



# U.S. Global Investors

Searching for Opportunities, Managing Risk

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**Frank E. Holmes**

CEO and CIO

**Susan McGee**

President and General Counsel

**Catherine Rademacher**

CFO

**Ryan George**

Investor Relations



# Today's Presenters

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Frank Holmes



Susan McGee



Catherine Rademacher



Ryan George



# Forward-Looking Statements

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During this webcast we may make forward-looking statements about our relative business outlook. Any forward-looking statements and all other statements made during this webcast that don't pertain to historical facts are subject to risks and uncertainties that may materially affect actual results. Please refer to our press release and the corresponding Form 10-K filing for more detail on factors that could cause actual results to differ materially from any described today in forward-looking statements. Any such statements are made as of today, and U.S. Global Investors accepts no obligation to update them in the future.



# GROW Strengths

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- “Go-to” stock for exposure to emerging markets and resources
- Debt-free, strong balance sheet with a reflexive cost structure
- Monthly dividend and return on equity discipline



# GROW Performance

## 10 Year Comparison



# Top Institutional Holders of GROW

TheRoyceFunds

1. Royce and Associates 14%

| F | I | M | group

2. Financial and Investment Management Group 8%



3. Perritt Capital Management 4%



4. SunAmerica Asset Management Corp 3%

**BLACKROCK**

5. BlackRock Fund Advisors 3%

Percentage of shares outstanding as of 6/30/2011



# Company Snapshot



- NASDAQ: GROW
- Price on 6/30/11: \$7.21
- Market Cap: \$111million
- 52-wk Range: \$5.26-\$10.47

**GROW Stock Price, 6/30/2010 – 6/30/2011**



# Fiscal Year-over-Year Financial Highlights

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Average Assets  
(AAUM)

**11%**



Revenues

**20%**



EPS

**46%**



Working Capital

**14%**



# Dividends — Paid Monthly

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Consistent for  
**48 months**

Per month  
**2¢ per share**

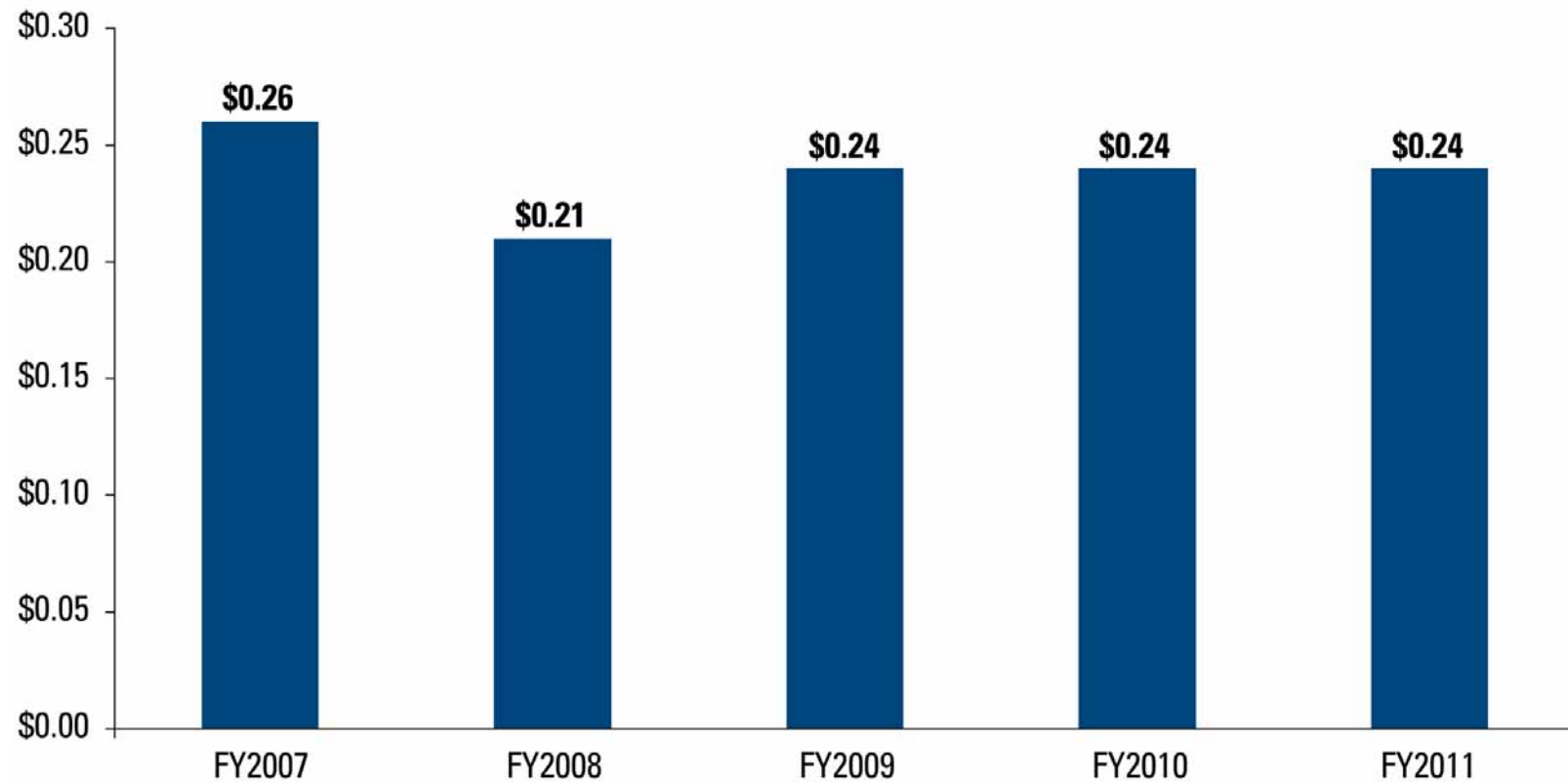
Current yield about  
**3.3%\***

\*At share price of \$7.21 as of 6/30/2011  
Dividends through June 30, 2011



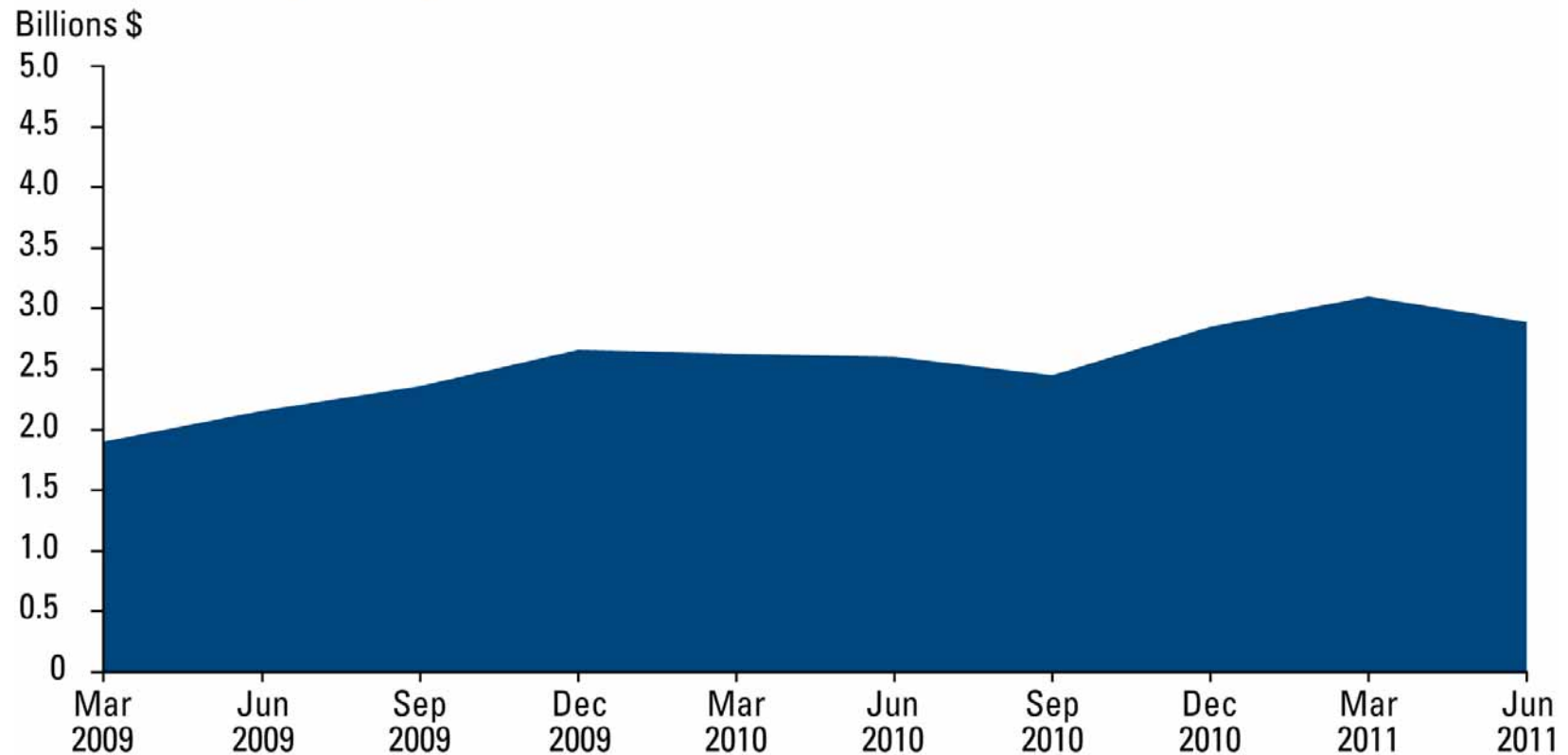
# Dividend History

Dividends per Share



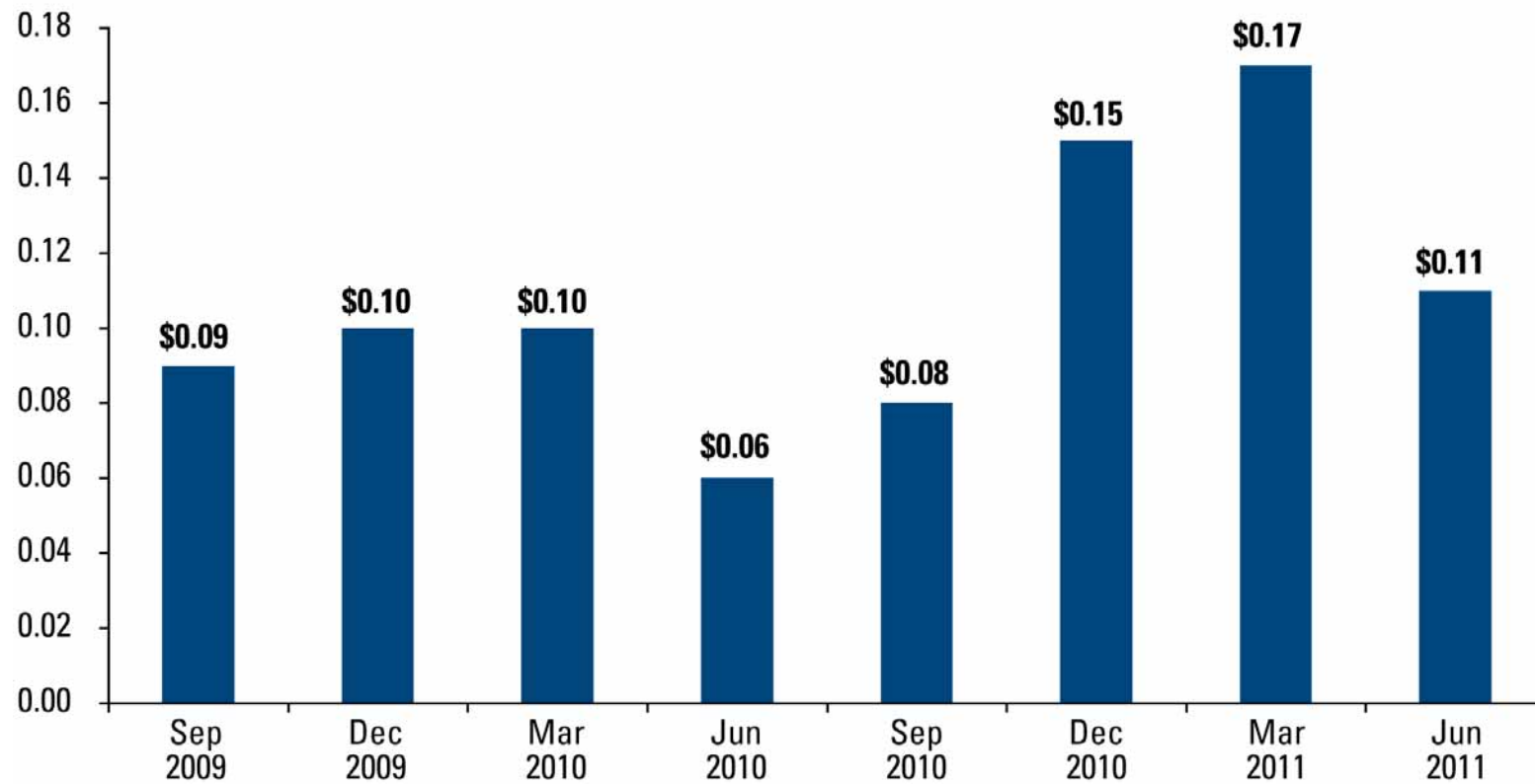
# Quarterly Average Assets Under Management

Quarterly Average Assets Increased 52 Percent from Low in March 2009



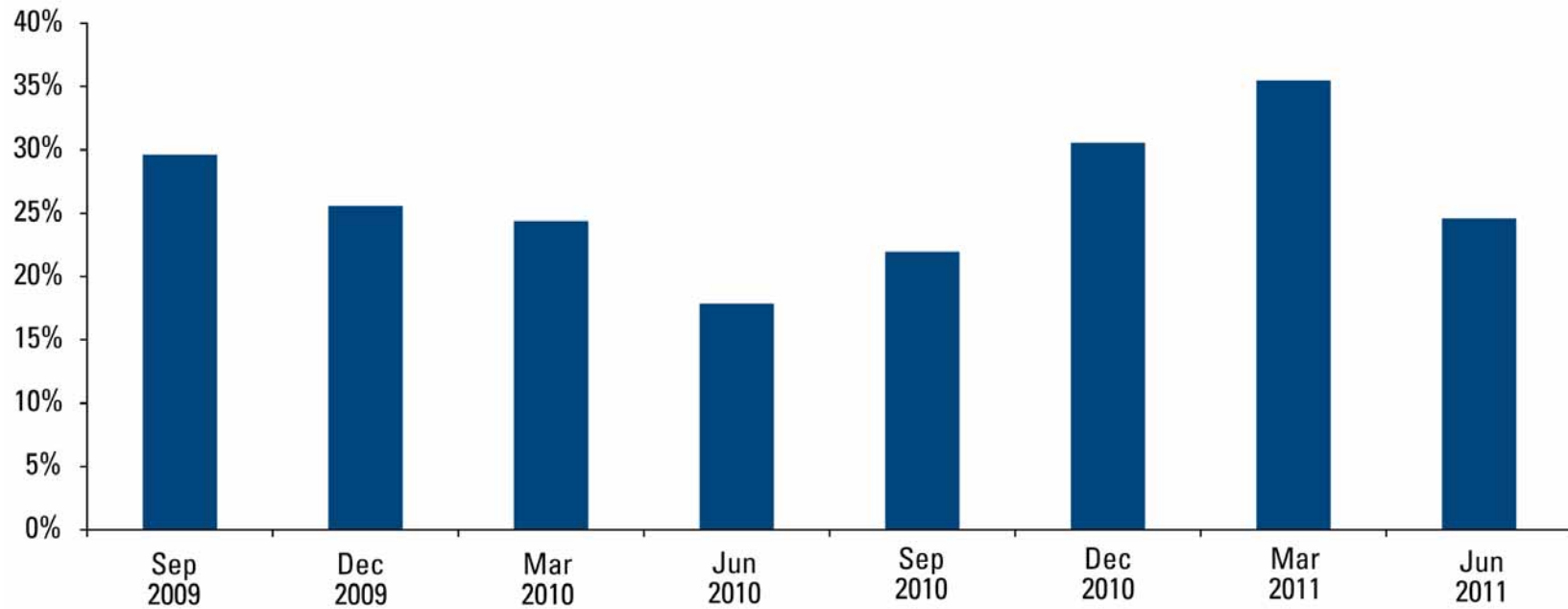
# Earnings Per Share (Quarterly)

Earnings Per Share



# Pre-Tax Profit Margin (Quarterly)

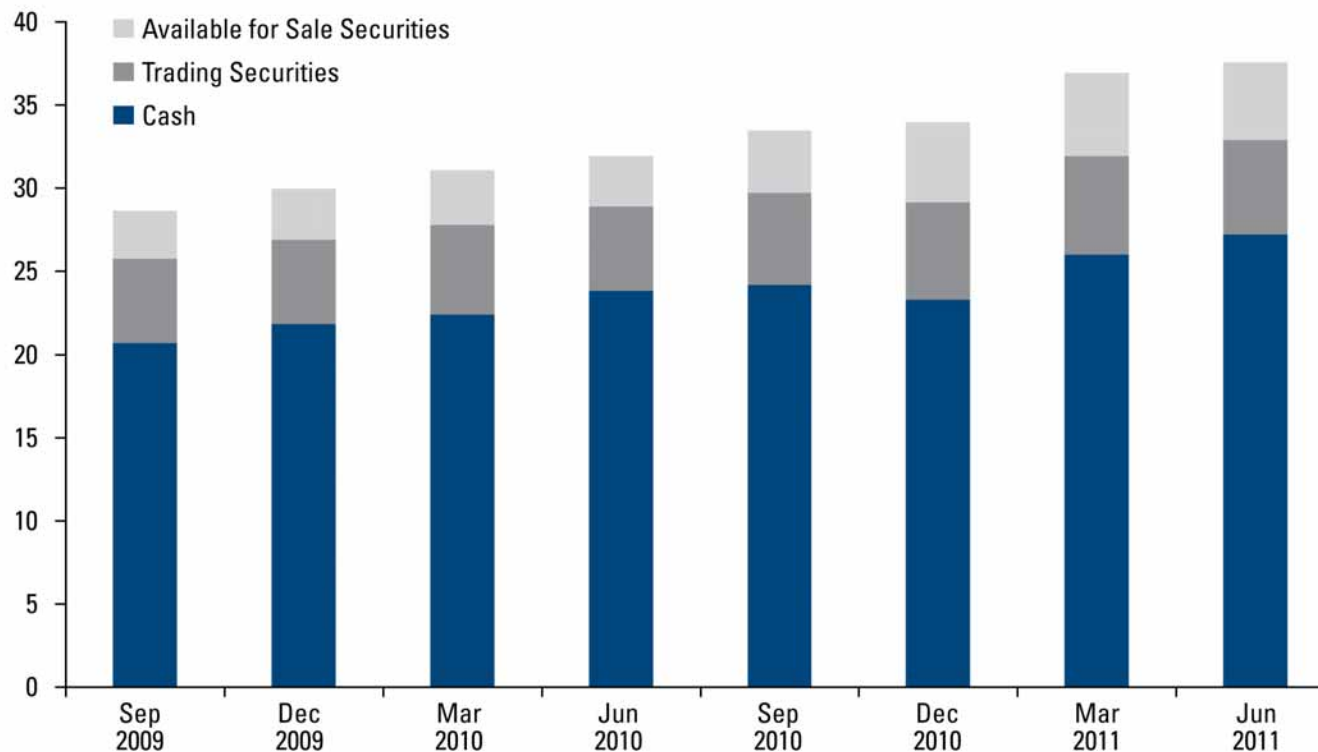
Quarterly Pre-Tax Profit Margin



# Balance Sheet Strength – No Debt

## Cash, Cash Equivalents and Investments

Million \$



## 3 Reasons GROW is More Attractive than Peers

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	<b>Growth</b> EPS Growth	<b>Value</b> P/E Ratio	<b>Income</b> Dividend Yield
<b>GROW</b>	83%	13.9	3.3%
<b>Peers*</b>	42%	15.2	2.5%

EPS Growth is year-over-year quarterly data as of 6/30/2011. P/E Ratio and div yield were calculated as of 6/30/2011.

\* Median calculations based from the latest quarterly results by T. Rowe Price, Franklin Resources, Invesco, Cohen & Steers, Janus, Calamos, Affiliated Managers, Federated Investors, Waddell & Reed, BlackRock, Pzena Investment Management, Westwood Holdings and Virtus Investment Partners.

**Source:** FactSet



# Income Statement – Financial Analysis

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**Catherine Rademacher**  
CFO



# Income Statement

## Revenues

	Year Ended June 30,	
	2011	2010
Mutual fund advisory fees	\$ 26,571,094	\$ 21,163,003
Transfer agent fees	5,010,913	5,349,942
Distribution fees	5,988,167	5,292,629
Administrative services fees	1,921,630	1,797,063
Other advisory fees	1,387,358	400,663
Investment income	1,008,568	979,115
Other	45,896	47,738
	<u>41,933,626</u>	<u>35,030,153</u>



# Income Statement

## Expenses

	Year Ended June 30,	
	2011	2010
Employee compensation and benefits	\$ 12,467,966	\$ 11,913,038
General and administrative	8,749,365	6,849,456
Platform fees	6,303,503	5,582,627
Advertising	1,916,074	1,291,824
Subadvisory fees	174,994	563,035
Depreciation	291,705	321,416
	<u>29,903,607</u>	<u>26,521,396</u>



# Income Statement

	Year Ended June 30,	
	2011	2010
<b>Income Before Income Taxes</b>	\$ 12,030,019	\$ 8,508,757
<b>Provision for Federal Income Taxes</b>		
Tax expense	4,197,372	3,159,472
<b>Net Income</b>	7,832,647	5,349,285
<b>Other comprehensive income, net of tax:</b>		
Unrealized gains on available-for-sale securities arising during period	552,605	203,018
Less: reclassification adjustment for gains included in net income	(65,495)	-
<b>Comprehensive Income</b>	<u>\$ 8,319,757</u>	<u>\$ 5,552,303</u>
<b>Basic Net Income per Share</b>	<u>\$ 0.51</u>	<u>\$ 0.35</u>
<b>Diluted Net Income per Share</b>	<u>\$ 0.51</u>	<u>\$ 0.35</u>
<b>Basic weighted average number of common shares outstanding</b>	15,384,435	15,339,038
<b>Diluted weighted average number of common shares outstanding</b>	15,384,435	15,341,820



# Balance Sheets

Assets	June 30, 2011	June 30, 2010
<b>Current Assets</b>		
Cash and cash equivalents	\$ 27,207,896	\$ 23,837,479
Trading securities, at fair value	5,703,916	5,072,724
Receivables		
Mutual funds	3,259,251	3,065,100
Offshore clients	33,828	29,070
Income tax	244,149	-
Employees	2,200	1,885
Other	7,391	152,930
Prepaid expenses	816,814	756,394
Deferred tax asset	-	200,129
<b>Total Current Assets</b>	<u>37,275,445</u>	<u>33,115,711</u>
<b>Net Property and Equipment</b>	<u>3,547,303</u>	<u>3,906,712</u>
<b>Other Assets</b>		
Deferred tax asset, long-term	482,927	933,241
Investment securities available-for-sale, at fair value	<u>4,660,928</u>	<u>3,028,034</u>
<b>Total Other Assets</b>	<u>5,143,855</u>	<u>3,961,275</u>
<b>Total Assets</b>	<u>\$ 45,966,603</u>	<u>\$ 40,983,698</u>



# Balance Sheets

Liabilities and Shareholders' Equity	June 30, 2011	June 30, 2010
<b>Current Liabilities</b>		
Accounts payable	\$ 55,181	\$ 174,690
Accrued compensation and related costs	1,734,267	1,701,255
Deferred tax liability	77,432	-
Dividends payable	924,672	921,514
Other accrued expenses	<u>2,117,604</u>	<u>1,994,367</u>
<b>Total Current Liabilities</b>	<u>4,909,156</u>	<u>4,791,826</u>
<b>Commitments and Contingencies</b>		
<b>Shareholders' Equity</b>		
Common stock (class A) - \$0.025 par value; nonvoting; authorized, 28,000,000 shares; issued, 13,862,445 shares at June 30, 2011, and June 30, 2010	346,561	346,561
Common stock (class B) - \$0.025 par value; nonvoting; authorized, 4,500,000 shares; no shares issued	-	-
Convertible common stock (class C) - \$0.025 par value; voting; authorized, 3,500,000 shares; issued, 2,073,103 shares at June 30, 2011, and June 30, 2010	51,828	51,828
Additional paid-in-capital	15,267,231	15,136,537
Treasury stock, class A shares at cost; 526,583 and 573,764 shares at June 30, 2011, and June 30, 2010, respectively	(1,232,929)	(1,343,397)
Accumulated other comprehensive income, net of tax	1,042,462	555,352
Retained earnings	<u>25,582,294</u>	<u>21,444,991</u>
<b>Total Shareholders' Equity</b>	<u>41,057,447</u>	<u>36,191,872</u>
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 45,966,603</u>	<u>\$ 40,983,698</u>



# Significant Events

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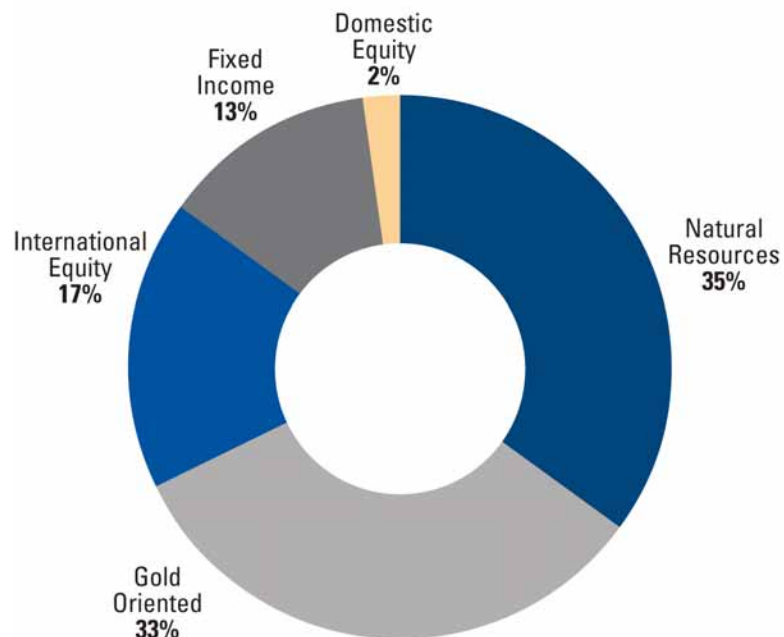


**Susan McGee**  
President and General Counsel

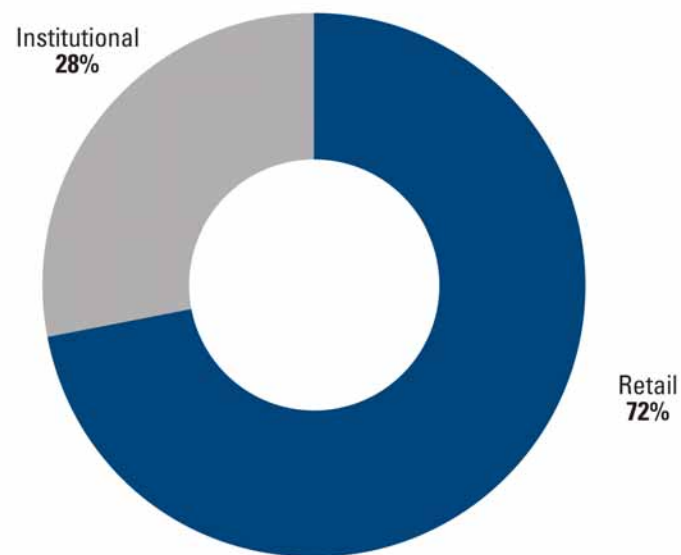
# Asset Breakdown

**\$2.9 Billion in Average AUM for the Quarter Ended 6/30/2011**

**Assets by Investment Objective as of 6/30/2011**



**Assets by Distribution Channel as of 6/30/2011**



# Fund Recognition: Four Funds Rank in Top 30 for 10 Years

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WALL STREET JOURNAL

BARRON'S

- World Precious Minerals Fund (UNWPX) ranked #4
- Gold & Precious Metals Fund (USERX) ranked #9
- Global Resources Fund (PSPFX) ranked #21
- Eastern European Fund (EUROX) ranked #27

Rankings were provided to the Wall Street Journal and Barron's by Lipper and include all mutual funds and ETFs tracked by Lipper. Lipper ranked the funds based on 10-year performance data including share prices and reinvested dividends. For funds with multiple share classes, only the largest share class was included. Rankings are based on total annualized return as of 06/30/2011. Past performance is no guarantee of future results.



# Top-Performing Global Resources Fund (PSPFX)

**Lipper Rankings for Global Natural Resource Funds as of 6/30/11, Based on Total Return**

	<b>Global Resources Fund Rank</b>	<b>Number of funds in category</b>
<b>1-year</b>	<b>39</b>	<b>132</b>
<b>5-year</b>	<b>42</b>	<b>56</b>
<b>10-year</b>	<b>1</b>	<b>30</b>

**Past performance does not guarantee future results.**



# “Performance and Results Oriented”

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Investment leadership results in performance



Winner of 29 Lipper performance awards,  
certificates and top rankings since 2000

(Four out of 13 U.S. Global Investors Funds received Lipper performance awards from 2005 to 2008, six out of 13 received certificates from 2000 to 2007, and two out of 13 received top rankings from 2009 to 2010.)



# Branding and Marketing of GROW



**7/1/2010 – 6/30/2011**

- 69 Television Appearances
- 10 Radio Interviews
- 6,219 Web Mentions
- 256 Frank Talk Blog Entries
- 449 Newsletter Recommendations
- 45 Investor Conferences



# U.S. Global Investors is Mobile

Get Investor Alert and Frank Talk On the Go



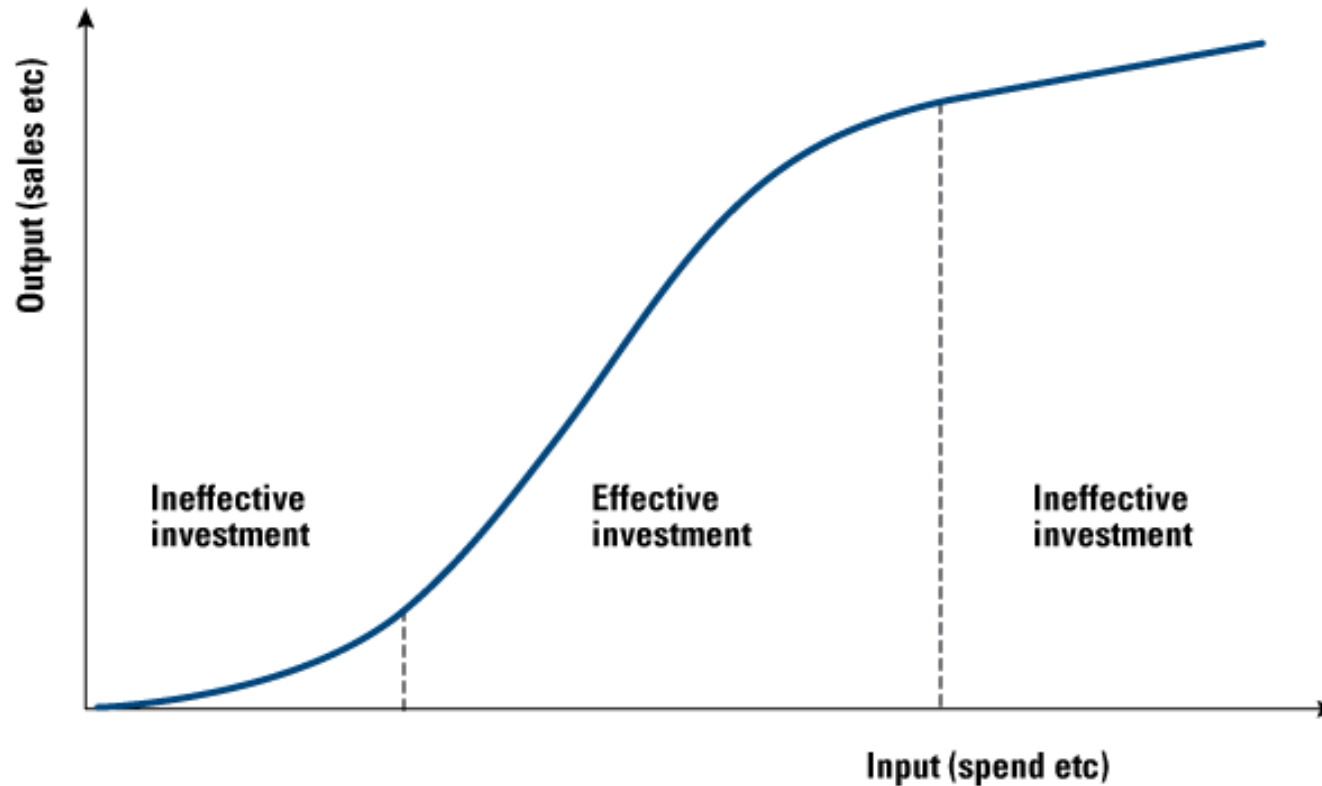
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# Looking for S-Curves



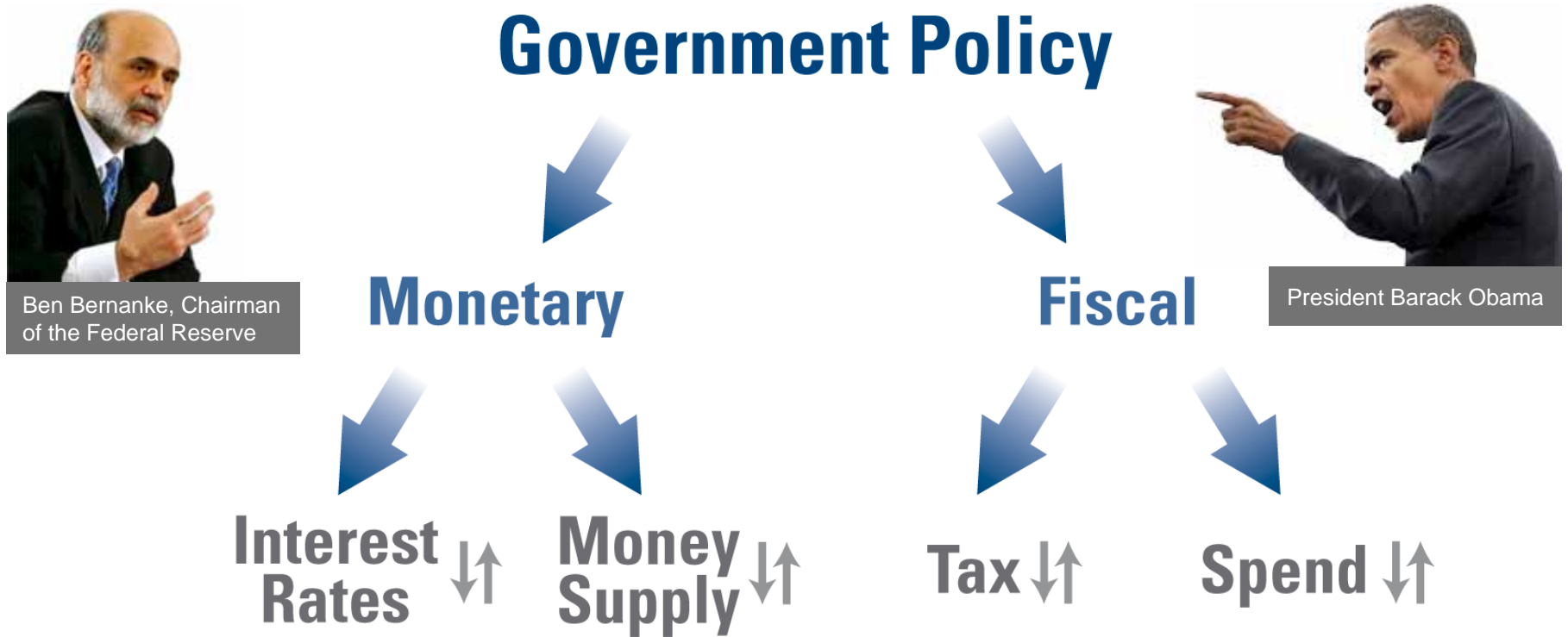
# The S-Curve – Big Question is Where Are We On The Curve?



The S-Curve is a type of curve that shows a rapid, exponential increase in growth for a period of time, followed by a tapering or leveling off.



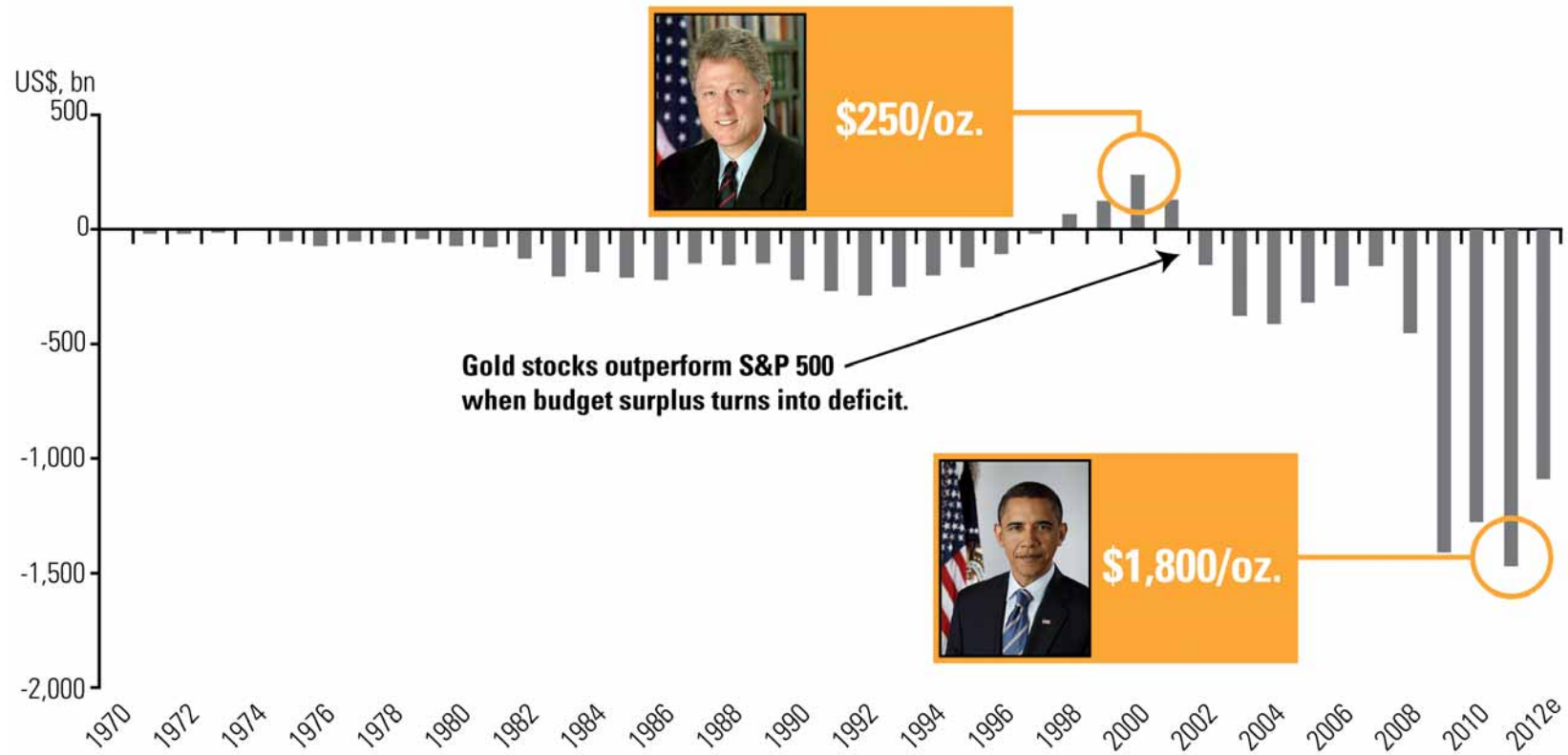
# Government Policy Model — Precursor for Change



# It's Not the Political Party, It's the Political Policies










Federal Budget Surplus or Deficit










Source: Congressional Budget Office Statistics



# E7 and G7 Population vs GDP

		Population (million)*	Nominal GDP (bn USD) 2010*
<b>E-7</b>			
	China	1330	5879
	India	1173	1729
	Indonesia	243	707
	Brazil	201	2088
	Pakistan	184	175
	Russia	139	1480
	Mexico	112	1040
Total		3382	13098
		<b>49% of world total</b>	<b>21% of world total</b>

		Population (million)*	Nominal GDP (bn USD) 2010*
<b>G-7</b>			
	USA	310	14582
	Japan	127	5498
	Germany	82	3310
	France	65	2560
	UK	62	2246
	Italy	61	2051
	Canada	34	1574
Total		741	31821
		<b>11% of world total</b>	<b>50% of world total</b>

Source: U.S. Global Research  
\*As of December 2010



# Compare E7 vs G7 Money Supply Growth

Money Supply			
		M2* Money Supply % Year-over-Year	Latest Update
<b>E-7</b>			
	Russia	29.5	01/31/11
	Pakistan	15.1	01/31/11
	Mexico	13.0	01/31/11
	Indonesia	17.4	01/31/11
	India	16.5	02/28/11
	China	15.7	02/28/11
	Brazil	16.5	01/31/11
<b>Average</b>		<b>17.7</b>	

Source: Bloomberg, U.S. Global Research

\* Only M3 available for India, Mexico

Money Supply			
		M2* Money Supply % Year-over-Year	Latest Update
<b>G-7</b>			
	Canada	5.4	01/31/11
	USA*	4.3	03/07/11
	UK	4.2	01/31/11
	Germany**	3.2	01/31/11
	France**	3.2	01/31/11
	Italy**	3.2	01/31/11
	Japan	2.4	02/28/11
<b>Average</b>		<b>3.7</b>	

Source: Bloomberg, U.S. Global Research

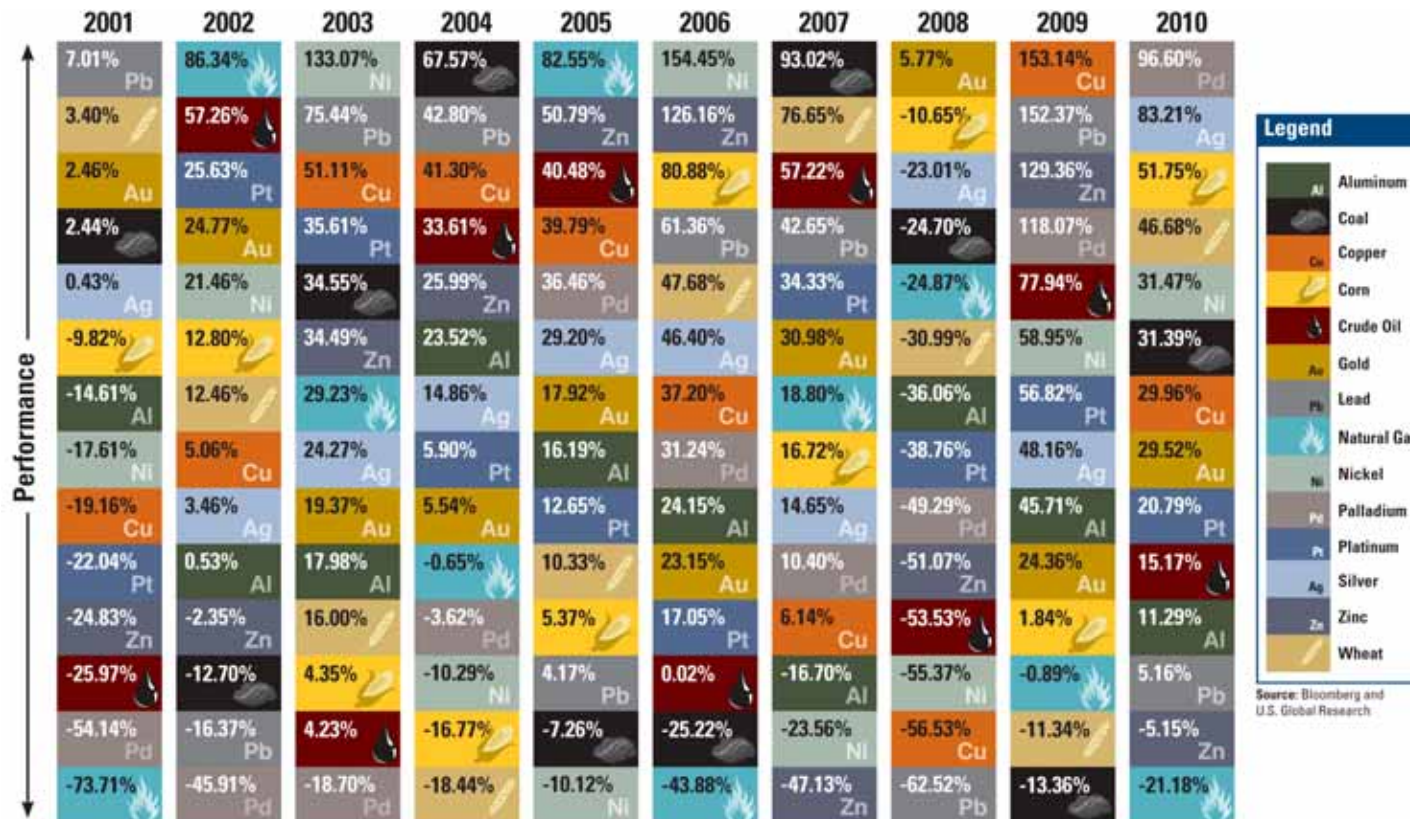
\* U.S. M2 data available weekly (with two-week lag)

\*\* Data for Germany, France, and Italy from ECB



# Reasons for Active Money Management

## The Periodic Table of Commodity Returns



Returns are based on historical spot prices or futures prices. Past performance does not guarantee future results.



# Anticipate Before You Participate

Standard Deviation (as of 06/30/11) based on 10-Year Data

	Rolling 1 Year
<b>U.S. Global Investors (GROW)</b>	<b>113.7%</b>
<b>NYSE Arca Gold BUGS Index (HUI)</b>	<b>38.1%</b>
<b>WTI Crude Oil</b>	<b>37.1%</b>
<b>MSCI Emerging Markets (MXEF)</b>	<b>31.6%</b>
<b>S&amp;P 500 Index (SPX)</b>	<b>19.8%</b>
<b>Gold Bullion</b>	<b>13.4%</b>

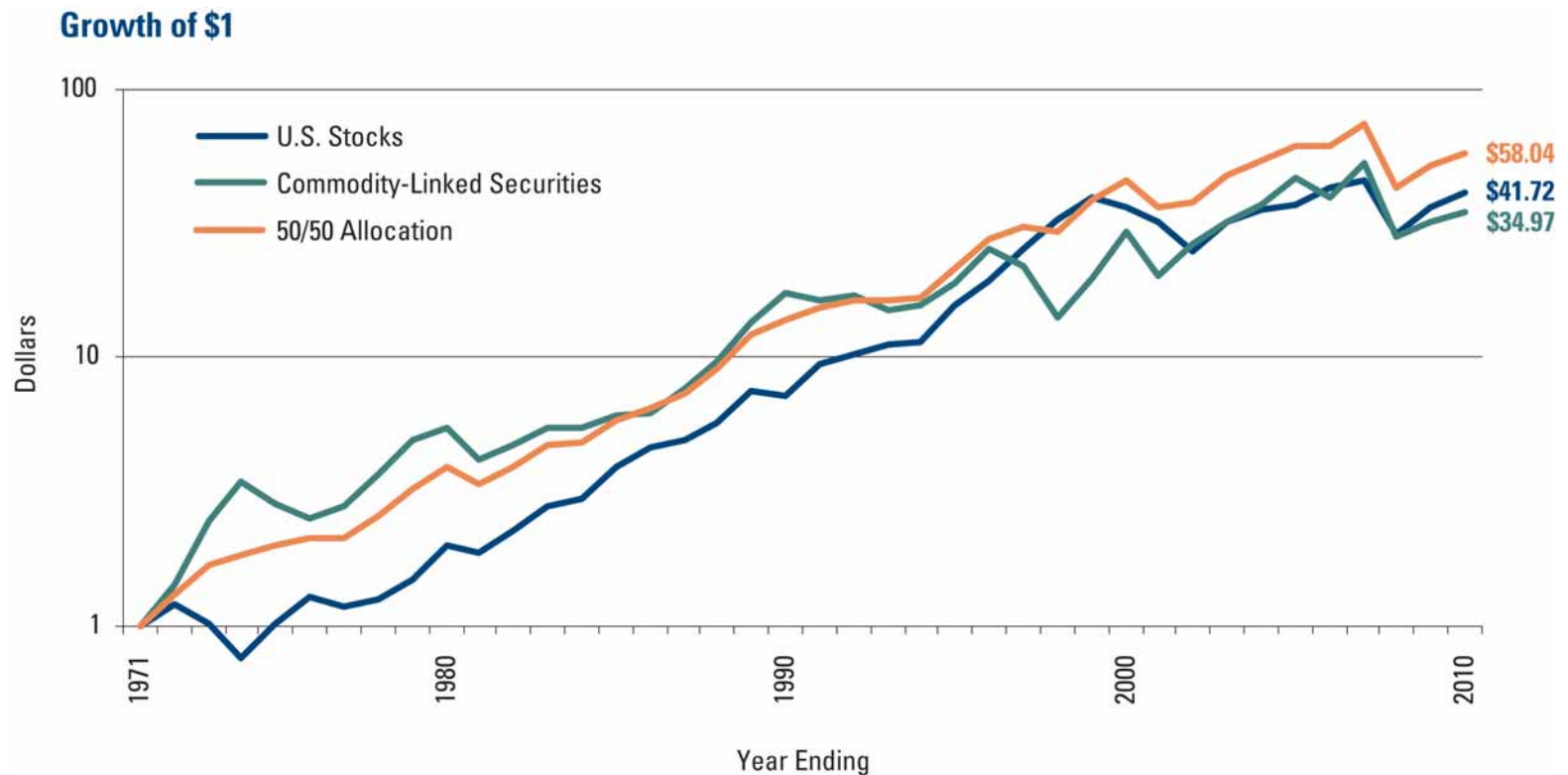
12-month rolling volatility of  
price action over 10 year period



View the presentation “Anticipate Before You Participate” at  
[www.usfunds.com/investor-resources/publications/research](http://www.usfunds.com/investor-resources/publications/research)



# Importance of Diversification and Rebalancing



Past performance is no guarantee of future results.

Source: Roger C. Gibson



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# Disclosures

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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](http://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.*

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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.

Foreign and emerging market investing involves special risks such as currency fluctuation and less public disclosure, as well as economic and political risk. 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. 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.

Diversification does not protect an investor from market risks and does not assure a profit. 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. M1 Money Supply includes funds that are readily accessible for spending. M2 Money Supply is a broad measure of money supply that includes M1 in addition to all time-related deposits, savings deposits, and non-institutional money-market funds. M3 money supply is the broadest monetary aggregate, including physical currency, demand accounts, savings and money market accounts, certificates of deposit, deposits of eurodollars and repurchase agreements.



# Disclosures

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The S&P 500 Stock Index is a widely recognized capitalization-weighted index of 500 common stock prices in U.S. companies. The NYSE Arca Gold BUGS (Basket of Unhedged Gold Stocks) Index (HUI) is a modified equal dollar weighted index of companies involved in gold mining. The HUI Index was designed to provide significant exposure to near term movements in gold prices by including companies that do not hedge their gold production beyond 1.5 years. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

Holdings as a percentage of net assets in the Global Resources Fund, World Precious Minerals Fund, Gold and Precious Metals Fund and Eastern European Fund as of 6/30/2011: Bank of America 0.00%.



# Contact Us

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**For more information or questions, please  
contact our Investor Relations Department:**

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