



# GROW First Quarter 2018 Results Webcast

**Frank Holmes**, CEO and Chief Investment Officer

**Susan McGee**, President, General Counsel  
and Chief Compliance Officer

**Lisa Callicotte**, Chief Financial Officer



**usfunds.com**  
**1.800.US.FUNDS**

November 10, 2017 • 17-396

# Today's Presenters

---



Frank Holmes



Susan McGee



Lisa Callicotte



Holly Schoenfeldt

# Forward-Looking Statements

---

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-Q 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.



# About U.S. Global Investors (GROW)

---

- U.S. Global Investors, Inc. is an innovative investment manager with vast experience in global markets and specialized sectors.
- Founded as an investment club, the company became a registered investment adviser in 1968 and has a longstanding history of global investing and launching first-of-their-kind investment products, including the first no-load gold fund.
- U.S. Global Investors is well known for expertise in gold and precious metals, natural resources and emerging markets.



# GROW Strengths

---



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





# BEST 2016 WINNERS OF THE MINING JOURNAL'S AMERICAS BASED FUND MANAGER AWARD

Minjng Journal  
Outstanding  
Achievement  
*Awards*

Frank Holmes & Ralph Aldis  
US Global Investors

Michael P. Byrum & Ryan A. Harder  
Rydex Precious metals



# Top Institutional Holders of GROW

---



**1. Financial and Investment  
Management Group**

**17%**



**2. Royce and Associates**

**12%**



**3. The Vanguard Group**

**4%**

**4. Koshinski Asset Management, Inc.**

**3%**

**5. BlackRock Institutional Trust Company** **3%**

Percentage of shares outstanding

**Source:** NASDAQ, Data as of September 2017



**usfunds.com**

November 2017 | 17-396

# GROW Dividends — Paid Monthly

---

Consistently paid for more than

# 10 years

Current yield at share price of \$2.13 as of 9/29/2017

# 1.41%

Monthly dividend payment of \$.0025

Approved through December 2017





# Share Repurchase Program in Motion

---

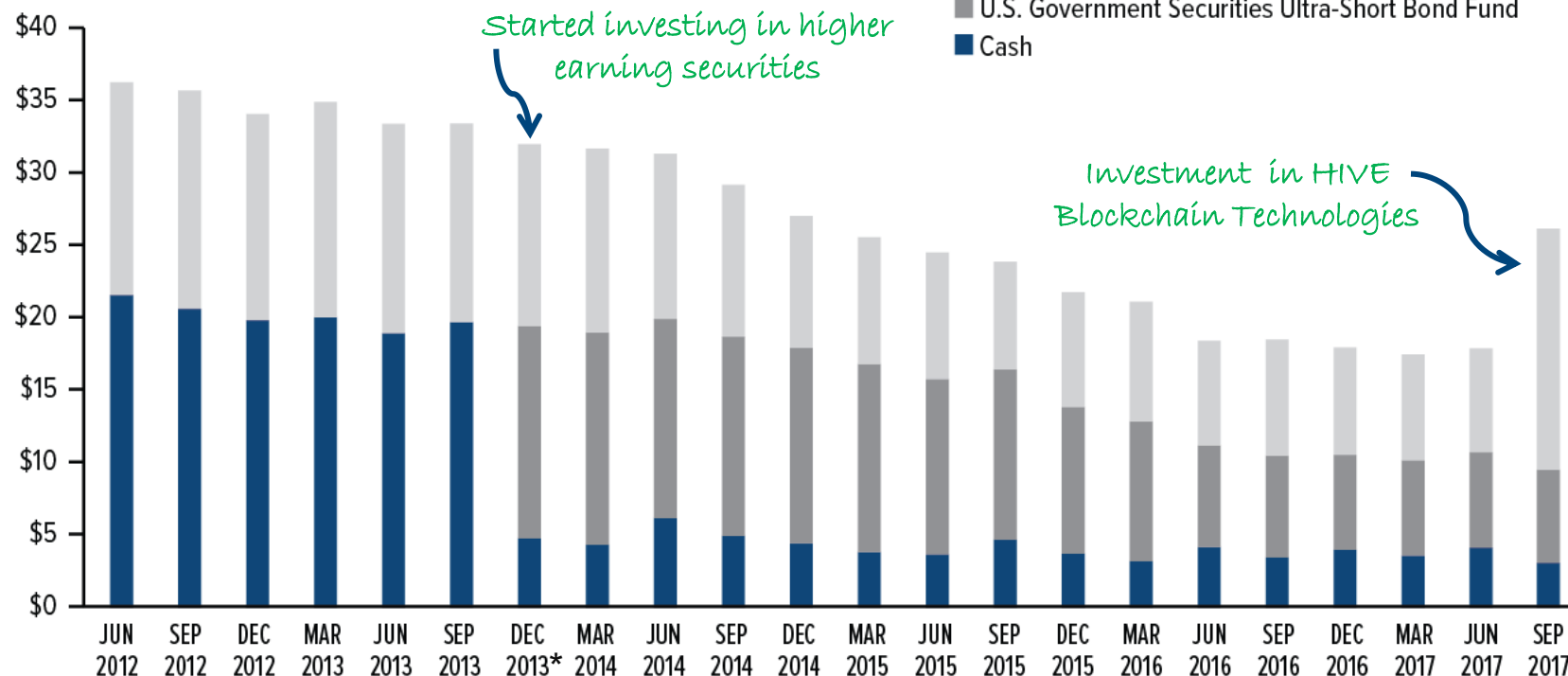
- The board approved a repurchase of up to \$2.75 million of its outstanding common stock on the open market through calendar year 2017
- For the three months ended September 30, 2017, the Company repurchased 9,199 class A shares using cash of \$14,000
- May be suspended or discontinued at any time
- As evidenced by regulatory filings, Frank Holmes is purchasing shares of GROW pursuant to a Rule 10b-18 plan

# Balance Sheet Strength – No Debt



## Cash, Cash Equivalents and Marketable Securities

Millions \$



\* The change in cash and cash equivalents was due to the company moving assets into the U.S. Government Securities Ultra-Short Bond Fund.



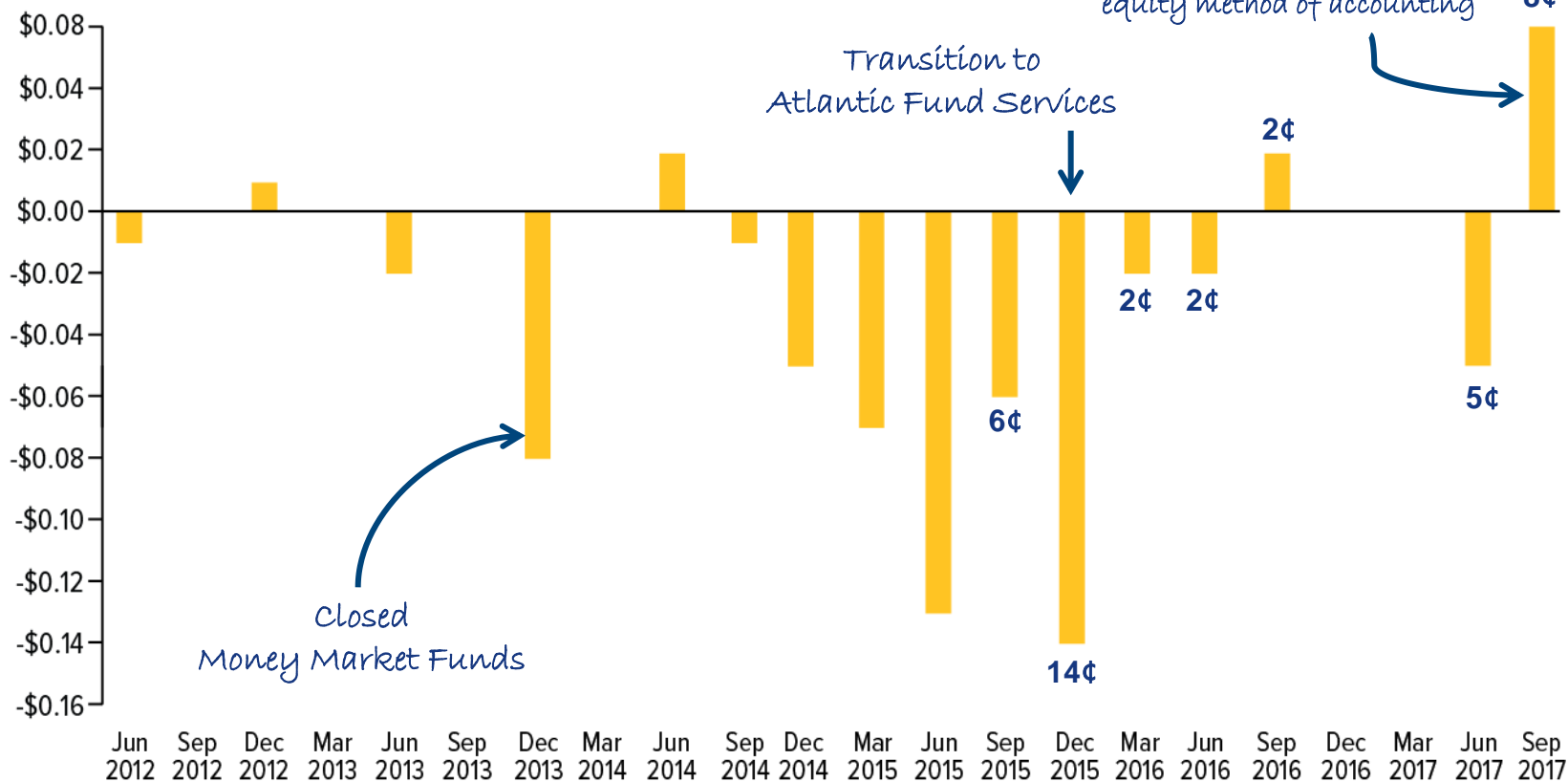
usfunds.com

November 2017 | 17-396

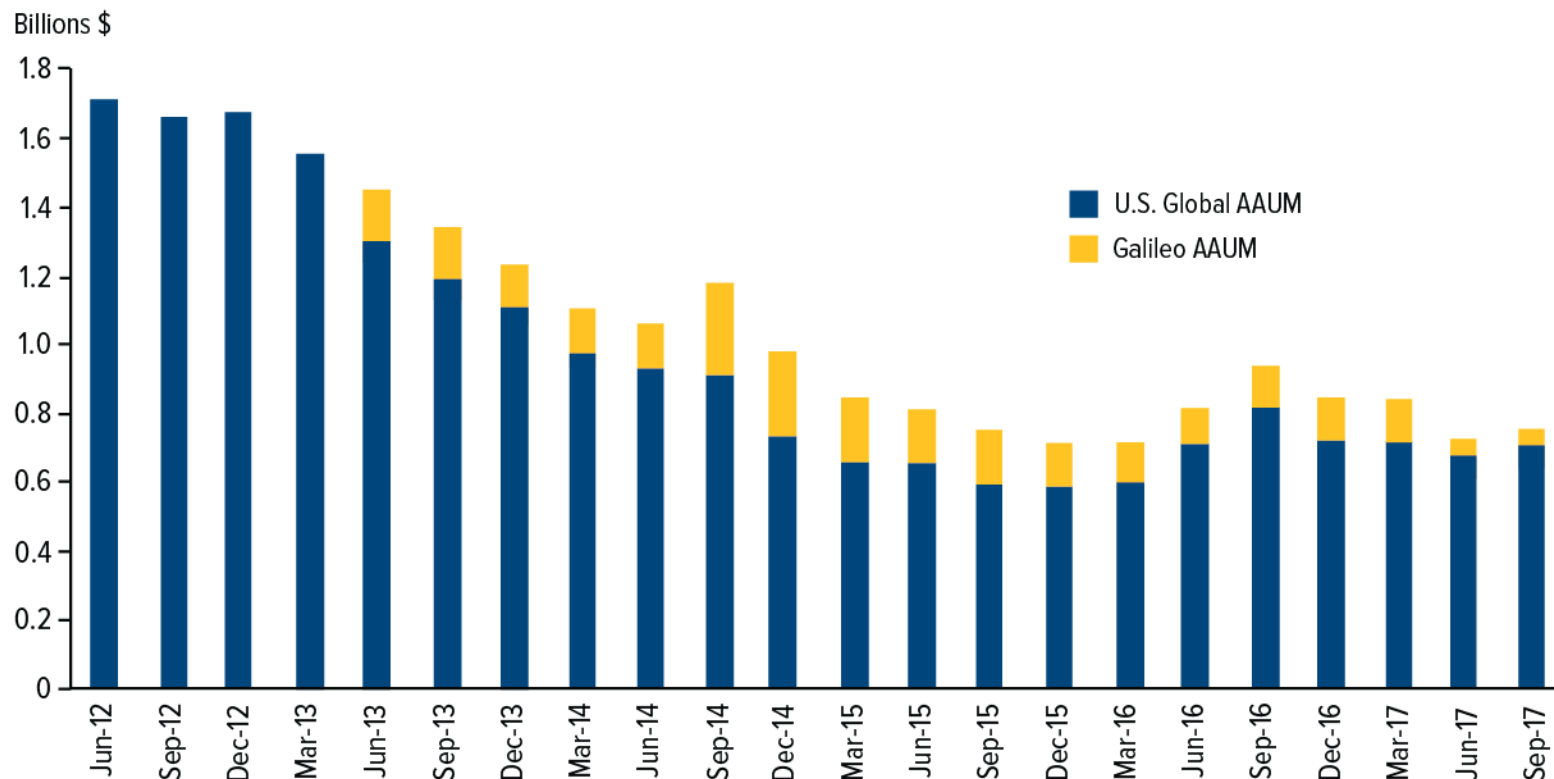
# Earnings Per Share Quarterly

## CORPORATE EVENTS IMPACTING EARNINGS

### Earnings Per Share (Quarterly)



# Quarterly Average Assets Under Management Remain Stable



# Digital Data Mining – From Trading Stocks to Digital Currencies

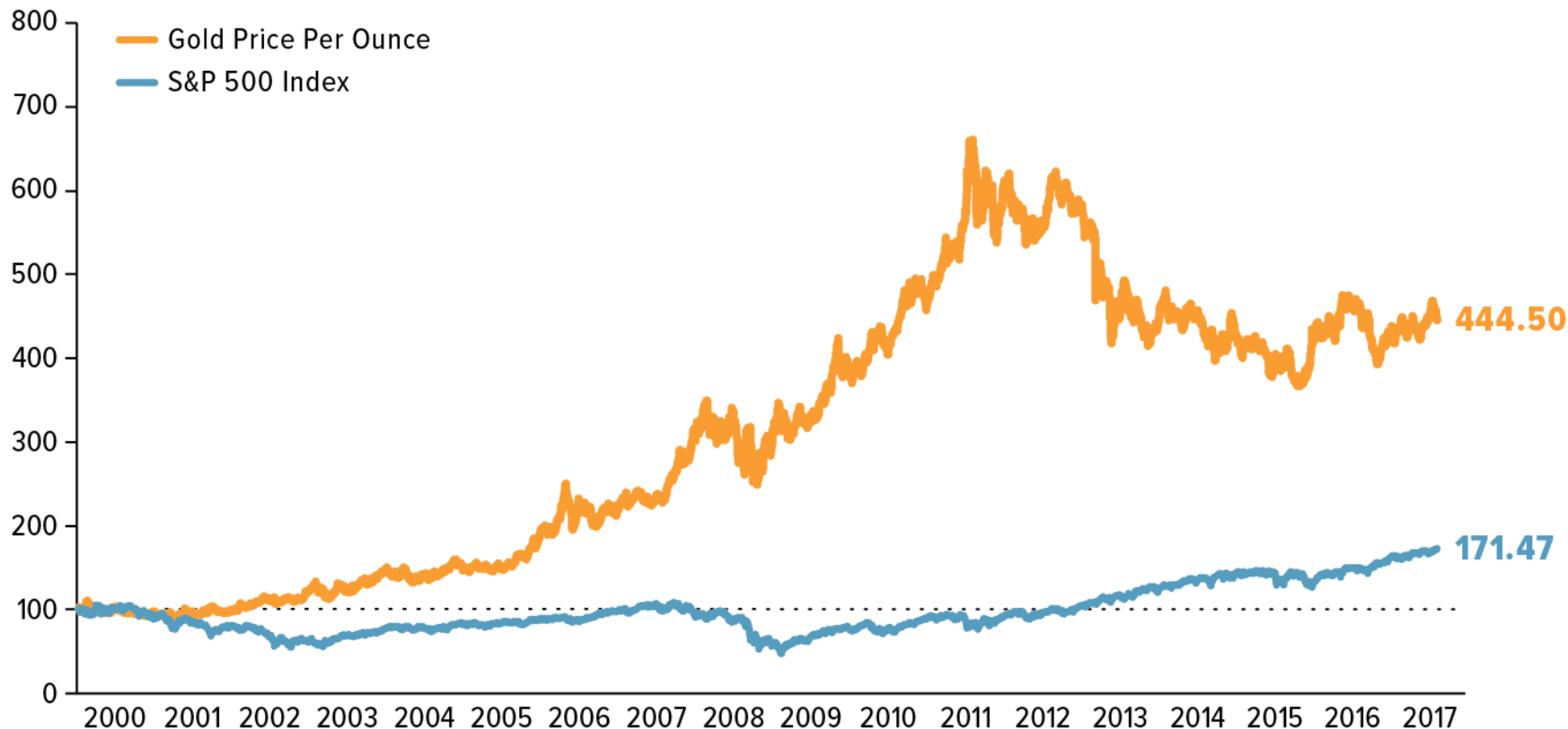




# Did You Know? For More Than a Decade, Gold Has Outperformed the Stock Market

## Gold Price Has Beaten the Market So Far this Century

Indexed at 100 December 31, 1999, as of September 30, 2017



Past performance does not guarantee future results. **Source:** Bloomberg, U.S. Global Investors

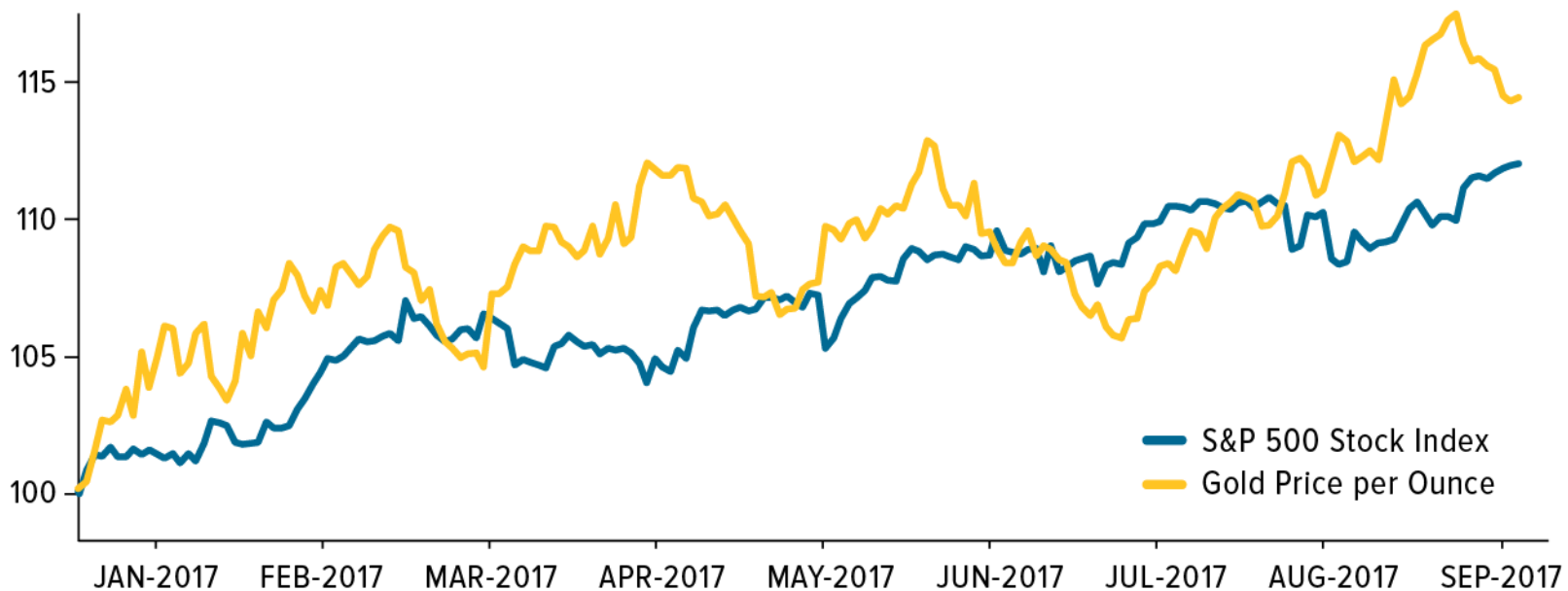


usfunds.com

November 2017 | 17-396

# Gold Has Outperformed the Market Year-to-Date

Indexed at 100 as of 12/30/2016



Source: Bloomberg, U.S. Global Investors

# Sharing Insights With CNBC, Bloomberg TV and BNN Canada Usually Means Defending Gold



# “Buy Bitcoin” Overtakes “Buy Gold” as Online Search Phrase

## Bitcoin More Popular Than Gold

Searches on Google to buy bitcoin are more than to buy gold

■ Buy gold ■ Buy bitcoin



Source: Google Trends, Bloomberg

**Bloomberg**

# Elvis is Alive! Haha!



## Gold Demand



**"Fear" Trade**



**"Love" Trade**



Elvis Presley

### Disclaimer:

Elvis Presley's public figure is in no way related to U.S. Global Investors or its funds.



# Managing Expectations

See Our Managing  
Expectations  
Whitepaper at  
[usfunds.com](http://usfunds.com)



## Understanding Volatility of Asset Classes

Standard deviation based on 10-year daily data as of 9/30/2017

	Daily	Rolling 1 Year
U.S. Global Investors (GROW)	±4%	±48%
NYSE Arca Exchange Gold BUGS Index	±3%	±41%
Gold Bullion	±1%	±19%
S&P 500 Index (SPX)	±1%	±18%
Oil	±3%	±39%
Dollar Index	±1%	±9%



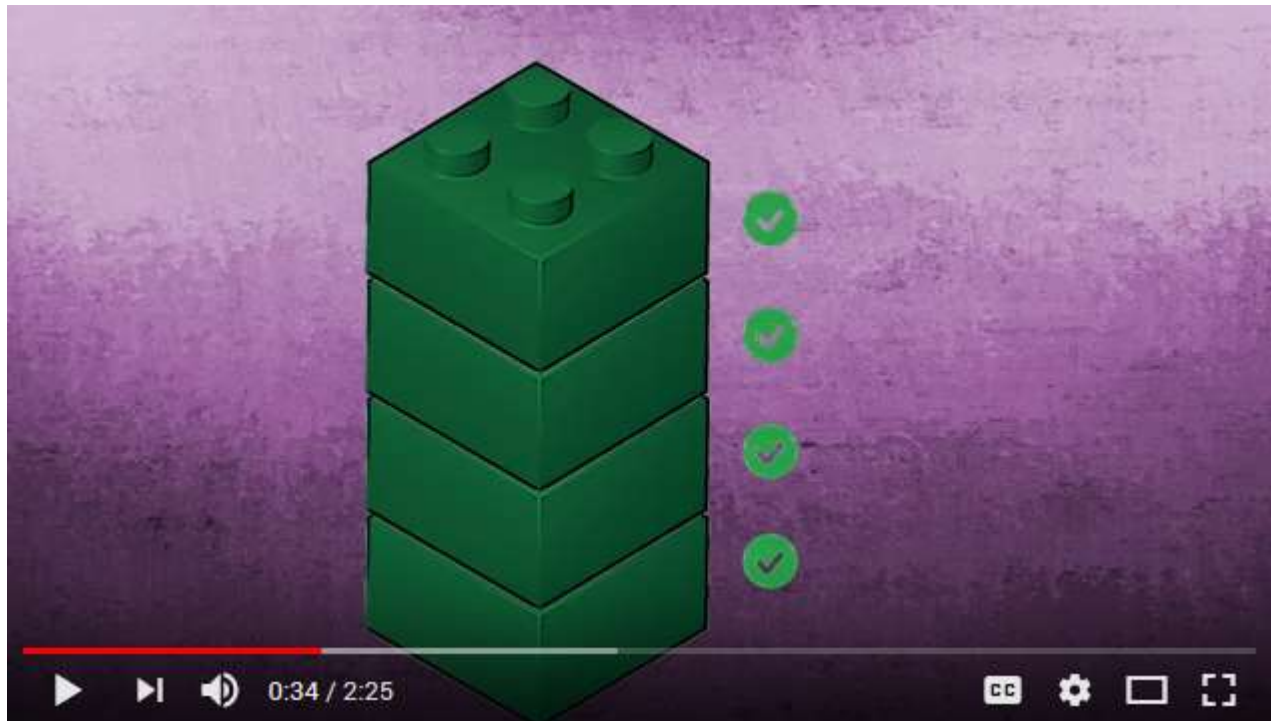
Source: Bloomberg, U.S. Global Investors



[usfunds.com](http://usfunds.com)

November 2017 | 17-396

# WHAT IS BLOCKCHAIN?



**“28 of the top 30 banks are now engaging in blockchain proof of concepts.”**

**“THE BLOCKCHAIN could disrupt...everything”**



Goldman Sachs



# Major Banks Have Become Bullish on Cryptocurrency

---

FINANCIAL INSTITUTIONS FILED  
**2,700 PATENTS**  
IN BLOCKCHAIN TECHNOLOGY

J.P.Morgan

CREDIT SUISSE 

HSBC 

Bank of America



 BARCLAYS

WELLS FARGO

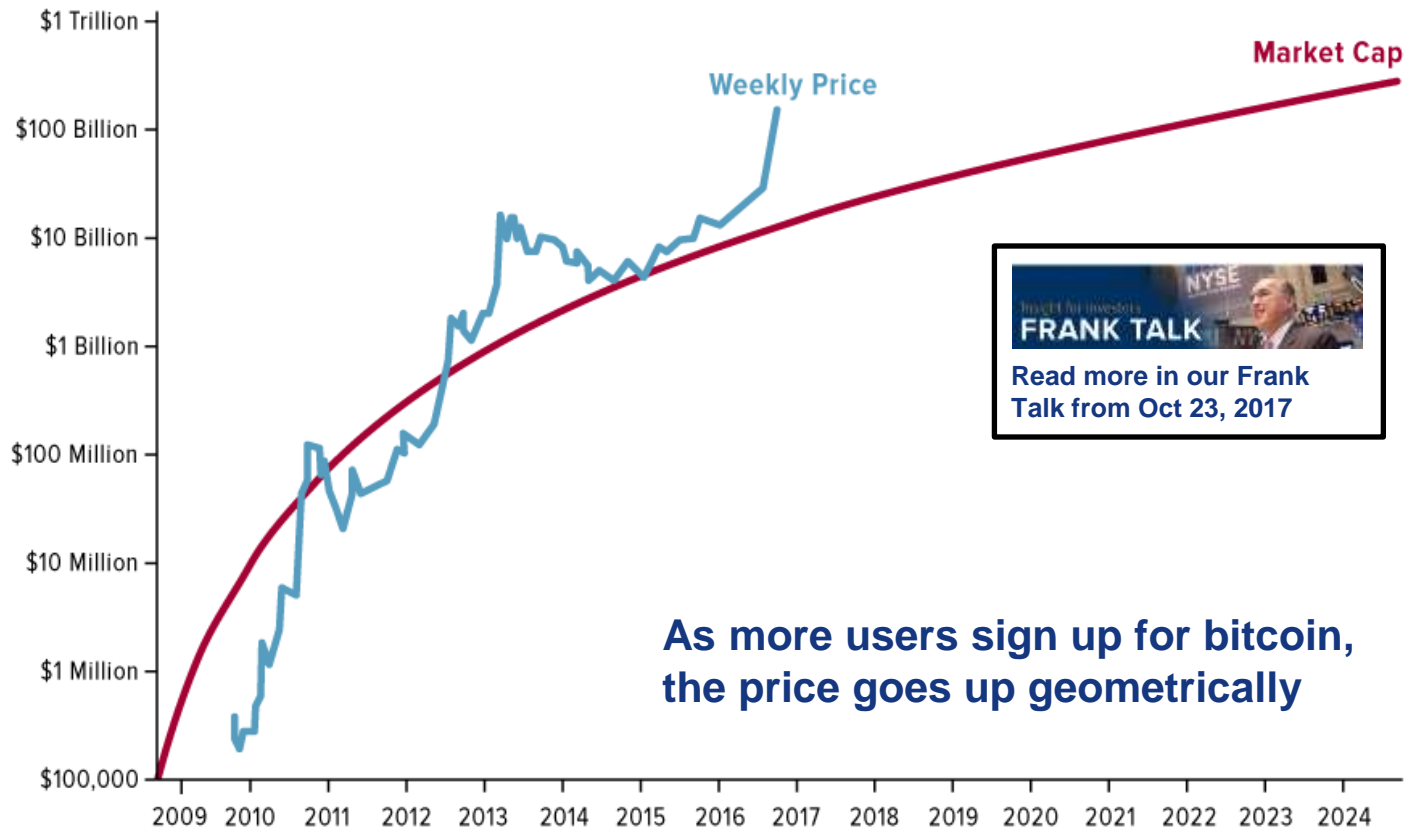




# Metcalfe's Law Suggests Crypto Prices Could Keep Rising

## Bitcoin Still Has Room to Run

Logarithmic Regression (Non-Linear) Chart



Source: WolframAlpha, U.S. Global Investors

**Number of Coinbase Digital Wallet Users Has  
More Than Doubled Since Beginning of the Year**

---

coinbase

# **One of the Biggest Bitcoin Exchanges Just Added 100,000 Users in a Single Day**

By **Brandon Kochkodin**

November 02, 2017 10:59 AM

Source: Bloomberg, Coinbase



**usfunds.com**

November 2017 | 17-396

# Fidelity Is Mining Bitcoin Says CEO Abigail Johnson

---

## THE WALL STREET JOURNAL.

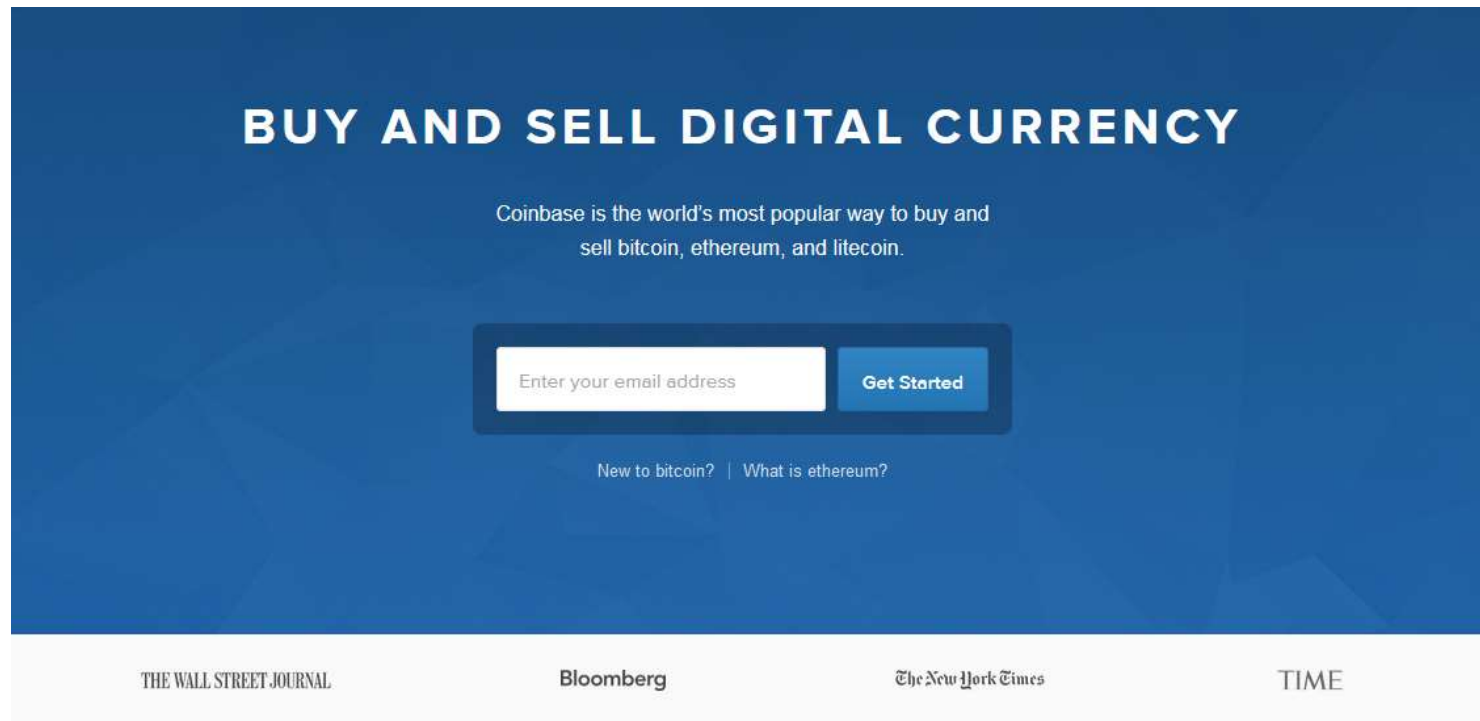
### Bitcoin's Unlikely Evangelist: Fidelity CEO Abigail Johnson

In a rare public speech, she urges making digital currency more accessible for individuals and institutions



# Coinbase: A Digital Currency Wallet

coinbase

A screenshot of the Coinbase website. The background is a solid blue color. At the top, in white capital letters, is the text "BUY AND SELL DIGITAL CURRENCY". Below this, in smaller white text, is the sentence "Coinbase is the world's most popular way to buy and sell bitcoin, ethereum, and litecoin." In the center, there is a white rectangular input field with the placeholder text "Enter your email address" and a blue button to its right with the text "Get Started". Below the input field, in small white text, are the links "New to bitcoin?" and "What is ethereum?". At the bottom of the screenshot, there is a white horizontal bar containing four logos: "THE WALL STREET JOURNAL", "Bloomberg", "The New York Times", and "TIME".

**BUY AND SELL DIGITAL CURRENCY**

Coinbase is the world's most popular way to buy and sell bitcoin, ethereum, and litecoin.

Enter your email address **Get Started**

New to bitcoin? | What is ethereum?

THE WALL STREET JOURNAL Bloomberg The New York Times TIME

**\$20.0B**

IN DIGITAL CURRENCY  
EXCHANGED

**32**

COUNTRIES  
SUPPORTED

**11.7M**

CUSTOMERS  
SERVED

# USAA & Fidelity Members Are Tracking Their Bitcoin Wallets Online



My Accounts Summary? Collapse

Add a Non-USAA Account

Reorder and Customize Groups and Accounts

My Non-USAA Accounts

Balance  
\$372.57

Amount Owed  
n/a

C BTC WALLET  
\*\*\*\*9018

I want to

\$16,506.80  
49.2M bits

C BTC VAULT  
\*\*\*\*6254

I want to

\$335.84  
80,126 bits

WF WELLS FARGO  
\*\*\*\*1245

I want to

\$512.36  
as of 5 min ago

Banking (1)

View Analysis

Balance  
\$2,105

Amount Owed  
n/a

USAA USAA SECURE CHECKING  
\*\*\*\*9018

I want to

\$2,105

Services (0)

Home Value Monitoring

ROLLOVER IRA 106443689	\$12,272.15
Non-Fidelity Digital Currency	\$444.33
LTC Wallet	\$18.33 0.62214738 LTC AS OF 06/14/2017 2:28 PM ET
ETH Wallet	\$359.70 0.97743112 ETH AS OF 06/14/2017 2:28 PM ET
BTC Wallet	\$66.30 0.02565621 BTC AS OF 06/14/2017

Source: [www.usaa.com](http://www.usaa.com)



# Who Accepts Bitcoins As Payment?



Source: ZeroHedge, 99Bitcoins.com, U.S. Global Investors



# **SOMEBODY JUST BOUGHT A HOUSE WITH BITCOIN**

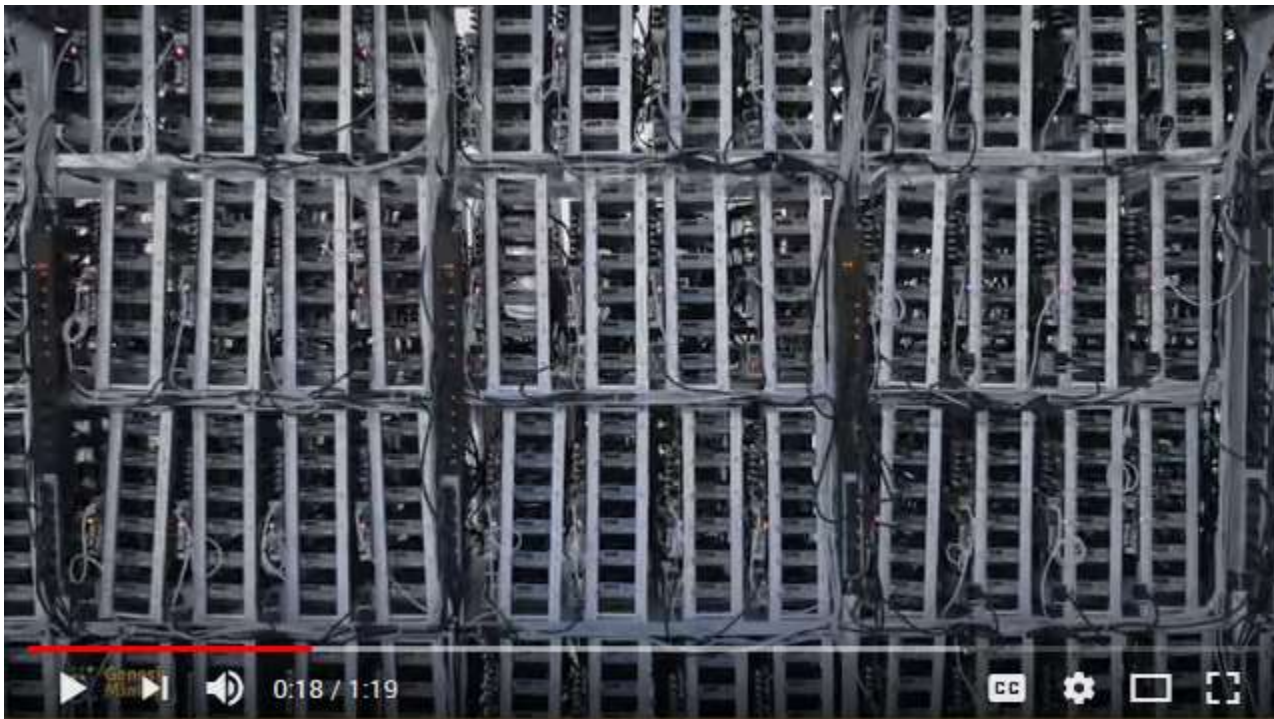
ZeroHedge



**In September, CoinTelegraph reported that the first-ever, bitcoin-only real estate transaction was completed in Texas**



# Genesis Mining Explains – Mining on the Blockchain



# Marco Streng, Co-Founder & CEO of Genesis Group Gives TEDx Talk on Bitcoin

---



## U.S. Global Investors Announces Strategic Investment in HIVE Blockchain Technologies Ltd. with Frank Holmes Becoming Chairman of Board

---



HIVE



Genesis  
Mining



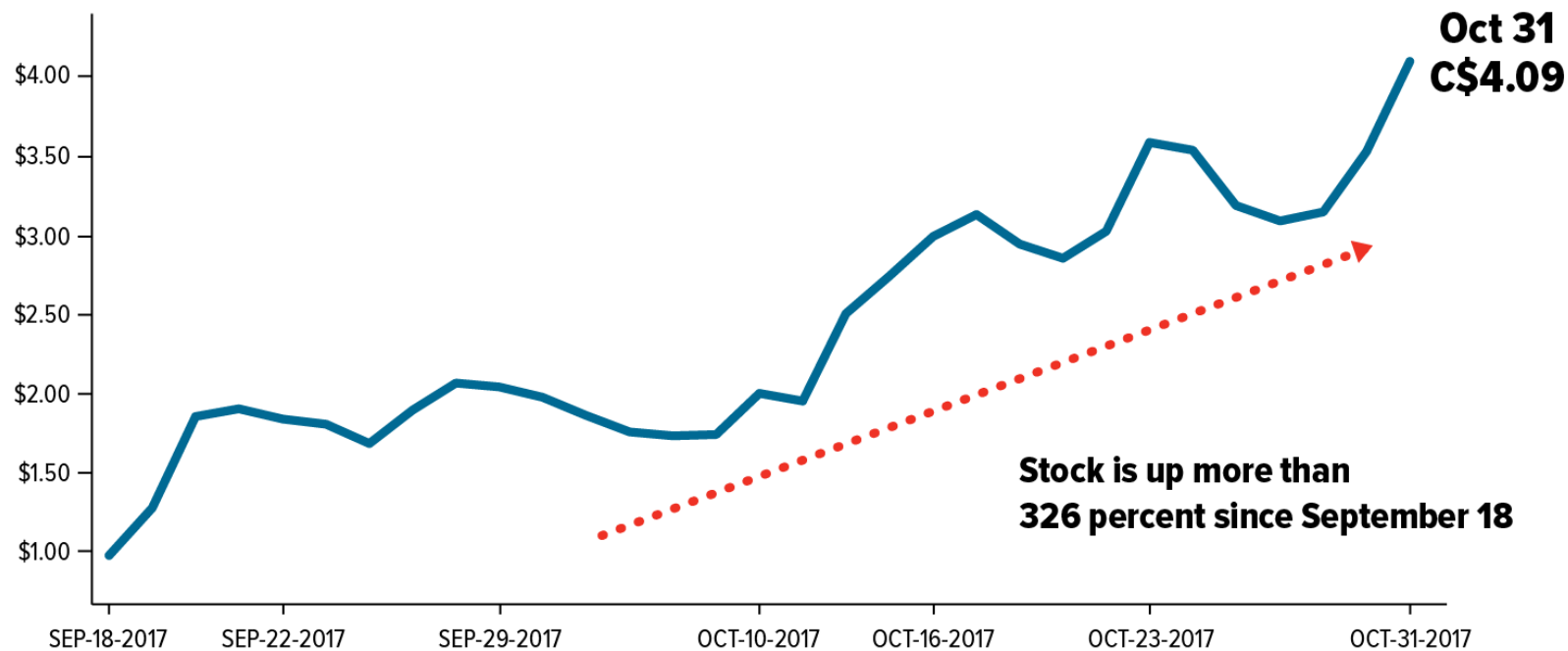
Frank Holmes has been appointed non-executive chairman of the Board of Directors of HIVE Blockchain Technologies. Both Mr. Holmes and U.S. Global Investors own shares of HIVE, directly and indirectly.

# Bloomberg Writes: HIVE Has Bitcoin Investors Buzzing

**Bloomberg**

## HIVE's Stock Price Continues to Climb Since Revamp

Stock Price In Canadian Dollars



**Stock is up more than  
326 percent since September 18**

Source: Bloomberg, U.S. Global Investors

HIVE Blockchain Technologies Ltd. (formerly, Leeta Gold Corp.) announced the commencement of trading in its common shares on the TSX Venture Exchange under the ticker symbol "HIVE" effective September 18, 2017.



**usfunds.com**

November 2017 | 17-396

# Introducing HIVE Blockchain Technologies





# U.S. Global Investors, Inc. (GROW)

## Income Statement – Financial Analysis



**Lisa Callicotte**  
CFO

## ■ Direct Investment

- USGI (Canada) owns 10 Million Shares
- Investment Securities - Available-for-Sale

## ■ Indirect Investment

- Galileo Partners Fund owns 6.7 million shares of HIVE
- USGI (Canada) owns 30% of Galileo Partners Fund
- Equity Method Investment

# Consolidated Statements of Operations (Unaudited)

(dollars in thousands, except per share data)

Operating Revenues	Quarter Ended September 30,	
	2017	2016
Advisory fees	\$ 1,433	\$ 1,891
Administrative service fees	57	90
	<u>\$ 1,490</u>	<u>\$ 1,981</u>
Operating Expenses		
Employee compensation and benefits	\$ 901	\$ 987
General and administrative	948	870
Advertising	59	29
Depreciation and amortization	61	64
	<u>\$ 1,969</u>	<u>\$ 1,950</u>
Operating Income (Loss)	(479)	31

# Consolidated Statements of Operations (Unaudited)

(dollars in thousands, except per share amounts)

	Quarter Ended September 30,	
	2017	2016
<b>Operating Income (Loss)</b>	\$ (479)	\$ 31
Investment income	209	253
Income from equity method investment	1,513	-
Other income	3	-
<b>Total Other Income</b>	1,725	253
<b>Income Before Income Taxes</b>	1,246	284
<b>Provision for Income Taxes</b>		
Tax expense	10	20
<b>Net Income</b>	1,236	264
Less: Net Income (Loss) Attributable to Non-Controlling Interest	(34)	1
<b>Net Income Attributable to U.S. Global Investors, Inc.</b>	\$ 1,270	\$ 263
<b>Earnings Per Share Attributable to U.S. Global Investors, Inc.</b>		
Basic	\$ 0.08	\$ 0.02
Diluted	\$ 0.08	\$ 0.02
<b>Basic weighted average number of common shares outstanding</b>	15,182,651	15,240,957
<b>Diluted weighted average number of common shares outstanding</b>	15,182,651	15,240,957



# Consolidated Balance Sheets

(dollars in thousands)

Assets	September 30, 2017 (Unaudited)	June 30, 2017
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,973	\$ 3,958
Restricted cash	1,000	1,000
Investment securities – trading, at fair value	7,511	9,720
Accounts and other receivables	575	520
Note receivable	1,964	1,952
Prepaid expenses	230	315
<b>Total Current Assets</b>	<b>14,253</b>	<b>17,465</b>
<b>Net Property and Equipment</b>	<b>2,154</b>	<b>2,212</b>
<b>Other Assets</b>		
Investment securities – available-for-sale, at fair value	14,944	3,401
Other investments	2,119	2,130
Equity method investment	2,013	-
Note receivable, long term	234	234
Other assets, long term	68	78
<b>Total Other Assets</b>	<b>19,378</b>	<b>5,843</b>
<b>– Total Assets</b>	<b>\$ 35,785</b>	<b>\$ 25,520</b>



# Consolidated Balance Sheets

(dollars in thousands)

Liabilities and Shareholders' Equity	September 30, 2017 (Unaudited)	June 30, 2017
<b>Current Liabilities</b>		
Accounts payable	\$ 104	\$ 118
Accrued compensation and related costs	336	390
Dividends payable	114	114
Other accrued expenses	579	544
<b>Total Current Liabilities</b>	<b>1,133</b>	<b>1,166</b>
<b>Commitments and Contingencies (Note 11)</b>		
<b>Shareholders' Equity</b>		
Common stock (class A) - \$0.025 par value; nonvoting; authorized, 28,000,000 shares; issued, 13,866,601 shares at September 30, 2017 and June 30, 2017	347	347
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, 2,068,947 shares at September 30, 2017 and June 30, 2017	52	52
Additional paid-in-capital	15,645	15,646
Treasury stock, class A shares at cost; 758,622 and 751,303 shares at September 30, 2017 and June 30, 2017, respectively	(1,770)	(1,760)
Accumulated other comprehensive income (loss), net of tax	9,433	264
Retained Earnings	10,477	9,321
<b>Total U.S. Global Investors Inc. Shareholders' Equity</b>	<b>34,184</b>	<b>23,870</b>
Non-Controlling Interest in Subsidiary	469	484
<b>Total Shareholders' Equity</b>	<b>34,653</b>	<b>24,354</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 35,786</b>	<b>\$ 25,520</b>



# Significant Events

---



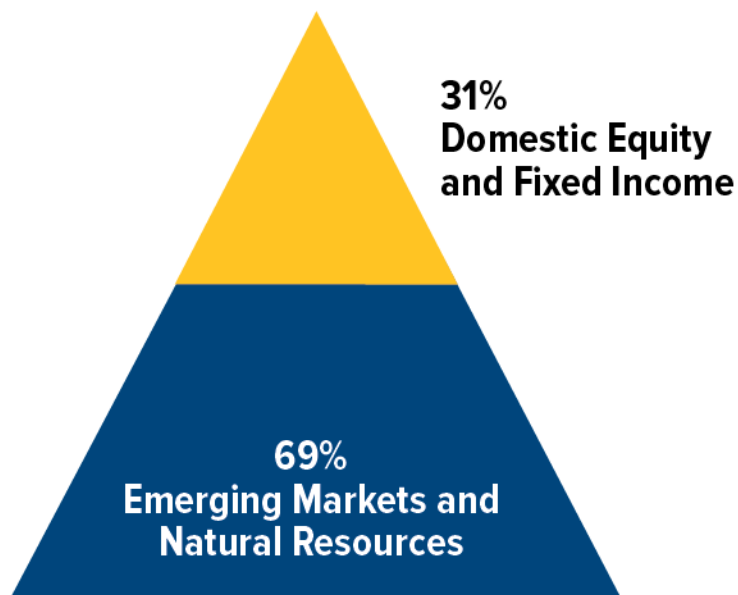
**Susan McGee**

President, General Counsel  
and Chief Compliance Officer

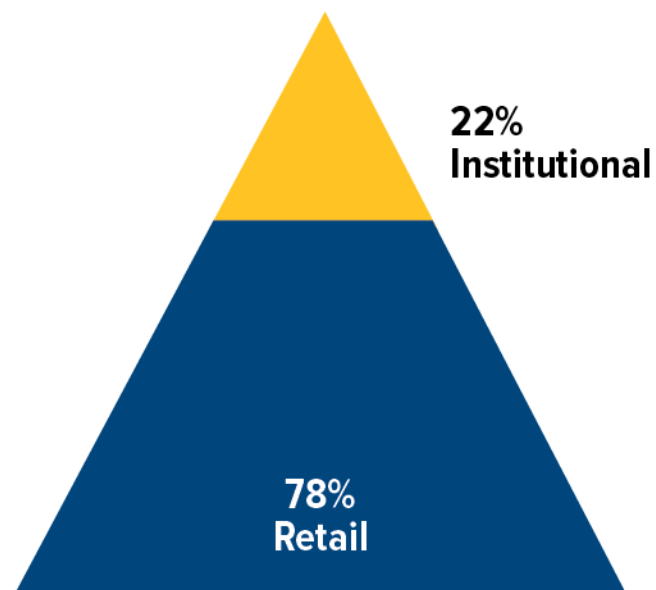


# Asset Breakdown — U.S. Global Investors Funds

## Assets by Investment Objective



## Assets by Distribution Channel



Data for SEC-registered mutual funds as of September 30, 2017

# U.S. Global Investors

## THE MARKET IS OPEN

TSX | Toronto Stock Exchange

NADIA PACIFIC RAILWAY LTD (CP)  
10 209.26 ▼ -0.03

CAPITAL POWER CORP (CPX)  
100

# U.S. Global Investors

TSX: GOGO

## THE MARKET IS OPEN

TSX | Toronto Stock Exchange

# GOGO:TSX

LAUNCHED SEPTEMBER 29, 2017



# RECOGNIZED FOR ACTIVE MANAGEMENT

BY **THOMSON REUTERS LIPPER** WITH TWO LIPPER FUND AWARDS

Learn more at [www.usfunds.com](http://www.usfunds.com)



# Newsletter Recommendations for U.S. Global Investors Funds

MONEY MAP REPORT

 MONEY MAP PRESS

 **Weiss**  
RESEARCH  
ISSUES



 **INVESTMENT U**  
The Educational Arm of The Oxford Club

*Real Wealth Report*

STREETWISE  REPORTS  
**THE GOLD REPORT**

 **FutureMoney**  
TRENDS

**MONEY  
SHOW<sup>®</sup>.com**  
INVEST SMARTER,  
TRADE WISER

 **37MONEYLETTER<sup>®</sup>.com**  
"Serving Investors Since 1980"

  
**SELECTIONS & TIMING**  
SELECTIONSANDTIMING.COM

**CEO<sub>CA</sub>**

 **THE MUTUAL FUND  
STRATEGIST**

No-Load Mutual Fund Selections  
& Timing Newsletter



**usfunds.com**

November 2017 | 17-396

# Branding and Marketing of GROW



- 22 TV/Radio/Podcasts
- 28 Total Interviews
- 508 Web Mentions
- 23 Frank Talk Blog Entries
- 66 Newsletter Recommendations

Data from July 2017 – September 2017



# Thought Leadership

Speaking Engagements and  
Research Around the World



# Gold Game Film Show a Success on Kitco

---



138 episodes



Kitco audience 10 million monthly visitors



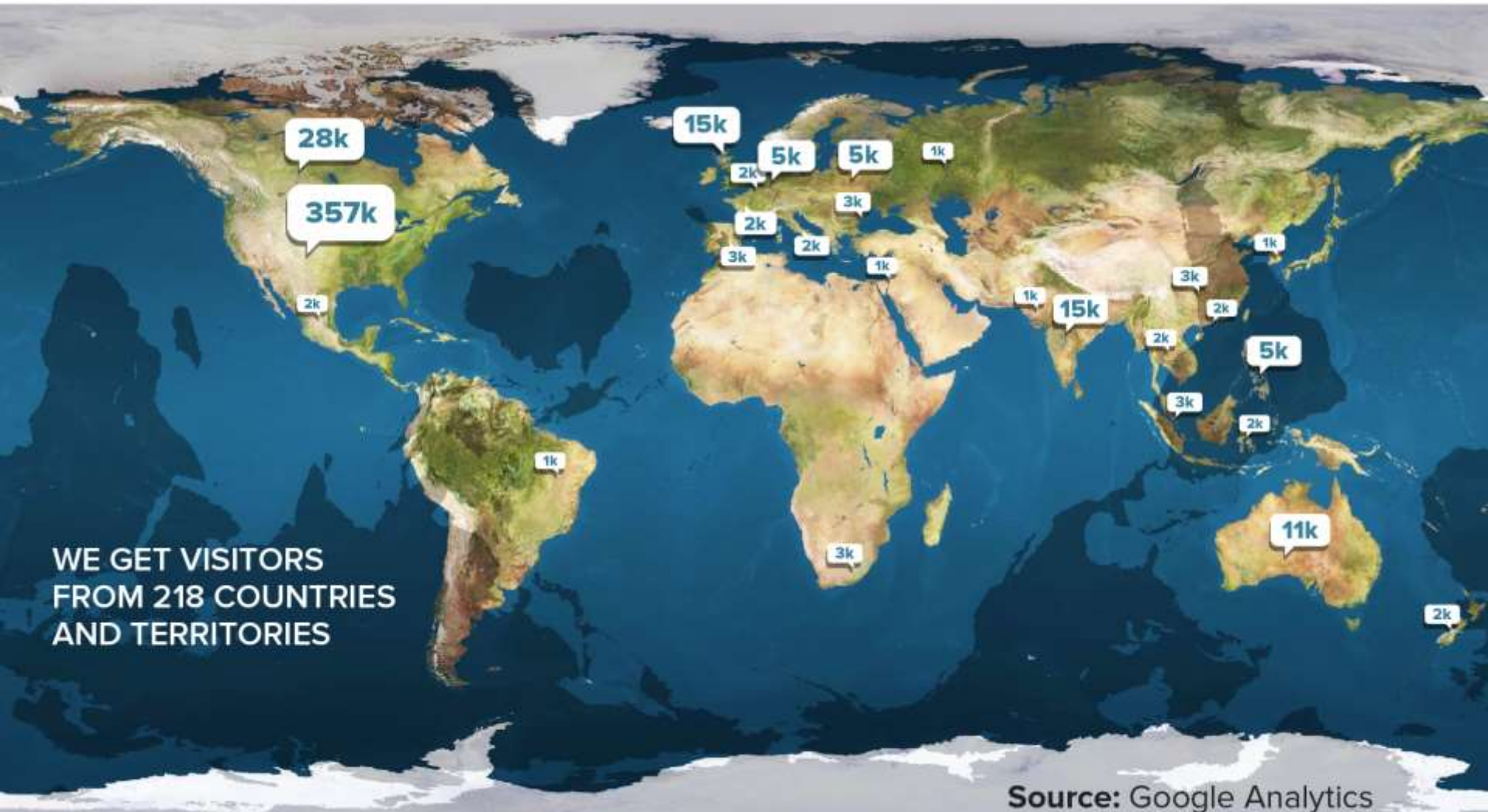
TheStreet audience 7.8 million monthly visitors



# GLOBAL VISITORS TO USFUNDS.COM

## 513,149 Total Visitors

from September 30, 2016 - September 30, 2017



WE GET VISITORS  
FROM 218 COUNTRIES  
AND TERRITORIES

Source: Google Analytics

# Recognition As an Industry Leader in Investor Education

---



## 83 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.



# SUBSCRIBE TO THE AWARD-WINNING INVESTOR ALERT AND FRANK TALK

usfunds.com



## U.S. Global Investors

[Home](#) | [Press Center](#) | [Sitemap](#) | [Contact Us](#) | [Larger Text](#) | [Smaller Text](#) | [Reset](#)



[OPEN A NEW ACCOUNT](#)

[ABOUT US](#)

[MUTUAL FUNDS](#)

[ETFs](#)

[INVESTOR LIBRARY](#)

[ADVISORS](#)

[INVESTING WITH US](#)

[ACCESS MY ACCOUNT](#)

### CURIOUS ABOUT INVESTING IN GOLD?

DISCOVER HOW

1 2 3

#### Understanding the Chinese Zodiac



Be informed of the market's most important moves when you read the Investor Alert. [Read it now](#) [Subscribe to Investor Alert now](#)

#### Insights & Research



##### Periodic Table of Commodity Returns

The 10-year performance of natural resources.  
[Explore the interactive chart.](#)



##### What's Driving Gold: The Invasion of the Quants

Our latest webcast.  
[Watch the replay.](#)



##### Managing Expectations

Anticipate Before You Participate in the Market  
[Download the whitepaper](#)



##### 5 Reasons Why Short-Term Munis

#### In The News



##### Gold Is Closely Tracking Last Year's Price Action

[Watch the Kitco interview](#)



##### Gold Moves Ahead of Trump Inauguration

[Watch the Kitco News interview](#)



##### Gold Looks Undervalued Says Frank Holmes

[Watch the CNBC Asia interview](#)



##### U.S. Global Investors' Gold-Oriented Funds Earn 5-Star Ratings from Morningstar

[Read more](#)

#### Frank Talk

A blog by Frank Holmes, CEO and Chief Investment Officer, discussing current topics in global investing.



##### It Might Be Time to Grab the Commodities Bull by the Horns

Commodity investors have had to endure a dry spell for a while now, but those days are starting to look as if they might be behind us. We see encouraging...  
[Read more](#)



##### "America Works... Never Bet Against America"

And like that, it happened. Despite the polls, despite what anyone believed was possible, including many of his own supporters, billionaire developer Donald J. Trump...

← **CLICK  
HERE**

**Q&A**

# Disclosures

---

All opinions expressed and data provided are subject to change without notice. Some of these opinions may not be appropriate to every investor.

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 S&P 500 Stock Index is a widely recognized capitalization-weighted index of 500 common stock prices in U.S. companies.

The U.S. Trade Weighted Dollar Index provides a general indication of the international value of the U.S. dollar.

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.

There is no guarantee that the issuers of any securities will declare dividends in the future or that, if declared, will remain at current levels or increase over time. Note that stocks and Treasury bonds differ in investment objectives, costs and expenses, liquidity, safety, guarantees or insurance, fluctuation of principal or return, and tax features.

Holdings may change daily. Holdings are reported as of the most recent quarter-end. The following securities mentioned in the presentation were held by one or more accounts managed by U.S. Global Investors as of 6/30/2017: VanEck Vectors Junior Gold Miners ETF (GDXJ)

Frank Holmes has been appointed non-executive chairman of the Board of Directors of HIVE Blockchain Technologies. Both Mr. Holmes and U.S. Global Investors own shares of HIVE, directly and indirectly.