



Gold and Precious Metals Fund

Symbol: USERX CUSIP: 911478-10-5 U.S. Global Investors Funds

2nd Quarter 2009

Fund Objective

The Gold and Precious Metals Fund seeks capital appreciation and protection against inflation and monetary instability by investing in equity securities of companies predominantly involved in the mining, fabrication, processing, marketing or distribution of metals including gold, silver, platinum group, palladium and diamonds.

Fund Strategy

Under normal market conditions, the Gold and Precious Metals Fund will invest at least 80% of its net assets in equity securities of companies predominately involved in the mining, fabrication, processing, marketing, or distribution of metals including gold, silver, platinum group, palladium and diamonds. Gold companies include mining companies that exploit gold deposits that are supported by by-products and co-products such as copper, silver, lead and zinc, and also diversified mining companies which produce a meaningful amount of gold. The fund focuses on selecting companies with established producing mines.

Portfolio Team

Frank Holmes, Chief Investment Officer

Years of investment experience: 30

Education: BA, University of Western Ontario

Ralph Aldis, CFA

Years of investment experience: 20

Education: BS, Stephen F. Austin University;
MA, University of Texas at Austin

For the latest commentary from the portfolio team, visit www.usfunds.com/fundcommentary.

★★★★★ Morningstar 5-year Rating™

Among 61, 61, 58, and 36 Equity Precious Metals funds, the Gold and Precious Metals Fund earned 3 stars, 3 stars, 5 stars and 2 stars for the overall, 3-, 5- and 10-year periods. Ratings are based on risk-adjusted return as of 6/30/09. The Overall Morningstar Rating for a fund is derived from a weighted-average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating. Past performance does not guarantee future results.

Portfolio Statistics

| | |
|----------------------------------------------------|-----------------|
| Total Net Assets | \$207.9 Million |
| NAV | \$12.43 |
| 2008 Distributions | \$0.727 |
| Lipper Category | Gold Oriented |
| Redemption Fee (for shares held less than 30 days) | .50% |

Year-End Fund Data Fund Calendar Year Total Return (%)

| | |
|------|--------|
| 2004 | -6.44 |
| 2005 | 32.80 |
| 2006 | 50.19 |
| 2007 | 16.91 |
| 2008 | -27.05 |

¹The FTSE Gold Mines Index Series encompasses all gold mining companies that have a sustainable and attributable gold production of at least 300,000 ounces a year, and that derive 75% or more of their revenue from mined gold. ²Portfolio holdings will change. ³Fund assets can include, but are not limited to, equities, bonds, cash, receivables, pre-paid expenses and other miscellaneous assets. Fund composition represents key components only and should not be considered a complete financial picture of a fund's assets. There is no guarantee that the investment objectives will be met. 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.) 09-446

All information is unaudited and, unless otherwise indicated, is as of 6/30/09

Average Annual Returns

| | Average Annual | | | | | | | Expense Ratio | | |
|------------------------------------|----------------|---------|--------------|---------|--------|--------|---------|--------------------------|-------|--------|
| | 1-month | 3-month | Year to Date | 1-year | 3-year | 5-year | 10-year | Since Inception (7/1/74) | Gross | Capped |
| Gold and Precious Metals Fund | -11.66% | 7.16% | 14.77% | -21.39% | 0.51% | 17.97% | 16.71% | 0.59% | 1.79% | 1.50% |
| FTSE Gold Mines Index ¹ | -11.59% | 2.95% | 9.73% | -17.60% | 2.03% | 12.25% | 11.37% | n/a | n/a | n/a |

The Adviser for the Gold and Precious Metals Fund has contractually limited total fund operating expenses (as a percentage of net assets) to not exceed 1.50% (exclusive of acquired fund fees and expenses of 0.04%) on an annualized basis through September 30, 2009. These contractual limitations, however, may be revised at any time by the funds' Board of Trustees. Performance data quoted above is historical. Past performance is no guarantee of future results. Results reflect the reinvestment of dividends and other earnings. 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 (e.g., short-term trading fees of 0.50%) which, if applicable, would lower your total returns. Obtain performance data current to the most recent month-end at www.usfunds.com or 1-800-US-FUNDS.

Gold funds may be susceptible to adverse economic, political or regulatory developments due to concentrating in a single theme. The price of gold is 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 gold or gold stocks.

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.

Top 5 Industries as a percentage of net assets

| | |
|-----------------|--------|
| Gold Mining | 59.05% |
| Silver Mining | 3.59% |
| Metal - Copper | 2.64% |
| Platinum ETF | 2.54% |
| Precious Metals | 2.38% |

Top 10 Equity Holdings²

| | |
|------------------------|-------|
| Goldcorp Inc | 5.42% |
| Randgold Resources Ltd | 4.57% |
| Agnico-Eagle Mines Ltd | 4.39% |
| Jaguar Mining Inc | 3.91% |
| Royal Gold Inc | 3.82% |
| Kinross Gold Corp | 3.42% |
| Red Back Mining Inc | 3.38% |
| Gold Fields Ltd | 3.25% |
| AngloGold Ashanti Ltd | 2.77% |
| ETFS Physical Platinum | 2.54% |

Fund Composition³ as a percentage of total investments

| | |
|------------------|--------|
| Equities | 77.61% |
| Cash Equivalents | 21.91% |
| Bonds | 0.48% |

Regional Breakdown

as a percentage of net assets (Country of incorporation)

| | |
|--------------------------|--------|
| Canada | 44.72% |
| United States | 9.76% |
| Jersey - Channel Islands | 7.89% |
| South Africa | 5.48% |
| Australia | 3.93% |