

# FY 2024 GROW Webcast

**Holly Schoenfeldt:** Good morning, everyone, and thank you for joining us today for our webcast announcing U. S. Global Investors results for the fiscal year 2024. As you can see on slide number two, the presenters for today's program are Frank Holmes, U. S. Global Investors CEO and Chief Investment Officer, Lisa Calicott, Chief Financial Officer, and myself, Holly Schoenfeld, Director of Marketing.

On the next slide. 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 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 accepts no obligation to update them in the future.

And on the next slide, as always, we would love to offer anyone tuned in today one of our JETS, GOAU, or SEA hats. All you must do is send us an email with your physical mailing address. And you can send that to [info@usfunds.com](mailto:info@usfunds.com). On the next slide. I will briefly review our company. U. S. Global Investors is an innovative investment manager with vast experience in global markets and specialized sectors.

We use a quantamental strategy to create smart beta 2. 0 products. The company was originally founded as an investment club, becoming a registered investment advisor in 1968. The company has a long-standing history of global investing and launching the first of their kind investment products, including the first no load gold fund.

We're well known for our thematic investing in gold and precious metals, natural resources, airlines, and luxury goods. On the next slide, just a little bit more about us for anyone new tuning in today. We have over 30 years of experience and we are located in San Antonio, Texas. We manage six mutual funds and three exchange traded funds.

And in addition, we have over 100, 000 readers who subscribe to our award-winning financial blog, Frank Talk, and our weekly investment newsletter, The

Investor Alert. On the next slide, I just want to quickly thank our top institutional shareholders, which, as you can see, are the Vanguard Group, Franklin Templeton, and Parrott Capital Management.

On the next slide is where I want to hand it over to Frank Holmes. CEO Frank.

**Frank Holmes:** Thank you. Thank you, and all the shareholders. So, let's go through. I have many slides to go through as a chief investment officer hat. In addition to the CEO hat, I'm starting to give you an explanation of what's taking place at, in the capital markets from our fund products to the corporation, and how we're adapting and adjusting to external forces.

So as you see in this visual, when you take a look at that five-year period at the June to June, and you can just see that snapshot, that snapshot shows you GROW is ahead of the Russell Microcap Index, and if you were to take it at another time, it could be negative, it could be positive, it all depends where, what time snapshot you're taking a look at, and I think it's just important for investors in the long-term picture, is that, short term we can have capital market external forces, have an impact on our fund flows, but usually that's short term.

And then suddenly, our fund flows change. And that really is a big part that drives the stock price is the fund flows.

But during that journey, which you just saw over five years, there's tremendous volatility on one-day and 10-day periods. I, and I like to go and look at this as a reminder for investors, that each asset class has its own "DNA of volatility." The S&P 500 non-event and gold bullion. The Dow Jones Asset Managers index can go up or down 1%, almost 70% of the time, daily.

On a 10-year, sorry, on a 10-day period, you start to see the volatility change in the S&P. It's now 2% and gold is 3%, and asset managers is 4%. So, you can see that on the 10 days, we're about the same as the Dow Jones US Asset Managers Index, that our volatility is plus or minus 4%. It used to be higher.

And one of things with volatility, we noticed over trends that back in the 90s, is it used to move with money market funds. And as our fund grew, when I first moved to Texas and focused on the growth of our money market fund, because yields were very high. Substantially higher than they are today.

We grew that to a billion dollars and that fund you saw was a key factor in the stock price. And then we go on and we could look at gold for a long period of time that we would move with gold. And if gold was up, we were up more than

a gold stock. In fact, we were more profitable than most of the gold stocks within managing it, the gold funds, and we were ranked number one in the world.

And you can see these thematic funds which we have and thematic ETF. So, it's all, it gives you a little more color on. They all have this DNA of volatility, and I've included here oil because oil is the most traded commodity in the world. And GOAU, which is "go gold" theme for gold stocks. You can see that gold stocks, even after a smart beta factor analysis, the volatility is twice what bullion is over a 10-day period and the airlines is even greater.

It's at 7% over 10 days. And I think it's interesting. That's predominantly because of oil. We know that in the JETS ETF, that the direction of oil, when it's above or below its 50-day moving average, there's an inverse relationship to the airline index because it's the biggest cost line item. So, it's just, it's helpful for investors to recognize the DNA of volatility.

And when we made an investment in HIVE in September of 2017, we did it because we launched the first crypto mining company, because we were unable at that time to really launch a Bitcoin mining ETF. And we tried, but we were early to recognize that it wasn't going to happen. And here it is in 2024. And it just happened this year.

So, it was advantageous that we were way ahead of that. And we launched HIVE. And as you can see, its DNA of volatility is quite substantial from a daily basis to a 10-day basis. And we used to trade until '20, the end of '21, going into '22 off HIVE. Our \$3 million investment after interest payments from the conversion, etcetera would tally up to about \$21 million.

So that was a huge win for the U.S. Global shareholders. And it's just capturing and recognizing that each of these asset classes have a different DNA of volatility. Next, please.

But a macro trend that we continue to wrestle, with our mutual funds, is that actively managed domestic equity funds continue to see redemptions that continue at a much-accelerated rate to shut down funds.

And it's interesting that the burden to shut down a mutual fund is so much greater than an ETF. It's faster and easier to open an ETF. Fees are a lot less. And it's easier to shut them down if your theme is not working. So, it's important to recognize where you can see trend changes. And what's positive is to see the growth in particular to '22 in actively managed domestic equity ETFs.

Before it was, you could not get a seeding of them. It was hard to attract assets. But that's all changed dramatically. Next please.

Warren Buffett highlights the value proposition of buying back one's stock at value accretive prices, and it benefits all shareholders, not just the biggest holders.

And I am the biggest shareholder, so it doesn't just benefit me, it benefits all shareholders. Warren Buffett celebrated his 94th birthday on August 30th, and his brain is blowin' and goin'. He went through a trillion-dollar market cap. He has almost 300 billion dollars in cash waiting for that correction to take place with the inverted yield curve that's just finally seems to have ended.

But he is a brilliant mind. And I look at that as most important, when you have a board of directors, and other people around you, that have this tremendous, both explicit and tacit knowledge.

Next please.

So why buy back our stock? The company believes the stock is undervalued and therefore buys back shares of GROW when the price is flat or down from the previous trading day using an algorithm.

This is part of the company's two-pillar strategy to enhance shareholder value by increasing the dividend as well as buy back amounts per year. We reassess this on a regular basis, the Board does, but there's no rash decisions to go and buy back and privatize, or big dividends or much more cautious and prudent of how we've managed the capital and look for the creation of a, of another product that captures the imagination in the thematic world for investors.

Next please.

So, this is a visual showing you the total dollar amount of buying back the stock. The stock has come lower. And in fact, we're buying back more stock because we believe that it's undervalued. And so that's what we do on a regular basis, buy back and I think it's a very strong progression.

As you can see from 22 to 23 was almost a threefold increase. And since 22 it has been about a close to a fivefold increase in stock buybacks. Next, please. So growing dividends. We paid a monthly dividend in 2007, the year before the financial crisis. We weathered through those crises and other ones and have maintained that monthly dividend discipline.

And then it gets reviewed on a quarterly basis by the Board. The yield is 3.5% based on its monthly paying today, which now makes it more attractive relative to bonds that are for the same time period. But let me explain that in a second. Next, please.

A look at fiscal year 2024. The company has steady cash flow, despite challenges in the macro market environment, in particular for mutual funds, and I'm going to go into more explicit detail on our JETS ETF. The company has maintained a strong balance sheet which includes both cash and other investments, and the company continues to buy back stock on flat or down days and pay monthly dividends.

Next please.

As a CEO and CIO, I own approximately 19% of the company, and I have approximately 99% of the voting control. That is a structure that was pushed decades ago by the SEC. That someone, one person or a trust of some form, must have voting control. Otherwise, every time the shares change too many hands, more than 20% of the shares change hands, you must go with a proxy to all of the fund shareholders and that would just be foolishly expensive.

So, it creates a two-tier system. But we run and have always run U. S. Global with this discipline of having three independent directors to be able to make decisions and have various subcommittees and detailed processes for compliance and, outstanding corporate governance.

I'm the only director that is both management and the other three are all independent and the other three. All have tremendous experience. Our chairman is both a CPA and an attorney with decades of experience in the capital markets. And Roy and the others are Jerry Rubinstein and Roy Teresina also has tremendous experience in capital markets.

And Tom Lydon who's built a very successful newsletter business and then to indexing. And sold that business. He is Mr. ETF was very early on capturing that trend. So, I think the board is an outstanding board. And they understand the capital markets and the creation and the issues from launching a product to maintaining a product in the capital markets.

Next, please.

But something that's at U. S. Global that we've adopted is what's called quantamental research. And quantamental research is a fusion of math along

with fundamental analysis. And we try to capture these thematic trends and themes being early on that they basically enable investors to capitalize on discernible trends.

And themes tell a story. We were very early on catching the China explosion and growth and demand and commodity demand. And we were also the first to come up with the Eastern European Fund. The Eastern [00:15:00] European Fund went through the crisis of 98 when they defaulted, Russia defaulted on their sovereign debt.

But it was after the wall came down. I said, something big is happening. In the Berlin wall came down as well known. And it, and to me, it was interesting to see that this trend did grow, and it grew as capital markets also embraced the growth of the idea of a Euro. And we were early. That fund grew to over 1,000,000,002.

It was a huge win. But then geopolitical events take place, and it was the, in 2000 after President Obama was inaugurated. We have Putin invade Crimea and then pull back out. And then once again, he's attacked again. And we've seen, it doesn't matter if you're the top performing Eastern European Fund, Americans.

Are not interested in speculating anything in Eastern Europe. And we've also seen one of the first to have a China region fund that the sentiment, the negative sentiment towards China and to Russia and surrounding areas has been immense on, the psychic of investors. And sentiment does play an important role in the quants looking at different factors like D. E. Shaw likes to call ghost trades. Where they look for unusual people don't at the first look at as a factor that's driving investment decisions. But last year, in part of our streamlining, we shut down two funds, and one was the most profitable was our Global China Fund, as running a business, and our Global Emerging Europe Fund was also very profitable, but these are big end dollar funds that just shrink.

And we all know what happened to, when we were very fortunate that we didn't own any of the Russian stocks, we sold them just before the last invasion and it didn't really matter. We protected shareholders from losing millions and millions of dollars. And there was this sentiment was so pervasive. So, we shut them down.

And this is what we don't control. What we do control. In a smart beta 2. 0 world is we control based on regression detailed analysis, looking at up and down cycles for a minimum of 10 years, our investment process, and we review it every quarter to be vigilant and rigorous in our disciplines.

And that's what we control. And we control the decision that we believe this is a good theme. And we're going to invest our time and effort into it. These two products were amazingly profitable, great themes for us, but the world changed, and it changed with two dictators.

Next please.

So, U. S. Global announces the merger of Europe Domiciled Airlines ETF into Travel Usage ETF called TRIP on the London Stock Exchange. We're excited about this. It's different than JETS. In respect of that it's the index of what it follows, and it includes the particularly these cruise lines stocks, which have been on a tear and IBD.

But I think in hotels and luxury hotels, it includes, whereas JETS is more focused on transportation of people and all the infrastructure that goes around the flying of people too. Go and enjoy one of these cruise trips in Miami. But this is exciting for us, but all these things cost money and they did impact our operating of cashflow in the past year, the idea of shutting down funds, changing them, the proxy process is very expensive and the cost of, acquiring and putting these assets together, but we're really thrilled about what's taking place especially as I can go in more detail about the thematic of, airlines and travel next place.

Our strategy and tactics create thematic products that are sustainable using smart beta 2.0 strategy. This requires rigorous back testing often way over 10,000 hours and continuous testing each quarter. The U. S. global investors, our mission is to make people feel financially happy and secure.

Their wealth is consistently growing, but we don't take care as a asset manager when to move in and out or when to try to time, or the rebalance of the asset, different assets, bonds versus stocks. But we do provide the products for you as an RIA or you as an individual investor to go ahead to use those products and three is to strategically buy back stock and use an algorithm on flattened down days to do it. Four is to manage to preserve our cash for future growth opportunities and market corrections. And five is M& A activity to acquire the funds. And we are looking, and we are vigilant in that discipline of looking at potential acquisitions and then grow our subscriber base and followers.

We think that's important for the branding and the creation of a new product. Next please. Maben Faber has a fund group, and he really popularized the total shareholder yield as a better approach to yield investing. And he looks at it, it's what you do with your free cash flow. Next please. So, the shareholder yield is

dividends plus buybacks plus debt reduction. [00:21:00] And since we don't have any debt, it's really dividends and buying back stock divided by the market cap gives you an overall yield.

And you try to compare the shareholder yield in the capital markets to which people would pay for government bond yield. Next please.

So, our total shareholder yield is very attractive at 9.41 percent. Next please. Because when you look at the five-year treasury yield, and interesting enough, that's 4.33. And, most dividend paying models are based off the five-year risk-free treasury yield. And most CapEx for spending for a real estate development or a new mining project or building a refinery, it's off a 10-year yield.

And it's good to see that the five year is below the 10 year. And not too long ago, it was above, and the two year was above them which gave that inverted yield curve. And I'll talk a little bit more about that but grow as a shareholder yield buying back our stock and paying no dividends.

It's a much more attractive overall return on the shareholder's money. Next, please. So, these are two other companies I think are important. They're much bigger than U. S. Global. And it's interesting for me to see that Invesco that 40 percent of their assets are the QQQ ETF, and it's to compare their price to book and return on assets and pretax margin, and as you can see, dividend yield and price to cash flow.

WisdomTree is 100 percent ETFs. Next, please. Now 86 percent of our operating revenue comes from ETFs. But you can see on a price to book, Wizardry trades at a much higher valuation. The return on assets of ours has dropped from theirs is 8%. We were higher. And that can change based on your free cash flow, which is going to change based on the assets you have.

And then we have the pre-tax margin. You can see that Invesco has the lowest number and the dividend yield Invesco's dividend yields in fact. Higher than ours. But I don't believe their overall shareholder yield is, but their cash is higher. But we pay monthly. And I also think that our price to cashflow is higher because of an increase of buying back stock and dividends and restructuring and streamlining our funds.

I think all these things do impact your overall cash flow. Next, please.

Current share repurchase program for the fiscal year end of June 30th. We repurchased 600,767,751 Class A shares using cash for approximately 2.186



million. Next, please. But what do we want to show you here? What's interesting is that during this time period, we had an explosion in two of our assets.

During COVID, we had close to 100-fold increase in the assets of jets. And I don't think there's many fund groups that have even one fund. And I think I've gone through now five funds that I've seen and built and created. They've gone over a billion dollars in assets. And this. We maintain the branding of this product.

It was the only product. And when the crisis hit COVID, it suddenly was fell in love with by so many investors betting that in the next two years [00:25:00] to four years, there'll be this epic explosion in the growth and revenue. And it did occur. As you can see from March 2020 to about September 21st, 20 going to March 22nd during that time period Jets had a huge growth in assets coming into it.

And also, the particular fund itself was in the thirties COVID hit, it fell to 12 and then went to 28. What's happened since then is like that ghost sentiment factor that appears to be inverting yield curve. I'll give you some more color on that, but what's important here is just to see the downtrend in the assets that we own in jets, even though it's gone up in value and price, the overall number of shares outstanding does impact what grow is trading at in the [00:26:00] sentiment of quarterly numbers.

Next, please.

So, this is another way of looking at the explosion and assets under management to 4 billion and trailing off to a little over a billion and change but most of that decline has taken place with the airline product. Next, please.

You scratch your head, and you ask why what are you doing? You're the basic best product out there. Smart beta 2.0 outperformed any global airline index by a wide margin. The business itself is doing well. The airlines are packed. And if you take a look at this data point during COVID.

The TSA started reporting how many people they were clearing every day. And before COVID year before there was two and a half million [00:27:00] people a day were being cleared, 2 million domestic travel, 500,000 people inbound from Latin America, Europe, and Asia. And it fell to under 80 I think that should be 80,000 people in one day.

Was it being a data point and then it started to go up and to me, it's most interesting to see that it's now surpassed 2.5 million and hit recently 3 million people in a day are traveling. So, we are seeing since December of 20, if we go back to June of 22 on this visual from like roughly 2 million people a day to 3 million people that means the airlines The price of tickets aren't going down.

They're making a lot of money. Next, please. So, I went and did this analysis for the shareholders and to show you that over a four-year period the four biggest airlines that represent 65 percent of all travel in America these four, and Southwest United, Delta, and American, and on average their revenue grew 840 percent over four years.

Next, please. And over two years, they grew at 15%. The EBITDA grew over the four-year period, 154 percent for Southwest to 200 percent and 9 percent for United. On average, it grew 178%. So we've had big increases in compensation to pilots and stewardesses, and there's still, you get these strikes taking place, but the average pilot makes a lot more money than they ever did pre COVID substantially more and we're seeing that even over the past two years, which is more important for me is that even though revenue grew on average, 15%, which is much stronger than the economy grew and EBITDA group on average, 25% We've had redemptions out of jets.

And that was the bewilderment of trying to understand if we're there every day and social media and doing interviews all the time. What is the sort of apathy towards this asset class next place. And it's not really so much a competition coming in to compete against it. It has to, the biggest thing we can see was this inverted yield curve.

And we've lived with this inverted yield curve for the longest ever on record 783 days. So, I went back and did some research and looked at the airlines going way back and trying to see what happened when we went through this negative yield curve and what did that with airlines and they do sell off.

There's just a negative sentiment towards this industry when you have an inverted yield curve. And the good news is, it reversed last week. Next [00:30:00] please. So, another sort of visual to help you grasp what's been taking place. As you can see JETS market cap has been declining along with them, where the two-year yield is above the 10-year yield.

So, you have an inverted negative yield. And that's when the airlines have a negative sentiment, and the negative sentiment is this worry and there's doubt that a big recession is coming or a soft landing coming, a hard landing is

coming so many forecasts of this big recession. So, this has impacted the sentiment and that's just what's taking place in the capital markets.

Next, please.

So, one of the things we want to share with you in the world of airlines is oil. And what we have found in the ecosystem is that there's lots of hedge funds that trade various airlines going short, long and quite often they want to short when oil surged above the 50-day moving average.

They start shorting the airlines that have no hedging program, like American Legion. And so, with that, it gives them a position that they think there's going to be compression, but they would use jets as their hedge. They go long. Jetson short American Airlines and suddenly American Airlines would start to take off because oil has fallen below the 50-day moving average, and we would get a redemption.

We know when we see this flow of funds around the price of oil, and that's why in this Presentation. I will try to explain to you. So, the inverse relationships that happen next place. So, another indicator we write about every month, and we talk about the world, is PMI purchasing manufacturers index is a forward-looking indicator.

Whereas GDP is behind us is looking behind. It's not forecasting the future. And it's very important for the world of gold and commodities. Next, please. And if you're not a subscriber to Invest Alert, I highly recommend it, especially when we update and comment on these. But I thought it was interesting for me to look at ISM Manufacturing, which is the America's PMI, not the global PMI.

And any time you have the PMI falling, going into an election quite often you run the risk of a changing of the guard. And it's just interesting to see that PMIs have gone negative in the U. S. because of global PMIs are negative, in particular as out of China and Europe. Europe's been in a much more severe recession.

And I thought it was also interesting that China today announced they're going to try to raise two trillion dollars in bonds in Europe. And so, the anti-boycott by Americans of deploying capital and then want to tap into only U. S. bonds.

Next please.

So, this is the headwind, and the PMIs are below the 50 and this is a psychological tool that's significantly used by commodity hedge funds as a six-month indicator for job creation.

Its decline is also indicative of suddenly, the bad numbers coming out in employment and the restatement of employment for the past five months in a row is really saying that something else negative has happened because the PMIs were falling the global PMIs. And you can see that big from 54 down to September of 22nd that big drop, a lot of that was driven by China still had lockdowns and Europe.

America was the only strong country at that time. And then as China try to find a bottom and Europe we've started to slow down. Next, please. So smart beta 2.0 investing is our quantum mental investment strategy. I mentioned earlier, it combines cutting edge technology with robust data analysis to help optimize returns and manage risk effectively for our shareholders.

Thank you. We will attend Southwest airlines is having an investor day in Dallas, and we'll have several analysts and that's the quantum mental, the fundamental approach to going to see it and doing the quant approach, looking at the math of markets. And we believe in the use of smart beta 2.

0 factors in our thematic fund lineup sets us apart from our competition. And the quant approach back tested thousands of hours over decades of data to determine the optimized. And then finally the portfolio construction and factors. So, the stock factors for picking a resource stock versus a luxury stock versus airlines.

They're all different factors.

And it's dynamic because it rebalances every quarter. So, this is an important validation of this system that we have created. And this is going up against the New York Stock Exchange Global Airline Index. And as you can see, they're both down over 12 months, but we're off substantially less than the New York Global Airline Index is.

And if we go back over a further time to the next visual it's quite significant. We have fees and these indexes have no fees. Next slide, please. And this is going back since inception and it's, more than 20 percent ahead. So, to put that in the context that this model, even after fees, has done an outstanding job for shareholders.

And there's some other real uniqueness about this product.

Next, please.

So, U. S. Global, even with all these challenges of getting proxies out, restructuring, shutting down funds that aren't working, merging, acquiring other funds to build up our footprint in England we turn around with our journeys to expand in Colombia.

So, JETS launched on the New York stock exchange to 2015 that we went to enlisted in Peru and Mexico and just Ten days ago, we were in Colombia, and we launched in Columbia. Now, why are these countries important? They're important because pension funds are asset allocators, and the theme of airlines is very significant as a small product. This unique product captures about 9 percent of the world's GDP.

It captures digital nomads around the world. It captures this year, I think it's going to be something like two and a half trillion dollars estimated for the airlines for business, this product captures 9 percent of the global GDP.

And it's smart. It's rebalancing every quarter. It's recalibrating every quarter. It's a dynamic rules-based mechanism. That's done exactly what all the back testing shows is resilient, and we're thrilled about it. So now we can focus when you go to these other countries to go and lock, knock on the doors of pension funds.

And there's less than 10 in each of these countries to knock on for their asset allocation, to look at airlines. And the other part that's important for the investors is that these three countries, Mexico, Colombia, and Peru have politicians who are pushing tourism. They're doing everything to build their tourism and trying to lower their carbon footprint by slowing down or stopping exporting of coal and replacing those jobs with tourism.

Next, please.

So, there it is. We got ring that we're able to ring the bell. Columbia, and it's the first time they've done this in such a big way. And it was very exciting. Next please.

So, Colombia has really, truly expanded the number of daily flights from Europe and North America. I was impressed how much easier it was to fly there through Miami on American. And I think they're seeing. In Cartagena, 20

flights a month in Bogota, 200 a month international flights coming in from outside.

So it's very positive what our idea and our vision was to create a moat around this particular product for its uniqueness. And that's what we're doing. Next, [00:39:00] please. 40 million workers globally currently describe themselves as digital nomads. That's a very big demographic study that when the snow comes in Chicago, they want to go to Mexico or Colombia, in particular Medellin, or they're going to Buenos Aires.

And it used to be just snowbirds for retirement going to Texas and Florida and driving down the interstate. Now, this is a completely different workforce that wants to make sure there's inexpensive Wi Fi. They want warmer weather, and they fly back and forth. Next, please. The airlines industry is forecast to contribute 2.

5 trillion to the U. S. economy. Next, please. And this data point really amazed me that 1, 000, 000 people go to the airports every day. So, the whole world functions, all the parts, all the workers = all involved with planes coming and going landing and taking off repairing giving you a coffee at Starbucks at the airport.

You add up all those workers to make the global airline ecosystem function. About a million people work every day. Next, please. Next, please. Google theme that makes gold attractive. This is debt and as global debt continues to make all-time highs, a popular term in crypto ATH all-time high, it attracts gold bugs, and it attracts Bitcoiners, and it attracts predominantly people interested in alternative assets.

Thanks, please. Another sort of data point you see often for gold theme is federal government interest payments have crossed above 1 trillion, and that makes people worry that the government is going to continue to debase the currency, so it puts it in a good position for the gold funds. Next, please.

Gold equity ETF fund flows. It shocks me just like the JETS does, even though the industry is doing so is this visual is showing that gold makes an all-time high and the largest ETF and gold stocks had its redemptions. And it's just like an apathy towards the asset class, even though they have high free cash flow.

And that's something that we just scratch our head. And I think that we must wait until the inverted yield curve has taken place, it has, and next is the election is that the negative sentiment that's driving sort of the concern. I do not

know, but I do know that there's very strong correlations with inverted yield curve and sentiment.

Next please.

GOAU ETF sees a positive climb. It's up 14%.

Next please.

But the assets under management went up to 120 million. They're just under hovering around 100 million. And this is over the past five years. So, we've had a good rally, but just the apathy. And during this period of launching this, it outperformed. So, the smart beta 2.0 has done its job. It's still the sort of apathy towards the gold equities.

Next please.

As you can see, since we launched it, it's done a good job of driving fund performance using that smart beta 2.0. Next please.

So, we made this investment because we couldn't launch an ETF. We converted into a, basically a note [00:43:00] and that note had prepayment 8%, which was a very attractive yield at the time, especially because yields were. Five-year yields were less than 2%. And we were able to get an 8 percent yield on that piece of paper.

And we also in that structure, we're able to get warrants with it. And the warrants really were out of the money, and they don't have any intrinsic value, but an accounting purpose, you must take a paper of value for the museum, black shows, and Lisa can give you more color on that, but that's gone.

They've expired. What's important is that piece of paper generated an additional approximately 3 million in interest payments. So that investment of three and a half million dollars going to 21 million. Over a four-year period, it was a heck of a score. Basically, for say 18 million, then 3 million in interest payments.

So overall, it's a significant return on invested capital.

Next please.

And the growth of JETS as being a unique only product go to, and I think it's, it will continue to be its unique product and as we continue to tell that story. GROW Share price approximately, says here to \$2.56 for the fiscal year it says 1.9 billion in assets 11 million in fiscal operating revenues.

Next, please.

Earnings per share. As you can see, they move around. They move with realizing gains or realizing the higher cash flow. And you can see from here what the numbers are.

Next, please.

Our annual operating income was negative, and that's because of proxy costs are so expensive and time consuming and acquiring the TRIP ETF to merge with our JETS ETF and reconfigure that so that we had more than 20 million or critical mass on the London Stock Exchange.

So, we're happy about that decision. And so next. Visual place is Lisa Calicott, our CFO, and she's going to go through more granularity. Thank you all of you for your patience, listening to my long-winded presentation on what makes us unique and special and what's driving the capital markets.

Next, Lisa, it's your show.

**Lisa Callicotte:** Thank you, Frank.

Good morning. First, I'll start with a brief discussion of our compensation structure. We have a compensation structure that we believe supports our value of recognition of achievement.

And being performance and results oriented, we go to the next slide.

You can see that our employee base salaries have historically been modest, and employees' bonuses are tied directly to individual, and team results our CEO receives an executive bonus based on operating earnings that are capped at a predetermined amount.

He also receives a bonus on annual net realized gains on investments and a bonus based on fund performance bonuses of our investment team connected to the performance of our funds. This structure aligns our CEO's interest with that of our shareholders. It encourages efforts to increase average assets. It's not



included in the executive bonus calculation, which increases revenue operating income as well as only rewarding net realized gains on investment. Therefore, mere fluctuations in the value of our corporate investment held, are not included in the executive bonus calculation. Only when investments have a realized gain recognized, are they factored into the executive bonus.

Now on slide 57, we see our financial highlight for the fiscal year 2024. Average assets under management were 1.9 billion for the fiscal year, operating revenues 11 million, and we had net income of 1.3 million, or 0.09 per share.

Slide 58 notes our breakout of earnings. We have operational earnings that consist of our advisory fees, and we have other earnings which mainly consist both of realized and unrealized gains and losses on our investment holding both of our advisory and our investment gains and losses fluctuate based on market forks.

The next few slides, you'll see more detail of our operation. So, beginning on slide 59, our total operating revenues are 11 million for the year. Which is a decrease of 4.1 million or 37 percent from the 15.1 in the prior year, the decrease is primarily due to decreases in assets under management, especially in our JETS ETF operating expenses for the current quarter or 11.5 a relatively flat compared to the previous year. And as Frank noted in the current year, we have some higher fund expenses related to the proxy costs for eliminating our equity mutual fund performance fees and our European UCITS merger costs. Both are incentives to help us in the future. The removal of the performance fees will cause less volatility and the mutual fund advisor fees, and the fee will be more consistent with other mutual fund fees.

The European UCITS merger increased our assets under management. And the fee increased from 65 bps to 69 bps.

On slide 16, We see our operating loss for the year ended June 30th, 2024, is 480,000. It's an unfavorable change of 3 million compared to fiscal year 2023. Other income increased. 1.8 million compared to the prior year, mainly due to higher investment income in the current year.

In the current year, we have lower realized and unrealized losses on equity securities versus the prior year. Net income after taxes for the year was 1.3 million or nine cents per share, which is an unfavorable change of 1.8 million compared to our net income of 3.1.22 cents per share in fiscal year 2023.

Moving on to slide 61 and 62, you can see we have a strong balance sheet. We have high levels of cash and securities.

Now on page 63, you can see we have no long-term debt. The company has a networking capital of 38.2 million and a current ratio of 18.6 to one. With that, I would like to turn it over to Holly to discuss the marketing and distribution initiative.

**Holly Schoenfeldt:** Thank you, Lisa. All right. On the first slide in my section, I just want to quickly point out a stat about our website traffic during the fiscal year. As you can see here on the map, we have nearly 400, 000 readers from around the world. Visit [usfunds.com](http://usfunds.com). Many were repeat visitors, but we had even more new visitors who found our content from third party syndication primarily. So, we're proud of that.

And on the next slide, we're also proud to report that this year we've hit 10,000 subscribers on our YouTube channel. This is primarily organic growth and now we have surpassed this number. So, if you haven't had a chance to check out our content here, I highly encourage you to do so and subscribe so that you can get an update anytime any new videos are posted.

On the next slide. You will see here some of the videos on our YouTube channel. We love educating our shareholders through video content, and we do so on various topics ranging from gold to Bitcoin to airlines and luxury goods. All right. Moving on to the next slide. I want to highlight some of our most popular Frank Talk blogs so far in 2024.

The Frank Talk blog is one of the very first financial blogs out there. And in 2024, it celebrated its 17th year in publication. Signing up is completely free at [usfunds.com](http://usfunds.com), where you can also subscribe to the Investor Alert newsletter, which comes out every Friday afternoon and is a weekly analysis.

From both Frank Holmes and our entire investment team on the market, moving events for that week, moving on to the next slide. This is just a quick snapshot of our total subscriber growth over 12 months. As you can see, not only are our major social platforms growing consistently. So are our frank talk and investor alert subscriber list.

So, this is something we're very proud of, and they all serve as an excellent way to communicate with our current shareholders and, of course, potential shareholders.

So finally, on the next slide, I do want to encourage you all to follow us on all these platforms, just so you're up to date with what's going on with GROW, our funds, and of course, the broader market.

So just as a reminder, as we conclude today, if you do have any questions, please email those to [info@usfunds.com](mailto:info@usfunds.com). And we will gladly follow up with you to get anything clarified that you may need more information on.

Thank you all for tuning in today. And that concludes our webcast summarizing the fiscal year and 2024.