past performance does not guarantee future results. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.)

Although Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Lipper. Users acknowledge that they have not relied upon any warranty, condition, guarantee, or representation made by Lipper. Any use of the data for analyzing, managing, or trading financial instruments is at the user's own risk. This is not an offer to buy or sell securities.

The Lipper ratings are subject to change every month and are based on an equal-weighted average of percentile ranks for the Preservation metric over three-, five-, and ten-year periods (if applicable). The highest 20% of funds in each peer group are named Lipper Leader or a score of 5, the next 20% receive a score of 4, the middle 20% are scored 3, the next 20% are scored 2, and the lowest 20% are scored 1. The Near-Term Tax Free Fund, in Lipper's Short-Intermediate Municipal Debt Funds classification, received the following ratings for the 3-, 5-, and 10-year periods, respectively. Preservation (in Fixed Income asset class): 5 (5,406 funds), 5 (4,501 funds), and 5 (2,985 funds). Lipper ratings are not intended to predict future results, and Lipper does not guarantee the accuracy of this information. More information is available at www.lipperweb.com. Lipper Leader Copyright 2015, Reuters, All Rights Reserved.



Disclosures

The S&P 500 Stock Index is a widely recognized capitalization-weighted index of 500 common stock prices in U.S. companies. The Nasdaq Composite Index is a capitalization-weighted index of all Nasdaq National Market and SmallCap stocks. The Russell 2000 Index is a U.S. equity index measuring the performance of the 2,000 smallest companies in the Russell 3000. The Russell 3000 Index consists of the 3,000 largest U.S. companies as determined by total market capitalization. The Dow Jones Industrial Average is a price-weighted average of 30 blue chip stocks that are generally leaders in their industry.

Standard deviation is a measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Standard deviation is also known as historical volatility. The Consumer Price Index (CPI) is one of the most widely recognized price measures for tracking the price of a market basket of goods and services purchased by individuals. The weights of components are based on consumer spending patterns. Alpha is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha.

The Barclays 3-Year Municipal Bond Index is a total return benchmark designed for short-term municipal assets. The index includes bonds with a minimum credit rating BAA3, are issued as part of a deal of at least \$50 million, have an amount outstanding of at least \$5 million and have a maturity of 2 to 4 years.

Alpha is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha.

