

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended March 31, 2015

OR

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.

Commission File Number 0-13928

U.S. GLOBAL INVESTORS, INC.

(Exact name of registrant as specified in its charter)

Texas

(State or other jurisdiction of
incorporation or organization)

74-1598370

(IRS Employer Identification No.)

**7900 Callaghan Road
San Antonio, Texas**

(Address of principal executive offices)

78229-1234

(Zip Code)

(210) 308-1234

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address, and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES

NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES

NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES

NO

On May 5, 2015, there were 13,866,421 shares of Registrant's class A nonvoting common stock issued and 13,312,314 shares of Registrant's class A nonvoting common stock issued and outstanding, no shares of Registrant's class B nonvoting common shares outstanding, and 2,069,127 shares of Registrant's class C voting common stock issued and outstanding.

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEETS

Assets	March 31, 2015 (UNAUDITED)	June 30, 2014
<i>(dollars in thousands)</i>		
Current Assets		
Cash and cash equivalents	\$ 3,671	\$ 5,910
Trading securities, at fair value	16,443	17,817
Receivables	1,900	2,513
Prepaid expenses	499	525
Deferred tax asset	213	51
Total Current Assets	22,726	26,816
Net Property and Equipment	2,804	3,024
Other Assets		
Deferred tax asset, long term	709	298
Investment securities available-for-sale, at fair value	4,303	6,196
Other investments	2,413	1,413
Intangible assets, net	52	86
Other assets, long term	11	13
Total Other Assets	7,488	8,006
Total Assets	\$ 33,018	\$ 37,846
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	\$ 185	\$ 219
Accrued compensation and related costs	444	581
Dividends payable	231	232
Other accrued expenses	733	1,064
Total liabilities held related to discontinued operations	—	47
Total Current Liabilities	1,593	2,143
Commitments and Contingencies (Note 12)		
Shareholders' Equity		
Common stock (class A) - \$0.025 par value; nonvoting; authorized, 28,000,000 shares; issued, 13,866,421 and 13,866,361 shares at March 31, 2015, and June 30, 2014, respectively	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, 2,069,127 and 2,069,187 shares at March 31, 2015, and June 30, 2014, respectively	52	52
Additional paid-in-capital	15,690	15,669
Treasury stock, class A shares at cost; 557,555 and 501,518 shares at March 31, 2015, and June 30, 2014, respectively	(1,467)	(1,280)
Accumulated other comprehensive income (loss), net of tax	(462)	906
Retained earnings	16,706	19,376
Total U.S. Global Investors, Inc. Shareholders' Equity	30,866	35,070
Non-Controlling Interest in Subsidiary	559	633
Total Shareholders' Equity	31,425	35,703
Total Liabilities and Shareholders' Equity	\$ 33,018	\$ 37,846

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

<i>(dollars in thousands, except per share data)</i>	Nine Months Ended March 31,		Three Months Ended March 31,	
	2015	2014	2015	2014
Operating Revenues				
Mutual fund advisory fees	\$ 5,359	\$ 5,737	\$ 1,248	\$ 1,826
Distribution fees	1,118	1,510	299	474
Shareholder services fees	507	721	143	229
Administrative services fees	516	566	141	213
	<u>7,500</u>	<u>8,534</u>	<u>1,831</u>	<u>2,742</u>
Operating Expenses				
Employee compensation and benefits	4,512	5,277	1,389	1,524
General and administrative	3,248	4,140	1,048	996
Platform fees	1,634	1,381	435	420
Advertising	286	505	96	155
Depreciation and amortization	246	187	81	62
	<u>9,926</u>	<u>11,490</u>	<u>3,049</u>	<u>3,157</u>
Operating Loss	<u>(2,426)</u>	<u>(2,956)</u>	<u>(1,218)</u>	<u>(415)</u>
Other Income				
Investment income	522	1,482	249	373
Equity in earnings of Galileo	—	15	—	30
	<u>522</u>	<u>1,497</u>	<u>249</u>	<u>403</u>
Loss from Continuing Operations Before Income Taxes	<u>(1,904)</u>	<u>(1,459)</u>	<u>(969)</u>	<u>(12)</u>
Provision for Federal Income Taxes				
Tax expense (benefit)	21	(466)	25	14
Loss from Continuing Operations	<u>(1,925)</u>	<u>(993)</u>	<u>(994)</u>	<u>(26)</u>
Discontinued Operations (Note 13)				
Loss from operations of discontinued transfer agent	—	(361)	—	(3)
Tax benefit	—	(123)	—	(1)
Loss from Discontinued Operations	<u>—</u>	<u>(238)</u>	<u>—</u>	<u>(2)</u>
Net Loss	<u>(1,925)</u>	<u>(1,231)</u>	<u>(994)</u>	<u>(28)</u>
Less: Net Income Attributable to Non-Controlling Interest	53	—	13	—
Net Loss Attributable to U.S. Global Investors, Inc.	<u>\$ (1,978)</u>	<u>\$ (1,231)</u>	<u>\$ (1,007)</u>	<u>\$ (28)</u>
Basic Net Loss per Share				
Loss from continuing operations	\$ (0.13)	\$ (0.06)	\$ (0.07)	\$ —
Loss from discontinued operations	\$ —	\$ (0.02)	\$ —	\$ —
Net loss	<u>\$ (0.13)</u>	<u>\$ (0.08)</u>	<u>\$ (0.07)</u>	<u>\$ —</u>
Diluted Net Loss per Share				
Loss from continuing operations	\$ (0.13)	\$ (0.06)	\$ (0.07)	\$ —
Loss from discontinued operations	\$ —	\$ (0.02)	\$ —	\$ —
Net loss	<u>\$ (0.13)</u>	<u>\$ (0.08)</u>	<u>\$ (0.07)</u>	<u>\$ —</u>
Basic weighted average number of common shares outstanding				
	15,406,189	15,466,280	15,379,365	15,454,932
Diluted weighted average number of common shares outstanding				
	15,406,189	15,466,280	15,379,365	15,454,932

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

<i>(dollars in thousands)</i>	Nine Months Ended March 31,		Three Months Ended March 31,	
	2015	2014	2015	2014
Net Loss Attributable to U.S. Global Investors, Inc.	\$ (1,978)	\$ (1,231)	\$ (1,007)	\$ (28)
Other Comprehensive Income (Loss), Net of Tax:				
Unrealized gains (losses) on available-for-sale securities arising during period	(862)	750	(13)	380
Less: reclassification adjustment for gains/losses included in net income	(321)	(657)	(69)	(201)
Net change from available-for-sale investments, net of tax	(1,183)	93	(82)	179
Foreign currency translation adjustment	(285)	—	(136)	—
Other Comprehensive Income (Loss)	(1,468)	93	(218)	179
Comprehensive Income (Loss)	(3,446)	(1,138)	(1,225)	151
Less: Comprehensive Loss Attributable to Non-Controlling Interest	(100)	—	(48)	—
Comprehensive Income (Loss) Attributable to U.S. Global Investors, Inc.	\$ (3,346)	\$ (1,138)	\$ (1,177)	\$ 151

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

<i>(dollars in thousands)</i>	Nine Months Ended March 31,	
	2015	2014
Cash Flows from Operating Activities:		
Net loss	\$ (1,925)	\$ (1,231)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	246	191
Net loss on disposal of property and equipment	26	25
Net recognized gain on securities	(483)	(828)
Net income from equity method investment	—	(15)
Provision for deferred taxes	37	430
Stock bonuses	9	8
Stock-based compensation expense	—	1
Changes in operating assets and liabilities:		
Accounts receivable	570	(973)
Prepaid expenses	21	4
Trading securities	1,371	(14,056)
Accounts payable and accrued expenses	(510)	(269)
Total adjustments	1,287	(15,482)
Net cash used in operating activities	(638)	(16,713)
Cash Flows from Investing Activities:		
Purchase of property and equipment	(40)	—
Purchase of available-for-sale securities	(186)	(1,055)
Purchase of other investments	(1,000)	(160)
Proceeds on sale of available-for-sale securities	754	4,736
Proceeds from return of capital and principal payments on investments	19	43
Net cash provided by (used in) investing activities	(453)	3,564
Cash Flows from Financing Activities:		
Issuance of common stock	91	122
Repurchases of common stock	(266)	(230)
Distributions to non-controlling interest in subsidiary	(27)	—
Dividends paid	(693)	(696)
Net cash used in financing activities	(895)	(804)
Effect of exchange rate changes on cash and cash equivalents	(253)	—
Net decrease in cash and cash equivalents	(2,239)	(13,953)
Beginning cash and cash equivalents	5,910	18,085
Ending cash and cash equivalents	\$ 3,671	\$ 4,132
Supplemental Disclosures of Cash Flow Information:		
Cash paid for income taxes	\$ —	\$ —

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1. BASIS OF PRESENTATION

U.S. Global Investors, Inc. (the “Company” or “U.S. Global”) has prepared the consolidated financial statements pursuant to accounting principles generally accepted in the United States of America (“U.S. GAAP”) and the rules and regulations of the United States Securities and Exchange Commission (“SEC”) that permit reduced disclosure for interim periods. The financial information included herein reflects all adjustments (consisting solely of normal recurring adjustments), which are, in management’s opinion, necessary for a fair presentation of results for the interim periods presented. The Company has consistently followed the accounting policies set forth in the notes to the consolidated financial statements in the Company’s Form 10-K for the fiscal year ended June 30, 2014.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, United Shareholder Services, Inc. (“USSI”), U.S. Global Investors (Guernsey) Limited (“USGG”) (on August 3, 2013, USGG was dissolved), U.S. Global Brokerage, Inc., U.S. Global Investors (Bermuda) Limited, U.S. Global Investors (Canada) Limited (“USCAN”), and U.S. Global Indices, LLC, and its 65% interest in Galileo Global Equity Advisor Inc. (“Galileo”).

The Company’s evaluation for consolidation includes whether entities in which it has an interest are variable interest entities (“VIEs”) and whether the Company is the primary beneficiary of any VIEs identified in its analysis. A VIE is an entity in which either (a) the equity investment at risk is not sufficient to permit the entity to finance its own activities without additional financial support or (b) the group of holders of the equity investment at risk lack certain characteristics of a controlling financial interest. The primary beneficiary is the entity that has the power to direct the activities that most significantly impact the VIE’s economic performance and the obligation to absorb losses of or right to receive benefits from the VIE that could potentially be significant to the VIE. If the VIE qualifies for the investment company deferral, the primary beneficiary is the entity that has the obligation to absorb a majority of the expected losses or the right to receive the majority of the residual returns.

The Company holds variable interests in, but is not deemed to be the primary beneficiary of, the mutual funds it advises. The Company has determined that these entities qualify for the investment company deferral in ASC 810-10-65-2 (aa) and thus determines whether it is the primary beneficiary of these entities by virtue of its exposure to the expected losses and expected residual returns of the entity. The Company’s interests in these entities consist of the Company’s direct ownership therein, which in each case is insignificant to the total ownership of the fund, and any fees earned but uncollected. In the ordinary course of business, the Company may choose to waive certain fees or assume operating expenses of the funds it advises for competitive, regulatory or contractual reasons (see Note 5 for information regarding fee waivers). The Company has not provided financial support to any of these entities outside the ordinary course of business. The Company’s risk of loss with respect to these managed entities is limited to the carrying value of its investments in, and fees receivable from, the entities. The Company does not consolidate these VIEs because it is not the primary beneficiary of these VIEs.

All significant intercompany balances and transactions have been eliminated in consolidation. Certain amounts have been reclassified for comparative purposes. The results of operations for the nine months ended March 31, 2015, are not necessarily indicative of the results to be expected for the entire year.

The unaudited interim financial information in these condensed financial statements should be read in conjunction with the consolidated financial statements contained in the Company’s annual report.

Recent Accounting Pronouncements

In July 2013, the FASB issued ASU 2013-11, *Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists* (“ASU 2013-11”). ASU 2013-11 became effective for the Company on July 1, 2014. The adoption of ASU 2013-11 was not material to the consolidated financial statements.

In April 2014, the FASB issued ASU No. 2014-08, *Presentation of Financial Statements and Property, Plant, and Equipment - Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity* (“ASU 2014-08”). ASU 2014-08 will become effective for the Company on July 1, 2015. Management is evaluating the ASU and its potential impact on the financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (“ASU 2014-09”), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The standard is effective for annual periods beginning after December 15, 2016, and interim periods therein, using either of the following transition methods: (i) a full retrospective approach

reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). Management is currently evaluating the impact of the pending adoption of ASU 2014-09 on the consolidated financial statements and has not yet determined the method by which the Company will adopt the standard in 2017.

In August 2014, the FASB issued ASU 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* ("ASU 2014-15"). This update requires an entity's management to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable). When conditions or events raise substantial doubts about an entity's ability to continue as a going concern, management shall disclose: i) the principal conditions or events that raise substantial doubt about the entity's ability to continue as a going concern; ii) management's evaluation of the significance of those conditions or events in relation to the entity's ability to meet its obligations; and iii) management's plans that are intended to mitigate the conditions or events - and whether or not those plans alleviate the substantial doubt about the entity's ability to continue as a going concern. ASU 2014-15 is effective for the annual period ending after December 15, 2016, and early application is permitted. Management does not currently anticipate that this update will have any impact on the Company's financial statement disclosures.

In November 2014, the FASB issued ASU 2014-17, *Business Combinations: Pushdown Accounting* ("ASU 2014-17"). ASU 2014-17 provides companies with the option to apply pushdown accounting in its separate financial statements upon occurrence of an event in which an acquirer obtains control of the acquired entity. The election to apply pushdown accounting can be made either in the period in which the change of control occurred, or in a subsequent period. If the election is made in a subsequent period, it would be considered a change in accounting principle and treated in accordance with Topic 250, *Accounting Changes and Error Corrections*. ASU 2014-17 became effective for the Company on November 18, 2014. The adoption of ASU 2014-17 was not material to the consolidated financial statements.

In February 2015, the FASB issued ASU 2015-02, *Amendments to the Consolidation Analysis* ("ASU 2015-02"), which amends the consolidation requirements in Accounting Standards Codification ("ASC") 810, Consolidation. This standard modifies existing consolidation guidance for reporting organizations that are required to evaluate whether they should consolidate certain legal entities. ASU 2015-02 is effective for fiscal years and interim periods within those years beginning after December 15, 2015, and requires either a retrospective or a modified retrospective approach to adoption. Early adoption is permitted. The Company is currently evaluating the potential impact of this standard on its consolidated financial statements, as well as the available transition methods.

NOTE 2. INVESTMENTS

As of March 31, 2015, the Company held investments with a fair value of approximately \$20.7 million and a cost basis of approximately \$22.0 million. In addition, the Company held other investments of \$2.4 million. Total investments are approximately 70.1 percent of the Company's total assets. On March 31, 2015, the Company had \$17.5 million and \$465,000 at fair value invested in USGIF and an offshore fund the Company advises, respectively. These amounts were included in the Consolidated Balance Sheet as "trading securities" and "available-for-sale securities."

Investments in securities classified as trading are reflected as current assets on the Consolidated Balance Sheets at their fair value. Unrealized holding gains and losses on trading securities are included in earnings in the Consolidated Statements of Operations.

Investments in securities classified as available-for-sale, which may not be readily marketable, are reflected as non-current assets on the Consolidated Balance Sheets at their fair value. Unrealized holding gains and losses on available-for-sale securities are excluded from earnings and reported in other comprehensive income as a separate component of shareholders' equity until realized.

Other investments consist of equity investments in entities over which the Company is unable to exercise significant influence and which do not have readily determinable fair values. These investments are accounted for under the cost method of accounting and evaluated for impairment.

The Company considers many factors in determining impairment, including the severity and duration of the decline in value below cost, the Company's interest and ability to hold the security for a period of time sufficient for an anticipated recovery in value, and the financial condition and specific events related to the issuer. When an impairment of a security is determined to be other-than-temporary, the impairment is recognized in earnings.

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In December 2013, the shareholders of the U.S. Government Securities Savings Fund approved a proposal resulting in the conversion of the fund from a money market fund to a U.S. Government ultra-short bond fund that is not a money market fund. The fund was renamed U.S. Government Securities Ultra-Short Bond Fund (“Government Fund”). Prior to the conversion, while the fund was a money market fund, the amount held in the fund was classified as a cash equivalent. After the conversion, the amount held in the fund is classified as a trading mutual fund investment. The amount held in the fund by the Company as of the conversion date was \$14.1 million.

The Company records security transactions on trade date. Realized gains (losses) from security transactions are calculated on the first-in/first-out cost basis, unless otherwise identifiable, and are recorded in earnings on the date of sale.

The following details the components of the Company’s investments recorded as fair value as of March 31, 2015, and June 30, 2014.

<i>(dollars in thousands)</i>	March 31, 2015			
	Cost	Gross Unrealized		Fair Value
		Gains	(Losses)	
Trading securities ¹				
Offshore fund	\$ 1,184	\$ —	\$ (719)	\$ 465
Mutual funds - Fixed income	15,441	140	(1)	15,580
Mutual funds - Domestic equity	535	—	(137)	398
Other	81	—	(81)	—
Total trading securities	\$ 17,241	\$ 140	\$ (938)	\$ 16,443
Available-for-sale securities ²				
Common stock - Domestic	\$ 575	\$ 367	\$ (13)	\$ 929
Common stock - International	652	219	(32)	839
Corporate debt	1,582	—	(912)	670
Mutual funds - Fixed income	1,228	14	(13)	1,229
Mutual funds - Domestic equity	543	—	(75)	468
Other	170	3	(5)	168
Total available-for-sale securities ³	\$ 4,750	\$ 603	\$ (1,050)	\$ 4,303

<i>(dollars in thousands)</i>	June 30, 2014			
	Cost	Gross Unrealized		Fair Value
		Gains	(Losses)	
Trading securities ¹				
Offshore fund	\$ 1,184	\$ —	\$ (186)	\$ 998
Mutual funds - Fixed income	16,241	92	—	16,333
Mutual funds - Domestic equity	535	—	(76)	459
Other	107	—	(80)	27
Total trading securities	\$ 18,067	\$ 92	\$ (342)	\$ 17,817
Available-for-sale securities ²				
Common stock - Domestic	\$ 535	\$ 586	\$ (3)	\$ 1,118
Common stock - International	607	802	—	1,409
Corporate debt	1,706	—	(74)	1,632
Mutual funds - Fixed income	1,228	21	(2)	1,247
Mutual funds - Domestic equity	543	7	—	550
Other	232	9	(1)	240
Total available-for-sale securities ³	\$ 4,851	\$ 1,425	\$ (80)	\$ 6,196

¹ Unrealized and realized gains and losses on trading securities are included in earnings in the statement of operations.

² Unrealized gains and losses on available-for-sale securities are excluded from earnings and recorded in other comprehensive income as a separate component of shareholders’ equity until realized.

³ Net unrealized gains (losses) on available-for-sale securities gross and net of tax as of March 31, 2015, are \$(447) and \$(295), respectively, and as of June 30, 2014, are \$1,345 and \$888, respectively.

The following tables show the gross unrealized losses and fair values of available-for-sale investment securities with unrealized losses aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position:

<i>(dollars in thousands)</i>	March 31, 2015					
	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Available-for-sale securities						
Common stock - Domestic	\$ 45	\$ (3)	\$ 98	\$ (10)	\$ 143	\$ (13)
Common stock - International	75	(18)	42	(14)	117	(32)
Corporate debt	425	(912)	—	—	425	(912)
Mutual funds - Fixed income	166	(10)	50	(3)	216	(13)
Mutual funds - Domestic equity	467	(75)	—	—	467	(75)
Other	9	(5)	—	—	9	(5)
Total available-for-sale securities	\$ 1,187	\$ (1,023)	\$ 190	\$ (27)	\$ 1,377	\$ (1,050)

<i>(dollars in thousands)</i>	June 30, 2014					
	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Available-for-sale securities						
Common stock - Domestic	\$ 125	\$ (3)	\$ —	\$ —	\$ 125	\$ (3)
Corporate debt	1,382	(74)	—	—	1,382	(74)
Mutual funds - Fixed income	151	(2)	—	—	151	(2)
Other	118	(1)	—	—	118	(1)
Total available-for-sale securities	\$ 1,776	\$ (80)	\$ —	\$ —	\$ 1,776	\$ (80)

Investment income can be volatile and varies depending on market fluctuations, the Company's ability to participate in investment opportunities, and timing of transactions. The Company expects that gains and losses will continue to fluctuate in the future.

Investment income (loss) from the Company's investments includes:

- realized gains and losses on sales of securities;
- unrealized gains and losses on trading securities;
- realized foreign currency gains and losses;
- other-than-temporary impairments on available-for-sale securities; and
- dividend and interest income.

The following summarizes investment income reflected in earnings for the periods discussed:

<i>(dollars in thousands)</i>	Nine Months Ended March 31,		Three Months Ended March 31,	
Investment Income (Loss)	2015	2014	2015	2014
Realized gains on sales of available-for-sale securities	\$ 591	\$ 999	\$ 209	\$ 307
Realized gains (losses) on sales of trading securities	(3)	(168)	3	—
Unrealized gains (losses) on trading securities	(548)	284	(21)	5
Realized foreign currency gains	82	6	58	2
Other-than-temporary declines in available-for sale securities	(105)	(3)	(105)	(3)
Dividend and interest income	505	364	105	62
Total Investment Income	\$ 522	\$ 1,482	\$ 249	\$ 373

Included in investment income were other-than temporary declines in value on available-for-sale corporate debt securities of approximately \$105,000 for the three and nine months ended March 31, 2015. The impairment loss resulted from the issuers defaulting on scheduled payments. One security with a cost basis of \$44,000 was written down to its fair value of \$15,000. Another security, which has resumed interest payments, was written down to the net present value of estimated cash flows. This security had a cost basis of \$310,000 and was written down to \$234,000. In making these determinations, the Company considered the length of time and extent to which the fair value has been less than cost basis, financial condition and prospects of the issuers and the Company's ability to hold the investment until recovery.

NOTE 3. FAIR VALUE DISCLOSURES

Accounting Standards Codification (ASC) 820, *Fair Value Measurement and Disclosures*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value and requires companies to disclose the fair value of their financial instruments according to a fair value hierarchy (i.e., Levels 1, 2, and 3 inputs, as defined below). The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities at the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, value of these products does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets for which not all significant inputs are observable, directly or indirectly. Corporate debt securities valued in accordance with the evaluated price supplied by an independent service are categorized as Level 2 in the hierarchy. Other securities categorized as Level 2 include securities valued at the mean between the last reported bid and ask quotation.

Level 3 – Valuations based on inputs that are unobservable and significant to the fair value measurement.

The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with the investing in those securities. Because of the inherent uncertainties of valuation, the values reflected may materially differ from the values received upon actual sale of those investments.

For actively traded securities, the Company values investments using the closing price of the securities on the exchange or market on which the securities principally trade. If the security is not traded on the last business day of the quarter, it is generally valued at the mean between the last bid and ask quotation. Mutual funds, which include open- and closed-end funds, exchange-traded funds, and offshore funds, are valued at net asset value or closing price, as applicable. Certain corporate debt securities are valued by an independent pricing service using an evaluated quote based on such factors as institutional-size trading in similar groups of securities, yield, quality maturity, coupon rate, type of issuance and individual trading characteristics and other market data. As part of its independent price verification process, the Company reviews the fair value provided by the pricing service using information such as transactions in these investments, broker quotes, market transactions in comparable investments, general market conditions and the issuer's financial condition. Debt securities that are not valued by an independent pricing service are valued based on review of similarly structured issuances in similar jurisdictions, when possible, or based on other traded debt securities issued by the issuer. The Company also takes into consideration numerous other factors that could affect valuation such as overall market conditions, liquidity of the security and bond structure. Securities for which market quotations are not readily available are valued at their fair value as determined by the portfolio management team. The portfolio management team includes representatives from the investment, accounting and legal/compliance departments. The portfolio management team meets periodically to consider a number of factors in determining a security's fair value, including the security's trading volume, market values of similar class issuances, investment personnel's judgment regarding the market experience of the issuer, financial status of the issuer, the issuer's management, and back testing, as appropriate. The fair values may differ from what may have been used had a broader market for these securities existed. The portfolio management team reviews inputs and assumptions and reports material items to the board of directors.

Prior to March 31, 2014, the Company classified investments that were valued using the mean between the last reported bid ask quotation as Level 1 investments. The Company has determined that it is reasonable to classify these securities as Level 2 investments. This reclassification does not affect balance sheet presentation, net income or earnings per share.

The following presents fair value measurements, as of March 31, 2015, and June 30, 2014, for the major categories of U.S. Global's investments measured at fair value on a recurring basis:

<i>(dollars in thousands)</i>	Fair Value Measurement using March 31, 2015			Total
	Quoted Prices (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Trading securities				
Offshore fund	\$ —	\$ 465	\$ —	\$ 465
Mutual funds - Fixed income	15,580	—	—	15,580
Mutual funds - Domestic equity	398	—	—	398
Other	—	—	—	—
Total trading securities	15,978	465	—	16,443
Available-for-sale securities				
Common stock - Domestic	929	—	—	929
Common stock - International	839	1	—	840
Corporate debt	—	97	574	671
Mutual funds - Fixed income	1,229	—	—	1,229
Mutual funds - Domestic equity	467	—	—	467
Other	167	—	—	167
Total available-for-sale securities	3,631	98	574	4,303
Total Investments Measured at Fair Value on a Recurring Basis	\$ 19,609	\$ 563	\$ 574	\$ 20,746

<i>(dollars in thousands)</i>	Fair Value Measurement using June 30, 2014			Total
	Quoted Prices (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Trading securities				
Offshore fund	\$ —	\$ 998	\$ —	\$ 998
Mutual funds - Fixed income	16,333	—	—	16,333
Mutual funds - Domestic equity	459	—	—	459
Other	27	—	—	27
Total trading securities	16,819	998	—	17,817
Available-for-sale securities				
Common stock - Domestic	1,118	—	—	1,118
Common stock - International	1,406	3	—	1,409
Corporate debt	292	1,090	250	1,632
Mutual funds - Fixed income	1,247	—	—	1,247
Mutual funds - Domestic equity	550	—	—	550
Other	240	—	—	240
Total available-for-sale securities	4,853	1,093	250	6,196
Total Investments Measured at Fair Value on a Recurring Basis	\$ 21,672	\$ 2,091	\$ 250	\$ 24,013

As of March 31, 2015, approximately 94 percent of the Company's financial assets measured at fair value are derived from Level 1 inputs, three percent of the Company's financial assets measured at fair value are derived from Level 2 inputs, and the remaining three percent are Level 3 inputs. As of June 30, 2014, approximately 90 percent of the Company's financial assets measured at fair value are derived from Level 1 inputs, nine percent of the Company's financial assets measured at fair value are derived from Level 2 inputs, and the remaining one percent are Level 3 inputs. The Company had transfers from Level 1 to Level 2 in the amount of \$82,000 due to securities valued at the mean between bid and ask quotations at March 31, 2015, and which were valued at a quoted price at the prior period end. The Company had transfers from Level 2 to Level 3 in the amount of \$343,000 due to securities being valued based on similarly structured issuances at March 31, 2015, and which were valued at a price supplied by an independent pricing service at the prior period end. The Company recognizes transfers between levels at the end of each quarter.

In Level 2, the Company has an investment in an affiliated offshore fund, classified as trading, with a fair value of \$465,000 as of March 31, 2015, based on the net asset value per share, which invests in companies in the energy and natural resources sectors. The Company may redeem this investment on the first business day of each month after providing a redemption notice at least forty-five days prior to the proposed redemption date.

In addition, the Company has investments in corporate debt securities of \$97,000 as of March 31, 2015, categorized as Level 2, which the Company valued in accordance with the evaluated price supplied by an independent pricing service or valued using the mean between the last reported bid ask quotation.

The corporate debt in Level 3 is valued based on review of similarly structured issuances in similar jurisdictions. At March 31, 2015, the Level 3 corporate debt is valued at cost, which approximates fair value as a result of the Company's review of similar structured issuances in similar jurisdictions or valued based on traded issuances from the issuer.

The following table is a reconciliation of investments for which unobservable inputs (Level 3) were used in determining fair value during the nine months ended March 31, 2015, and March 31, 2014:

	Changes in Level 3 Assets Measured at Fair Value on a Recurring Basis			
	March 31, 2015		March 31, 2014	
<i>(dollars in thousands)</i>	Corporate Debt	Common Stock - International	Corporate Debt	Other
Beginning Balance	\$ 250	\$ 95	\$ —	\$ 163
Return of capital/principal payments received	(19)	—	—	(43)
Total gains or losses (realized/unrealized)				
Included in earnings (investment income)	—	—	—	—
Included in other comprehensive income	—	5	—	5
Purchases	—	—	250	160
Sales	—	—	—	—
Transfers into Level 3	343	—	—	—
Transfers out of Level 3	—	(100)	—	(285)
Ending Balance	\$ 574	\$ —	\$ 250	\$ —

NOTE 4. BUSINESS COMBINATION

Effective March 31, 2013, the Company, through USCAN, purchased 50 percent of the issued and outstanding shares of Galileo Global Equity Advisors, Inc., a privately held Toronto-based asset management firm, for \$600,000 cash.

Effective June 1, 2014, the Company, through USCAN, completed its purchase of an additional 15 percent interest in Galileo from the company's founder, Michael Waring, for \$180,000 cash. This strategic investment brings USCAN's ownership to 65 percent of the outstanding shares of Galileo, which represents a controlling interest in Galileo. Prior to June 1, 2014, the Company accounted for the investment in Galileo under the equity method of accounting. After June 1, 2014, Galileo was consolidated with the operations of the Company. Frank Holmes, CEO, and Susan McGee, President and General Counsel, serve as directors of Galileo.

Included in other income for the three and nine months ending March 31, 2014, is \$30,000 and \$15,000, respectively, from the Company's interest in Galileo, accounted for under the equity method of accounting.

NOTE 5. INVESTMENT MANAGEMENT, TRANSFER AGENT AND OTHER FEES

The Company serves as investment adviser to U.S. Global Investors Funds (“USGIF” or the “Funds”) and receives a fee based on a specified percentage of net assets under management.

The advisory agreement for the equity funds provides for a base advisory fee that is adjusted upwards or downwards by 0.25 percent when there is a performance difference of 5 percent or more between a fund’s performance and that of its designated benchmark index over the prior rolling 12 months. For the three and nine months ended March 31, 2015, the Company realized a decrease in its base advisory fee of \$281,000 and \$710,000, respectively. For the corresponding periods in fiscal year 2014, base advisory fees were adjusted downward by \$214,000 and \$632,000, respectively.

The following changes were made during the prior fiscal year to the mutual funds the Company manages: (1) the Global Emerging Markets Fund liquidated on October 31, 2013, (2) the Mega Trends Fund was reorganized into the Holmes Growth Fund (renamed Holmes Macro Trends Fund), (3) the Tax Free Fund was reorganized into the Near-Term Tax Free Fund, (4) the Government Fund changed from a money market fund to a U.S. Government ultra-short bond fund, and (5) the U.S. Treasury Securities Cash Fund was liquidated on December 27, 2013.

The Company has agreed to contractually limit the expenses of the Near-Term Tax Free Fund through April 2016. The Company has voluntarily waived or reduced its fees and/or agreed to pay expenses on the remaining funds. These caps will continue on a voluntary basis at the Company’s discretion. The aggregate fees waived and expenses borne by the Company for the three and nine months ended March 31, 2015, were \$391,000 and \$1,005,000, respectively, compared with \$354,000 and \$2,102,000, respectively, for the corresponding periods in the prior fiscal year.

Prior to the U.S. Treasury Securities Cash Fund liquidation and the U.S. Government Securities Savings Fund conversion, the Company voluntarily agreed to waive fees and/or reimburse the U.S. Treasury Securities Cash Fund and the Government Fund to the extent necessary to maintain the respective fund’s yield at a certain level as determined by the Company (Minimum Yield). The above waived fees for the three and nine months ended March 31, 2014, include total fees waived and/or expenses reimbursed as a result of this agreement of \$0 and \$584,000, respectively.

The Company may recapture any fees waived and/or expenses reimbursed to maintain the Minimum Yield within three years after the end of the fund’s fiscal year of such waiver and/or reimbursement. Thus, \$510,000 of the waiver for the Government Fund is recoverable by the Company through December 31, 2015; and \$498,000 through December 31, 2016.

The Company receives shareholder servicing fees based on the value of assets held through broker-dealer platforms.

Effective in December 2013, administrative service fees paid to the Company changed from an annual rate of 0.08 percent to 0.10 percent per investor class and from 0.06 percent to 0.08 percent per institutional class of each fund, based on average daily net assets, plus \$10,000 per fund per year. Effective November 1, 2014, the per fund fee changed to \$7,000 per year.

As of March 31, 2015, the Company had \$502,000 of receivables from USGIF included in the Consolidated Balance Sheets with “receivables”.

The Company’s Board of Directors formally agreed on August 23, 2013, to exit the transfer agency business so that the Company could focus more on its core strength of investment management. USSI served as the transfer agent to the USGIF until conversion to a new transfer agent on December 9, 2013. Before the conversion, USSI received fees based on the number of shareholder accounts, transaction and activity-based fees and certain miscellaneous fees directly from USGIF shareholders. The transfer agency fees are included in discontinued operations in the statement of operations.

The Company provides advisory services for two offshore clients and received advisory fees based on the net asset values of the clients and performance fees, if any, based on the overall increase in net asset values. Another offshore fund had liquidated in November 2013. The Company recorded advisory and performance fees from these clients totaling \$25,000 and \$103,000, respectively, for the three and nine months ended March 31, 2015, and \$42,000 and \$147,000, respectively, for the corresponding periods in the prior fiscal year. Frank Holmes, CEO, serves as a director of the offshore clients.

Galileo provides advisory services for clients and receives advisory fees based on the net asset values of the clients. Galileo recorded advisory fees from these clients totaling \$413,000 and \$1.59 million, respectively, for the three and nine months ended March 31, 2015.

NOTE 6. BORROWINGS

As of March 31, 2015, the Company has no long-term liabilities.

The Company has access to a \$1 million credit facility with a 1-year maturity for working capital purposes. The credit agreement requires the Company to maintain certain quarterly financial covenants to access the line of credit. The Company has been in compliance with all financial covenants during the fiscal year. As of March 31, 2015, this credit facility remained unutilized by the Company.

NOTE 7. STOCKHOLDERS' EQUITY

Payment of cash dividends is within the discretion of the Company's board of directors and is dependent on earnings, operations, capital requirements, general financial condition of the Company, and general business conditions. A monthly dividend of \$0.005 per share is authorized through June 30, 2015, and will be reviewed by the board quarterly.

The Board of Directors approved a share repurchase program on December 7, 2012, authorizing the Company to purchase up to \$2.75 million of its outstanding common shares as market and business conditions warrant on the open market in compliance with Rule 10b-18 of the Securities Exchange Act of 1934. This share repurchase authorization ended on December 31, 2013. On December 12, 2013, and December 10, 2014, the Board of Directors renewed the repurchase program for calendar year 2014 and 2015, respectively. The total amount of shares that may be repurchased in 2015 under the renewed program is \$2.75 million. The acquired shares may be used for corporate purposes, including shares issued to employees in the Company's stock-based compensation programs. For the three and nine months ended March 31, 2015, the Company repurchased 19,245 and 86,250 class A shares using cash of \$60,000 and \$266,000, respectively. For the three and nine months ended March 31, 2014, the Company repurchased 35,065 and 76,511 class A shares using cash of \$121,000 and \$230,000, respectively.

Stock compensation plans

The Company's stock option plans provide for the granting of class A shares as either incentive or nonqualified stock options to employees and non-employee directors. Options are subject to terms and conditions determined by the Compensation Committee of the Board of Directors. Options outstanding and exercisable at March 31, 2015, were 22,000 at a weighted average exercise price of \$18.72. There were no options granted, exercised or forfeited for the nine months ended March 31, 2015.

The Company accounts for stock-based compensation in accordance with ASC 718 *Compensation – Stock Compensation*. Stock-based compensation expense is recorded for the cost of stock options. There was no stock-based compensation expense for the three and nine months ended March 31, 2015. Due to option forfeitures that occurred in the three months ended March 31, 2014, the Company reversed \$1,000 of compensation expense recognized during the first six months of the fiscal year. Stock-based compensation expense for the nine months ended March 31, 2014, was \$1,000. As of March 31, 2015, and March 31, 2014, there was no unrecognized share-based compensation cost related to share-based compensation granted under the plans to be recognized over the remainder of their respective vesting periods.

NOTE 8. EARNINGS PER SHARE

The basic earnings per share (“EPS”) calculation excludes dilution and is computed by dividing net income by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution of EPS that could occur if options to issue common stock were exercised.

The following table sets forth the computation for basic and diluted EPS:

<i>(dollars in thousands, except per share data)</i>	Nine Months Ended March 31,		Three Months Ended March 31,	
	2015	2014	2015	2014
Net loss				
Loss from continuing operations	\$ (1,925)	\$ (993)	\$ (994)	\$ (26)
Less: Income attributable to non-controlling interest in subsidiary	53	—	13	—
Loss from continuing operations attributable to U.S. Global Investors, Inc.	(1,978)	(993)	(1,007)	(26)
Loss from discontinued operations attributable to U.S. Global Investors, Inc.	—	(238)	—	(2)
Net loss attributable to U.S. Global Investors, Inc.	\$ (1,978)	\$ (1,231)	\$ (1,007)	\$ (28)
Weighted average number of outstanding shares				
Basic	15,406,189	15,466,280	15,379,365	15,454,932
Effect of dilutive securities				
Employee stock options	—	—	—	—
Diluted	15,406,189	15,466,280	15,379,365	15,454,932
Loss per share attributable to U.S. Global Investors, Inc.				
Basic				
Loss from continuing operations	\$ (0.13)	\$ (0.06)	\$ (0.07)	\$ —
Loss from discontinued operations	\$ —	\$ (0.02)	\$ —	\$ —
Net loss attributable to U.S. Global Investors, Inc.	\$ (0.13)	\$ (0.08)	\$ (0.07)	\$ —
Diluted				
Loss from continuing operations	\$ (0.13)	\$ (0.06)	\$ (0.07)	\$ —
Loss from discontinued operations	\$ —	\$ (0.02)	\$ —	\$ —
Net loss attributable to U.S. Global Investors, Inc.	\$ (0.13)	\$ (0.08)	\$ (0.07)	\$ —

The diluted EPS calculation excludes the effect of stock options when their exercise prices exceed the average market price for the period. For the three and nine months ended March 31, 2015, and the three and nine months ended March 31, 2014, 22,000 options were excluded from diluted EPS.

During the three and nine months ended March 31, 2015, and the three and nine months ended March 31, 2014, the Company repurchased class A shares on the open market. Upon repurchase, these shares are classified as treasury shares and are deducted from outstanding shares in the earnings per share calculation.

NOTE 9. INCOME TAXES

The Company and its subsidiaries, except as noted, file a consolidated U.S. federal income tax return. USCAN and Galileo file separate tax returns in Canada. Provisions for income taxes include deferred taxes for temporary differences in the bases of assets and liabilities for financial and tax purposes, resulting from the use of the liability method of accounting for income taxes. The

current deferred tax asset primarily consists of unrealized losses on trading securities. The long-term deferred tax asset is composed primarily of unrealized losses and other-than-temporary impairments on available-for-sale securities, differences in tax and book accumulated depreciation and the difference in tax treatment of stock options.

For federal income tax purposes at March 31, 2015, the Company has charitable contribution carryovers of approximately \$121,000, expiring in fiscal years 2018 - 2020. The Company has net operating loss carryovers of \$1,946,000, expiring in fiscal year 2035. If certain changes in the Company's ownership should occur, there could be an annual limitation on the amount of net operating loss carryovers that could be utilized.

A valuation allowance is provided when it is more likely than not that some portion of the deferred tax amount will not be realized. At March 31, 2015, and June 30, 2014, a valuation allowance of \$703,000 and \$35,000, respectively, was included related to the charitable contribution carryover and the fiscal 2014 net operating loss carryover.

NOTE 10. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table presents change in accumulated other comprehensive income (loss) ("AOCI") by component:

<i>(dollars in thousands)</i>	Unrealized gains (losses) on available-for-sale investments ¹	Foreign currency adjustment	Total
Nine Months Ended March 31, 2015			
Balance at June 30, 2014	\$ 888	\$ 18	\$ 906
Other comprehensive loss before reclassifications	(1,306)	(185)	(1,491)
Tax effect	444	—	444
Amount reclassified from AOCI	(486)	—	(486)
Tax effect	165	—	165
Net other comprehensive loss for the nine months ended March 31, 2015	(1,183)	(185)	(1,368)
Balance at March 31, 2015	\$ (295)	\$ (167)	\$ (462)

<i>(dollars in thousands)</i>	Unrealized gains (losses) on available-for-sale investments ¹	Foreign currency adjustment	Total
Three Months Ended March 31, 2015			
Balance at December 31, 2014	\$ (213)	\$ (78)	\$ (291)
Other comprehensive loss before reclassifications	(20)	(89)	(109)
Tax effect	7	—	7
Amount reclassified from AOCI	(105)	—	(105)
Tax effect	36	—	36
Net other comprehensive loss for the three months ended March 31, 2015	(82)	(89)	(171)
Balance at March 31, 2015	\$ (295)	\$ (167)	\$ (462)

<i>(dollars in thousands)</i>	Unrealized gains (losses) on available-for-sale investments ¹	Foreign currency adjustment	Total
Nine Months Ended March 31, 2014			
Balance at June 30, 2013	\$ 652	\$ —	\$ 652
Other comprehensive loss before reclassifications	1,137	—	1,137
Tax effect	(387)	—	(387)
Amount reclassified from AOCI	(996)	—	(996)
Tax effect	339	—	339
Net other comprehensive loss for the nine months ended March 31, 2014	93	—	93
Balance at March 31, 2014	\$ 745	\$ —	\$ 745

<i>(dollars in thousands)</i>	Unrealized gains (losses) on available-for-sale investments ¹	Foreign currency adjustment	Total
Three Months Ended March 31, 2014			
Balance at December 31, 2013	\$ 566	\$ —	\$ 566
Other comprehensive loss before reclassifications	575	—	575
Tax effect	(195)	—	(195)
Amount reclassified from AOCI	(304)	—	(304)
Tax effect	103	—	103
Net other comprehensive income for the three months ended March 31, 2014	179	—	179
Balance at March 31, 2014	\$ 745	\$ —	\$ 745

¹ Amounts reclassified from unrealized gains (losses) on available-for-sale investments, net of tax, were recorded in investment income (loss) on the Consolidated Statements of Operations.

NOTE 11. FINANCIAL INFORMATION BY BUSINESS SEGMENT

The Company operates principally in three business segments: providing investment management services to USGIF and offshore funds it manages, investment management services in Canada, and investing for its own account in an effort to add growth and value to its cash position. The following schedule details total revenues and income by business segment:

<i>(dollars in thousands)</i>	Investment Management Services	Investment Management Services - Canada	Corporate Investments	Consolidated
Nine months ended March 31, 2015				
Net operating revenues	\$ 5,906	\$ 1,594	\$ —	\$ 7,500
Net other income	\$ —	\$ —	\$ 522	\$ 522
Income (loss) from continuing operations before income taxes	\$ (2,422)	\$ 3	\$ 515	\$ (1,904)
Depreciation and amortization	\$ 190	\$ 56	\$ —	\$ 246
Capital expenditures	\$ 40	\$ —	\$ —	\$ 40
Gross identifiable assets at March 31, 2015	\$ 6,979	\$ 1,790	\$ 23,327	\$ 32,096
Deferred tax asset				\$ 922
Consolidated total assets at March 31, 2015				\$ 33,018
Nine months ended March 31, 2014				
Net operating revenues	\$ 8,534	\$ —	\$ —	\$ 8,534
Net other income	\$ —	\$ —	\$ 1,497	\$ 1,497
Income (loss) from continuing operations before income taxes	\$ (2,950)	\$ —	\$ 1,491	\$ (1,459)
Loss from discontinued operations	\$ (238)	\$ —	\$ —	\$ (238)
Depreciation and amortization	\$ 191	\$ —	\$ —	\$ 191
Capital expenditures	\$ —	\$ —	\$ —	\$ —
Three months ended March 31, 2015				
Net operating revenues	\$ 1,418	\$ 413	\$ —	\$ 1,831
Net other income	\$ —	\$ —	\$ 249	\$ 249
Income (loss) from continuing operations before income taxes	\$ (1,175)	\$ (39)	\$ 245	\$ (969)
Depreciation and amortization	\$ 63	\$ 18	\$ —	\$ 81
Capital expenditures	\$ —	\$ —	\$ —	\$ —
Three months ended March 31, 2014				
Net operating revenues	\$ 2,742	\$ —	\$ —	\$ 2,742
Net other income	\$ —	\$ —	\$ 403	\$ 403
Income (loss) from continuing operations before income taxes	\$ (409)	\$ —	\$ 397	\$ (12)
Loss from discontinued operations	\$ (2)	\$ —	\$ —	\$ (2)
Depreciation and amortization	\$ 62	\$ —	\$ —	\$ 62
Capital expenditures	\$ —	\$ —	\$ —	\$ —

NOTE 12. CONTINGENCIES AND COMMITMENTS

The Company continuously reviews all investor, employee and vendor complaints, and pending or threatened litigation. The likelihood that a loss contingency exists is evaluated through consultation with legal counsel, and a loss contingency is recorded if probable and reasonably estimable.

During the normal course of business, the Company may be subject to claims, legal proceedings, and other contingencies. These matters are subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably. The Company establishes accruals for matters for which the outcome is probable and can be reasonably estimated. Management believes that any liability in excess of these accruals upon the ultimate resolution of these matters will not have a material adverse effect on the consolidated financial statements of the Company.

The Board has authorized a monthly dividend of \$0.005 per share through June 30, 2015, at which time it will be considered for continuation by the Board. Payment of cash dividends is within the discretion of the Company's Board of Directors and is dependent on earnings, operations, capital requirements, general financial condition of the Company, and general business conditions. The total amount of cash dividends expected to be paid to class A and class C shareholders from April to June 2015 is approximately \$231,000.

NOTE 13. DISCONTINUED OPERATIONS

The Company's Board of Directors formally agreed on August 23, 2013, to exit the transfer agency business so that the Company could focus more on its core strength of investment management. USSI served as transfer agent until conversion to the new transfer agent in December 2013.

The transfer agency results, together with expenses associated with discontinuing transfer agency operations, are reflected as discontinued operations in the statement of operations and are therefore excluded from continuing operations results.

There were no assets and liabilities related to the transfer agency business at March 31, 2015.

The components of loss from discontinued operations were as follows for the three and nine months ended March 31, 2015, and 2014:

<i>(dollars in thousands)</i>	Nine Months Ended March 31,		Three Months Ended March 31,	
	2015	2014	2015	2014
Operating revenue	\$ —	\$ 528	\$ —	\$ (12)
Operating expenses	—	889	—	(9)
Loss from discontinued operations before income taxes	—	(361)	—	(3)
Income tax benefit	—	(123)	—	(1)
Loss from discontinued operations, net of tax	\$ —	\$ (238)	\$ —	\$ (2)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

U.S. Global has made forward-looking statements concerning the Company's performance, financial condition, and operations in this report. The Company from time to time may also make forward-looking statements in its public filings and press releases. Such forward-looking statements are subject to various known and unknown risks and uncertainties and do not guarantee future performance. Actual results could differ materially from those anticipated in such forward-looking statements due to a number of factors, some of which are beyond the Company's control, including: (i) the volatile and competitive nature of the investment management industry, (ii) changes in domestic and foreign economic conditions, (iii) the effect of government regulation on the Company's business, and (iv) market, credit, and liquidity risks associated with the Company's investment management activities. Due to such risks, uncertainties, and other factors, the Company cautions each person receiving such forward-looking information not to place undue reliance on such statements. All such forward-looking statements are current only as of the date on which such statements were made.

BUSINESS SEGMENTS

The Company, with principal operations located in San Antonio, Texas, manages three business segments: (1) the Company offers a broad range of investment management products and services to meet the needs of individual and institutional investors; (2) the Company, through its Canadian subsidiary, owns a 65% controlling interest in Galileo Global Equity Advisors Inc. ("Galileo"), which offers investment management products and services in Canada; and (3) the Company invests for its own account in an effort to add growth and value to its cash position. Although the Company generates the majority of its revenues from its investment advisory segments, the Company holds a significant amount of its total assets in investments. The following is a brief discussion of the Company's three business segments.

Investment Management Services

The Company generates operating revenues from managing and servicing U.S. Global Investors Funds ("USGIF") and other advisory clients. These revenues are largely dependent on the total value and composition of assets under its management. Fluctuations in the markets and investor sentiment directly impact the funds' asset levels, thereby affecting income and results of operations. Detailed information regarding the SEC-registered funds managed by the Company can be found on the Company's website, www.usfunds.com, including performance information for each USGIF fund for various time periods, assets under management as of the most recent quarter end and inception date of each fund.

SEC-registered mutual fund shareholders are not required to give advance notice prior to redemption of shares in the funds; however, the equity funds charge a redemption fee if the fund shares have been held for less than the applicable periods of time set forth in the funds' prospectuses. The fixed income funds do not charge a redemption fee. Detailed information about redemption fees can be found in the funds' prospectuses, which are available on the Company's website, www.usfunds.com.

The Company provided advisory services for two offshore clients and received advisory fees based on the net asset values of the clients and performance fees, if any, based on the overall increase in net asset values. Another offshore fund had liquidated in November 2013. The Company recorded advisory and performance fees from these clients totaling \$25,000 and \$103,000, respectively, for the three and nine months ended March 31, 2015, and \$42,000 and \$147,000, respectively, for the corresponding periods in fiscal 2014. Frank Holmes, CEO, serves as a director of the offshore clients.

At March 31, 2015, total assets under management as of period-end, including SEC-registered funds and offshore clients, were \$632.0 million versus \$959.0 million at March 31, 2014, a decrease of 34.1 percent. During the nine months ended March 31, 2015, average assets under management were \$773.5 million versus \$1.1 billion during the nine months ended March 31, 2014. Total assets under management as of period-end at March 31, 2015, were \$632.0 million versus \$965.9 million at June 30, 2014, the Company's prior fiscal year end.

The following tables summarize the changes in assets under management for the SEC-registered funds for the three and nine months ended March 31, 2015, and 2014:

<i>(dollars in thousands)</i>	Three Months Ended March 31, 2015		
	Equity	Fixed Income	Total
Beginning Balance	\$ 506,008	\$ 153,651	\$ 659,659
Market appreciation (depreciation)	(28,435)	409	(28,026)
Dividends and distributions	—	(412)	(412)
Net shareholder (redemptions) purchases	(14,951)	4,197	(10,754)
Ending Balance	<u>\$ 462,622</u>	<u>\$ 157,845</u>	<u>\$ 620,467</u>
Average investment management fee	0.89%	0.00%	0.68%
Average net assets	\$ 496,904	\$ 154,163	\$ 651,067

<i>(dollars in thousands)</i>	Three Months Ended March 31, 2014		
	Equity	Money Market and Fixed Income	Total
Beginning Balance	\$ 818,029	\$ 137,111	\$ 955,140
Market appreciation	20,767	831	21,598
Dividends and distributions	—	(466)	(466)
Net shareholder redemptions	(31,307)	(3,028)	(34,335)
Ending Balance	<u>\$ 807,489</u>	<u>\$ 134,448</u>	<u>\$ 941,937</u>
Average investment management fee	0.98%	0.00%	0.84%
Average net assets	\$ 826,463	\$ 135,022	\$ 961,485

<i>(dollars in thousands)</i>	Nine Months Ended March 31, 2015		
	Equity	Fixed Income	Total
Beginning Balance	\$ 815,368	\$ 130,560	\$ 945,928
Market appreciation (depreciation)	(254,472)	902	(253,570)
Dividends and distributions	(10,590)	(1,245)	(11,835)
Net shareholder (redemptions) purchases	(87,684)	27,628	(60,056)
Ending Balance	<u>\$ 462,622</u>	<u>\$ 157,845</u>	<u>\$ 620,467</u>
Average investment management fee	0.95%	0.00%	0.77%
Average net assets	\$ 615,690	\$ 143,474	\$ 759,164

<i>(dollars in thousands)</i>	Nine Months Ended March 31, 2014		
	Equity	Money Market and Fixed Income	Total
Beginning Balance	\$ 857,302	\$ 283,144	\$ 1,140,446
Market appreciation	64,147	1,694	65,841
Dividends and distributions	(20,287)	(1,312)	(21,599)
Net shareholder redemptions	(93,673)	(149,078)	(242,751)
Ending Balance	<u>\$ 807,489</u>	<u>\$ 134,448</u>	<u>\$ 941,937</u>
Average investment management fee	0.96%	0.00%	0.77%
Average net assets	\$ 860,563	\$ 215,893	\$ 1,076,456

As shown above, period-end assets under management were lower at March 31, 2015, compared to March 31, 2014. Also, average net assets for the three- and nine-month period in the current fiscal year were lower than the same periods in the previous fiscal year. Net shareholder redemptions and market depreciation resulted in an overall decrease in net assets.

The average annualized investment management fee rate (total mutual fund advisory fees, excluding performance fees, as a percentage of average assets under management) was 68 basis points in the third quarter of fiscal 2015 and 84 basis points in the same period in fiscal 2014. The average investment management fee for the equity funds in the third quarter of fiscal 2015 year was 89 basis points. The average investment management fee for the fixed income funds was nil for the periods. This is due to fee waivers on these funds as discussed in Note 5 to the financial statements.

Investment Management Services - Canada

As of June 1, 2014, the Company owned a 65% controlling interest in Galileo Global Equity Advisors Inc., a privately held Toronto-based asset management firm which offers investment management products and services in Canada. These revenues are largely dependent on the total value and composition of assets under its management. Fluctuations in the markets and investor sentiment directly impact the funds' asset levels, thereby affecting income and results of operations.

At March 31, 2015, total Galileo assets under management were \$153.1 million versus \$267.2 million at June 30, 2014, the Company's prior fiscal year end. During the nine months ended March 31, 2015, average assets under management were \$195.2 million.

Investment Activities

Management believes it can more effectively manage the Company's cash position by broadening the types of investments used in cash management and continues to believe that such activities are in the best interest of the Company. The Company's investment activities are reviewed and monitored by Company compliance personnel, and various reports are provided to certain investment advisory clients. Written procedures are in place to manage compliance with the code of ethics and other policies affecting the Company's investment practices. This source of revenue does not remain consistent and is dependent on market fluctuations, the Company's ability to participate in investment opportunities, and timing of transactions.

As of March 31, 2015, the Company held investments with a fair value of approximately \$20.7 million and a cost basis of approximately \$22.0 million. In addition, the Company held other investments of \$2.4 million. Total investments are approximately 70.1 percent of the Company's total assets. See Note 2 (Investments) and Note 3 (Fair Value Disclosures) for additional detail regarding investment activities.

RESULTS OF OPERATIONS – Three months ended March 31, 2015, and 2014

The Company posted a net loss attributable to U.S. Global Investors, Inc. of \$1,007,000 (\$0.07 per share loss) for the three months ended March 31, 2015, compared with net loss of \$28,000 (\$0.00 per share loss) for the three months ended March 31, 2014, an increase in loss of \$979,000, or 3,496.4 percent.

Operating Revenues

Total consolidated operating revenues for the three months ended March 31, 2015, decreased \$911,000, or 33.2 percent, compared with the three months ended March 31, 2014. This decrease was primarily attributable to the following:

- Mutual fund advisory fees decreased by \$578,000, or 31.7 percent, as a result of decreased fees due to lower assets under management and higher performance fee adjustments offset by the consolidation of Galileo revenue in fiscal 2015. Mutual fund advisory fees are comprised of two components: a base management fee and a performance fee. The performance fee, which applies to the USGIF equity funds only, is a fulcrum fee that is adjusted upwards or downwards by 0.25 percent when there is a performance difference of 5 percent or more between a fund's performance and that of its designated benchmark index over the prior rolling 12 months.
 - Base management fees decreased \$511,000. Base fees decreased \$924,000 primarily as a result of lower assets under management in the USGIF funds due to market depreciation and shareholder redemptions, somewhat offset by the addition of the Galileo advisory fees revenue of \$413,000.
 - Performance fee adjustments paid out in the current period increased \$67,000 versus the corresponding period in the prior year.

- Distribution fee revenue and shareholder services fee revenue decreased by \$175,000 and \$86,000, or 36.9 percent and 37.6 percent, respectively, as a result of lower average net assets under management upon which these fees are based.

Operating Expenses

Total consolidated operating expenses for the three months ended March 31, 2015, decreased \$108,000, or 3.4 percent, compared with the three months ended March 31, 2014. This was largely attributable to the following:

- Employee compensation and benefits decreased by \$135,000, or 8.9 percent, primarily as a result of lower performance-based bonuses and fewer employees, offset by increases due to the consolidation of Galileo expenses of \$132,000 in the current year.

RESULTS OF OPERATIONS – Nine months ended March 31, 2015, and 2014

The Company posted a net loss attributable to U.S. Global Investors, Inc. of \$1,978,000 (\$0.13 per share loss) for the nine months ended March 31, 2015, compared with net loss of \$1,231,000 (\$0.08 per share loss) for the nine months ended March 31, 2014, an increase in loss of \$747,000, or 60.7 percent.

Operating Revenues

Total consolidated operating revenues for the nine months ended March 31, 2015, decreased \$1,034,000, or 12.1 percent, compared with the nine months ended March 31, 2014. This decrease was primarily attributable to the following:

- Mutual fund advisory fees decreased by \$378,000, or 6.6 percent, as a result of decreased fees due to lower assets under management, offset by Galileo revenue being consolidated in fiscal 2015. Mutual fund advisory fees are comprised of two components: a base management fee and a performance fee. The performance fee, which applies to the USGIF equity funds only, is a fulcrum fee that is adjusted upwards or downwards by 0.25 percent when there is a performance difference of 5 percent or more between a fund's performance and that of its designated benchmark index over the prior rolling 12 months.
 - Base management fees decreased \$300,000. Base management fees decreased \$1.89 million primarily as a result of lower assets under management in the USGIF funds due to market depreciation and shareholder redemptions, somewhat offset by the addition of the Galileo advisory fees revenue of \$1.59 million.
 - Performance fee adjustments paid out in the current period increased \$78,000 versus the corresponding period in the prior year.
- Distribution fee revenue and shareholder services fee revenue decreased by \$392,000 and \$214,000, or 26.0 percent and 29.7 percent, respectively, as a result of lower average net assets under management upon which these fees are based.

Operating Expenses

Total consolidated operating expenses for the nine months ended March 31, 2015, decreased \$1,564,000, or 13.6 percent, compared with the nine months ended March 31, 2014. This was largely attributable to the following:

- Employee compensation and benefits decreased by \$765,000, or 14.5 percent, primarily as a result of lower performance-based bonuses and fewer employees, offset by increases due to the consolidation of Galileo expenses of \$429,000 in the current year.
- General and administrative expenses decreased \$892,000, or 21.5 percent, primarily due to higher fund reimbursements and fund restructuring costs in the prior year, offset somewhat by the consolidation of Galileo expenses of \$453,000 in the current year.
- Platform fees, however, increased \$253,000, or 18.3 percent, primarily due to consolidation of Galileo expenses of \$653,000, offset by a decrease in platform fees for the USGIF funds due to lower assets held through broker-dealer platforms.

Other Income

Total consolidated other income for the nine months ended March 31, 2015, decreased \$975,000, or 65.1 percent, compared with the nine months ended March 31, 2014. This was largely attributable to a decrease in realized gains on sales of available-for-sale securities and unrealized losses on trading securities in the current year.

Discontinued Operations

Total loss on discontinued operations for the nine months ended March 31, 2014, was \$238,000, due to the transition of the transfer agency to a third party.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2015, the Company had net working capital (current assets minus current liabilities) of approximately \$21.1 million and a current ratio (current assets divided by current liabilities) of 14.3 to 1. With approximately \$3.7 million in cash and cash equivalents and approximately \$20.7 million in marketable securities, the Company has adequate liquidity to meet its current obligations. Total U.S. Global Investors, Inc. shareholders' equity is approximately \$30.9 million, with cash, cash equivalents, and marketable securities comprising 74.0 percent of total assets.

As of March 31, 2015, the Company has no long-term liabilities. The Company has access to a \$1 million credit facility with a one-year maturity for working capital purposes. The credit agreement requires the Company to maintain certain quarterly financial covenants to access the line of credit. The Company has been in compliance with all financial covenants during the fiscal year. As of March 31, 2015, this credit facility remained unutilized by the Company.

Management believes current cash reserves, investments, and financing available will be sufficient to meet foreseeable cash needs or capital necessary for operating activities and allow the Company to take advantage of investment opportunities whenever available.

The investment advisory and related contracts between the Company or its subsidiaries and USGIF have been renewed through September 2015. With respect to the Company's two offshore advisory clients, the contracts between the Company and these offshore clients expire periodically, and management anticipates that its offshore clients will renew the contracts. Galileo's investment management agreement with Canadian registered mutual funds may be terminated each September 30 with a 180-day prior notice of unitholders' resolution. Galileo's advisory agreements with other advisory clients can be terminated upon 30-day written notice.

CRITICAL ACCOUNTING ESTIMATES

For a discussion of other critical accounting policies that the Company follows, please refer to the notes to the consolidated financial statements included in the Annual Report on Form 10-K for the year ended June 30, 2014. As discussed in Note 1 of the Notes to Consolidated Financial Statements, the Company has adopted certain recently issued financial accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's Consolidated Balance Sheets includes assets whose fair value is subject to market risks. Due to the Company's investments in securities recorded at fair value, price fluctuations represent a market risk factor affecting the Company's consolidated financial position. The carrying values of investments subject to price risks are based on quoted market prices or, if not actively traded, management's estimate of fair value as of the balance sheet date. Market prices fluctuate, and the amount realized in the subsequent sale of an investment may differ significantly from the reported market value.

The Company's investment activities are reviewed and monitored by Company compliance personnel, and various reports are provided to certain investment advisory clients. Written procedures are in place to manage compliance with the code of ethics and other policies affecting the Company's investment practices.

The table below summarizes the Company's price risks as of March 31, 2015, and shows the effects of a hypothetical 25 percent increase and a 25 percent decrease in market prices.

<i>(dollars in thousands)</i>	Fair Value	Hypothetical Percentage Change	Estimated Fair Value After Hypothetical Price Change	Increase (Decrease) in Shareholders' Equity, Net of Tax
Trading securities ¹	\$ 16,443	25% increase	\$ 20,554	\$ 2,713
		25% decrease	\$ 12,332	\$ (2,713)
Available-for-sale ²	\$ 4,303	25% increase	\$ 5,379	\$ 710
		25% decrease	\$ 3,227	\$ (710)

¹ *Unrealized and realized gains and losses on trading securities are included in earnings in the statement of operations.*

² *Unrealized gains and losses on available-for-sale securities are excluded from earnings and recorded in other comprehensive income as a component of shareholders' equity until realized.*

The selected hypothetical changes do not reflect what could be considered best- or worst-case scenarios. Results could be significantly different due to both the nature of markets and the concentration of the Company's investment portfolio.

ITEM 4. CONTROLS AND PROCEDURES

An evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of March 31, 2015, was conducted under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of March 31, 2015.

There has been no change in the Company's internal control over financial reporting that occurred during the three months ended March 31, 2015, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1A. RISK FACTORS

For a discussion of risk factors which could affect the Company, please refer to Item 1A, “Risk Factors” in the Annual Report on Form 10-K for the year ended June 30, 2014. There have been no material changes since fiscal year end to the risk factors listed therein.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

(dollars in thousands, except price data)

Period	Total Number of Shares Purchased ¹	Total Amount Purchased	Average Price Paid Per Share ²	Total Number of Shares Purchased as Part of Publicly Announced Plan ³	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan
07-01-14 to 07-31-14	6,700	\$ 23	\$ 3.52	6,700	\$ 2,548
08-01-14 to 08-31-14	4,800	17	3.55	4,800	2,531
09-01-14 to 09-30-14	5,293	19	3.52	5,293	2,512
10-01-14 to 10-31-14	12,359	39	3.10	12,359	2,473
11-01-14 to 11-30-14	14,531	41	2.83	14,531	2,432
12-01-14 to 12-31-14	23,322	67	2.88	23,322	See Note 3
01-01-15 to 01-31-15	7,605	24	3.10	7,605	2,726
02-01-15 to 02-28-15	4,740	15	3.25	4,740	2,711
03-01-15 to 03-31-15	6,900	21	3.09	6,900	2,690
Total	86,250	\$ 266	\$ 3.09	86,250	

¹ The Board of Directors of the company approved on December 7, 2012, and renewed on December 12, 2013, and December 10, 2014, a repurchase of up to \$2.75 million, in each of calendar years 2013, 2014, and 2015, respectively, of its outstanding class A common stock from time to time on the open market in accordance with all applicable rules and regulations.

² The average price paid per share of stock repurchased under the stock repurchase program includes the commissions paid to brokers.

³ The repurchase plan was approved on December 7, 2012, and renewed on December 12, 2013, and December 10, 2014, and will continue through calendar year 2015. The total amount of shares that may be repurchased in 2015 under the renewed program is \$2.75 million.

ITEM 5. OTHER INFORMATION

Investors and others should note that the Company announces material financial information to its investors using the website (www.usfunds.com), SEC filings, press releases, public conference calls and webcasts. The Company also uses social media to communicate with its customers and the public about the Company. It is possible that the information it posts on social media could be deemed to be material information. Therefore, the Company encourages investors, the media, and others interested in the Company to review the information it posts on social media channels listed below. This list may be updated from time to time.

<https://www.facebook.com/USFunds>

<https://twitter.com/USFunds>

Information contained on the Company’s website or on social media channels is not deemed part of this report.

ITEM 6. EXHIBITS

1. Exhibits –

- 14.02 Code of Ethics, adopted June 28, 1989, and amended March 2, 2015, included herein.
- 31 Certifications of Chief Executive Officer and Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32 Certifications of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002.
- 101.INS XBRL Instance Document
- 101.SCH XBRL Taxonomy Extension Schema Document
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB XBRL Taxonomy Extension Labels Linkbase Document
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereto duly authorized.

U.S. GLOBAL INVESTORS, INC.

DATED: May 14, 2015 BY: /s/ Frank E. Holmes
Frank E. Holmes
Chief Executive Officer

DATED: May 14, 2015 BY: /s/ Lisa C. Callicotte
Lisa C. Callicotte
Chief Financial Officer

Code of Ethics
Adopted by
U.S. Global Investors, Inc.
U.S. Global Brokerage, Inc.

Effective June 28, 1989
As Amended November 13, 1989
As Amended May 17, 1993
As Amended February 14, 1994
As Amended December 5, 1994
As Amended March 1, 1996
As Amended May 24, 1996
As Amended June 2, 1997
As Amended October 29, 1997
As Amended December 12, 1997
As Amended December 3, 1999
As Amended December 9, 2004
As Amended March 23, 2005
As Amended March 1, 2008
As Amended May 13, 2008
As Amended June 3, 2008
As Amended August 20, 2008
As Amended December 12, 2008
As Amended December 9, 2011
As Amended October 3, 2012
As Amended December 10, 2014
As Amended March 2, 2015

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APPENDIX A Definitions

APPENDIX B Quarterly Certification of Partially Covered Independent Directors

1. INTRODUCTION AND OVERVIEW

For the definition of **bolded** terms used throughout this Code of Ethics, see Appendix A.

1.1. Statement of General Principles

The mission of U.S. Global Investors, Inc. (“USGI”) is to maximize the growth, protection, and service of our clients’ wealth with the highest ethical standards. This Code of Ethics (the “Code”) is intended to help ensure that our professional and personal conduct preserves our reputation for high standards of ethics and integrity.

The purposes of this Code are to:

- (a) prohibit fraudulent, deceptive, or manipulative acts in connection with your **Personal Securities Transactions** in:
 - a. **Reportable U.S. Global Funds**,
 - b. **USGI Stock**, and
 - c. **Covered Securities** held or to be acquired by the U.S. Global Funds or other clients of USGI (“Other USGI-Managed Accounts”), and
- (b) avoid conflicts of interest so that the best interests of investors in the U.S. Global Funds and Other USGI-Managed Accounts will be served.

You must agree:

- (a) to place the interests of U.S. Global Fund shareholders and Other USGI-Managed Accounts above your own personal interests;
- (b) to refrain, in the conduct of all of your personal affairs, from taking any inappropriate advantage of your roles and responsibilities with USGI, U.S. Global Brokerage, Inc. (“USGB”), the U.S. Global Funds, and the Other USGI-Managed Accounts;
- (c) to comply with the **Federal Securities Laws**; and
- (d) to conduct all **Personal Securities Transactions** so as to fully comply with the provisions of this Code in order to avoid any actual or even apparent conflict or claim of a conflict of interest or abuse of your roles and responsibilities with USGI, USGB, the U.S. Global Funds, and Other USGI-Managed Accounts.

This Code is just one element of our program to avoid conflicts of interest and ensure that the duties we owe to our clients remain our foremost priority. In addition to this Code, you may be subject to other USGI policies such as, among others, USGI’s Protection of Material, Nonpublic Information Policy, USGI’s Code of Business Conduct, and the U.S. Global Funds’ Policies and Procedures on Disclosure of Portfolio Holdings.

1.2. Adoption of the Code of Ethics

This Code has been adopted for USGI and USGB in accordance with Rule 204A-1 under the Investment Advisers Act of 1940, as amended, and Rule 17j-1 under the Investment Company Act of 1940, as amended. Each rule requires, at a minimum, that USGI and USGB adopt a code of ethics that sets forth standards of conduct, requires compliance with the **Federal Securities Laws**, and addresses personal trading by certain personnel.

2. COVERED PERSONS

Persons covered by this Code are called **Covered Persons**, and include any officer, director (other than a **Partially Covered Independent Director**), or employee of USGI or USGB; USGI itself when trading for any of its own accounts; and any other person designated by the **Chief Compliance Officer**.

Certain **Covered Persons** are also categorized as **Covered Independent Directors** or as **Investment Personnel**, which includes, among others, any **Portfolio Manager**, investment analyst, trader, or any USGI officer, director, employee, or consultant who, in connection with his or her regular functions or duties, makes or participates in making recommendations on behalf of USGI regarding the purchase or sale of specific securities by the U.S. Global Funds or Other USGI-Managed Accounts, and any other person designated by the **Chief Compliance Officer**.

Independent directors of USGI who are not involved in the day-to-day operations of USGI or the portfolio management of USGI's client portfolios generally are not considered **Covered Persons** under the Code of Ethics and, therefore, are required only to provide the quarterly certification in Appendix B and to comply with the provisions of this Code of Ethics dealing with personal transactions in **USGI Stock**. These directors are called **Partially Covered Independent Directors**. If an independent director of USGI cannot make the certifications set forth in Appendix B, then such independent director will be deemed a **Covered Independent Director** and is subject to all the provisions of this Code that apply to **Covered Persons**, unless otherwise specifically indicated herein.

Be aware that some provisions of this Code apply indirectly to other persons, such as relatives, significant others, or advisers, if they own or manage securities in which a **Covered Person** has a **Beneficial Ownership** interest. For example, if you are a **Covered Person**, the Code's investment restrictions and reporting requirements apply both to you, and to securities or accounts owned by a relative who lives in your home or whom you support, or by a non-relative who shares significant financial arrangements with you, or managed by an adviser for you or a close relative.

For the purposes of this Code, USGI and any **Independent Subadvisers** shall be treated as separate unrelated entities and shall not be required to coordinate their efforts with respect to any pre-clearance requirements.

3. RESTRICTIONS ON PERSONAL INVESTING ACTIVITIES

Covered Persons, other than **Investment Personnel**, may purchase or sell, in accordance with the provisions of this Code, **Covered Securities**, **USGI Stock**, and **Reportable U.S. Global Funds**.

Covered Persons, other than the **Covered Independent Directors** and USGI for its own account, are prohibited from having margin accounts, trading commodities contracts, or purchasing or selling **HOLDRS**, and may trade options only when the options are covered by ownership of the underlying stock (i.e., **Covered Calls** and **Protective Puts**).

Investment Personnel are prohibited from purchasing **Covered Securities**, except **Investment Personnel** may purchase and sell **USGI Stock**, **Reportable U.S. Global Funds**, and **Excepted Securities** (e.g., open-end mutual funds, other than exchange-traded funds). In addition, **Investment Personnel**, in accordance with the provisions of this Code, may engage in **Excepted Transactions** (e.g., transactions over which you have no influence or control) and sell **Covered Securities** that you already hold or later acquire in an **Excepted Transaction**.

In the future, USGI and USGB may decide to lift the prohibition on the purchase of **Covered Securities** by **Investment Personnel**.

3.1. Reportable U.S. Global Funds

All **Covered Persons** must always conduct their personal investing activities in **Reportable U.S. Global Funds** in which they have any direct or indirect **Beneficial Ownership** lawfully, properly, and responsibly, and are encouraged to adopt long-term investment strategies in **Reportable U.S. Global Funds** that are consistent with their financial resources and objectives.

Excessive Trading in Reportable U.S. Global Funds by **Covered Persons** is prohibited. Any **Covered Person** who is identified as having engaged in **Excessive Trading in Reportable U.S. Global Funds** will be sanctioned as set forth in Section 7.4, unless you can demonstrate to the **Review Committee** in writing that a bona fide and sufficient personal or family economic hardship exists warranting the gravity of an exception.

3.2. Initial Public Offerings

No **Covered Person**, other than the **Covered Independent Directors** or USGI for its own accounts, shall effect or be permitted to effect the purchase of a security from the issuer, or any member of the underwriting syndicate or selling group, in and during the course of any **Initial Public Offering** by or on behalf of the issuer of such security. The **Covered Independent Directors** and USGI must pre-clear their transactions in **Initial Public Offerings** in accordance with Section 4.

3.3. Limited Offering Transaction

No **Covered Person** may purchase a security in a **Limited Offering** transaction (e.g., private placements, private investment partnerships, and other private interests) without obtaining the advance written approval of the **Chief Compliance Officer**. In determining whether or not to grant approval of participation in a **Limited Offering**, the **Chief Compliance Officer** will consider, among any other pertinent factors:

- (a) whether the investment opportunity is available to, and should be reserved solely for, the U.S. Global Funds or Other USGI-Managed Accounts; and
- (b) whether the opportunity is or seems to have been made available to the **Covered Person** due to or by virtue of the position which he or she holds with USGI or USGB.

In adopting this Code, **USGI** acknowledges its responsibility to monitor activities of the firm and those of its **Covered Persons** to ensure that investment decisions on behalf of the U.S. Global Funds and/or Other USGI-Managed Accounts relating to any **Limited Offering** transaction with respect to which a **Covered Person** has obtained pre-acquisition approval will be subject to independent review by senior **USGI Investment Personnel** having no personal interest in the issuer or any of its securities.

3.4. “Black-Out” Trading Restrictions

Two-Day Restriction: A **Covered Person** (except for the **Covered Independent Directors**) may not effect a **Personal Securities Transaction** in a **Covered Security** if (i) a U.S. Global Fund or Other USGI-Managed Account purchased or sold the same **Covered Security** or **Equivalent Covered Security** one trading day earlier or (ii) the **Covered Person** has actual knowledge regarding whether the same **Covered Security** or **Equivalent Covered Security** is being considered for purchase or sale on the current or next trading day by a U.S. Global Fund or Other USGI-Managed Account.

14-Day Restriction: **Investment Personnel** may not dispose of a **Covered Security** if (i) a U.S. Global Fund or Other USGI-Managed Account purchased or sold the same **Covered Security** or **Equivalent Covered Security** within the prior seven calendar days or (ii) such person has actual knowledge regarding whether the same **Covered Security** or **Equivalent Covered Security** is being considered for purchase or sale on the current or next seven calendar days by a U.S. Global Fund or Other USGI-Managed Account.

The foregoing Two- and 14-Day Restrictions shall not apply to any **Personal Securities Transaction**, or series of related transactions within the prior 30 days, amounting to \$10,000 or less in the aggregate, only if such **Personal Securities Transaction** involves the common stock or an **Equivalent Covered Security** of an issuer with a market capitalization over \$5 billion; provided, however, that **Investment Personnel** may not dispose of a **Covered Security** on the same day of a purchase or sale of the same **Covered Security** or any **Equivalent Covered Security** by or on behalf of any U.S. Global Fund or any Other USGI-Managed Account if such person knows, or should have known, about such purchase or sale.

In the event that a **Personal Securities Transaction** is effected in contravention of either of the two foregoing restrictions, the **Covered Person** involved shall, as soon as practicable after becoming aware of the violative nature of his or her **Personal Securities Transaction** (irrespective of any pre-execution clearance which may have been previously granted for the transaction), promptly (i) advise the **Chief Compliance Officer** of the violation and (ii) comply with whatever directions, by way of disgorgement, which the **Chief Compliance Officer** may issue in order for the violation to be fully and adequately rectified.

3.5. Short-Term Matched Profit Restriction on Covered Securities Transactions

Covered Persons, subject to the exceptions noted immediately below, shall not engage in any **Short-Term Matched Profit Transaction** within the meaning of this Code. This prohibition is intended to apply to all instances of short-term (i.e., 60 calendar days or less) purchase and sale transactions.

The **Chief Compliance Officer** may, and is hereby granted authority to determine, in his or her discretion, to except a given personal securities transaction from the prohibition established by the foregoing sub-paragraph in cases where:

- (a) the transaction, and any earlier **Personal Securities Transaction** with which it may be matched over the most recent 60 calendar days, do not appear to evidence actual abuse of a conflict of interest with any U.S. Global Fund or Other USGI-Managed Account (as, for example, where the **Covered Security or Securities** involved have not recently been held, traded, or actively considered for investment or trading by such accounts); and
- (b) the **Covered Person** can demonstrate that a bona fide and sufficient personal or family economic hardship exists warranting the granting of such an exception.

Exceptions will be granted only upon meritorious circumstances and, if granted, will be promptly reported, in writing, to the **Review Committee**.

3.6. Prohibition on Trading on Material, Nonpublic Information

All **Covered Persons** must comply with USGI's Protection of Material, Nonpublic Information Policy, which, among other things, prohibits trading in any **Covered Security** at any time that a **Covered Person** is in possession of material, nonpublic information about the issuer of such security.

3.7. Limitations on Trading In USGI Stock

3.7.1. Limitations on Purchases of USGI Stock

Covered Persons and **Partially Covered Independent Directors** with access to financial data regarding USGI may only trade in **USGI Stock**, subject to pre-clearance as provided below in Section 4, during the period commencing 24 hours after USGI publicly announces its quarterly earnings until 15 calendar days before the end of a quarter (unless USGI management has implemented a trading blackout in **USGI Stock** due to a material corporate event or other such circumstances). The **Chief Compliance Officer** may allow written exceptions to this prohibition for good cause.

3.7.2. Prohibitions on Purchases of USGI Stock

Covered Persons and **Partially Covered Independent Directors** may not engage in transactions in **USGI Stock** that are speculative in nature. These transactions include, but are not limited to: (i) the writing of a call option or the purchase of a put option if the amount of securities underlying the option exceed the amount of securities you otherwise own; (ii) short sales (i.e., selling borrowed securities); and (iii) transacting in the securities of any entity with which USGI is discussing business matters.

4. PRE-CLEARANCE OF TRANSACTIONS

4.1 Pre-Clearance Process

Covered Persons (except the **Covered Independent Directors** for transactions that do not involve **USGI Stock** or are not **Initial Public Offerings** or **Limited Offerings**) are required, prior to the execution of any **Personal Securities Transaction** in **USGI Stock** or a **Covered Security**, including any initial contribution, additional voluntary contribution, or adjustment to (including termination of participation in) an **Automatic Investment Plan**, in which they will have any direct or indirect **Beneficial Ownership**, to seek and obtain the express approval of the **Chief Compliance Officer** by completing a pre-clearance request and submitting it to the **Chief Compliance Officer**.

If approval to participate in an **Automatic Investment Plan** is granted, the approval is good for the duration of your participation in the **Automatic Investment Plan**. If you would like to make an additional voluntary contribution or adjustment to the **Automatic Investment Plan**, you must complete a new pre-clearance request.

With respect to any transaction that is not part of an **Automatic Investment Plan**, if approval of the transaction is granted, the approval is good until the end of the trading day (generally 3 p.m. CT). If the authorized transaction is not executed within this time period, you must complete a new pre-clearance request if you still wish to execute the transaction.

4.2. Effect of Pre-Execution Clearance of Personal Covered Securities Transactions

Approval of a request for pre-execution clearance shall not operate as a waiver, satisfaction or presumption of satisfaction of any other provision of this Code, but only as evidence of good faith on your part, which may be considered by the **Review Committee** should a violation of any other provision of this Code be determined to have occurred.

5. REPORTING REQUIREMENTS

5.1. Acknowledgement Form

All **Covered Persons** must complete and return to the **Chief Compliance Officer** an executed Acknowledgement Certification to the Code no later than 10 calendar days after becoming a **Covered Person**. Each **Covered Person** must also certify annually to compliance with the Code by completing and returning an Acknowledgement Certification to the **Chief Compliance Officer** no later than February 1.

5.2. Initial Holdings Reports

Covered Persons, no later than 10 days after a person is designated as such, must provide and certify the following personal holdings information (which must be current as of a date no more than 45 days prior to the date the person becomes a **Covered Person**):

- (a) the title and type of security, and as applicable the exchange ticker symbol or CUSIP number, number of shares and principal amount of **USGI Stock**, each **Covered Security**, and each **Reportable U.S. Global Fund** in which the **Covered Person** had any direct or indirect **Beneficial Ownership** when the person became a **Covered Person**;

- (b) the name of any broker, dealer, bank, or transfer agent with whom the **Covered Person** maintains an account in which any **Covered Securities, Reportable U.S. Global Funds, or USGI Stock** are held, or could be held, for the direct or indirect benefit of the **Covered Person** as of the date the person became a **Covered Person**; and
- (c) the date that the report is submitted by the **Covered Person**.

5.3. Account Confirmations and Statements

Covered Persons are required to ensure that the office of the **Chief Compliance Officer** is furnished duplicate copies of the following account documents:

- (a) confirmations issued by brokers, dealers, banks, or transfer agents upon the execution of all **Personal Securities Transactions** in **USGI Stock**, any **Covered Security**, or any **Reportable U.S. Global Fund** in which the **Covered Person** had, at the time of the transaction, or by reason of the transaction acquired, any direct or indirect **Beneficial Ownership** interest in the **USGI Stock, Covered Security, or Reportable U.S. Global Fund** which was the subject of the transaction; and
- (b) any regular periodic or other statements reflecting **Personal Securities Transaction** activity in **USGI Stock**, any **Covered Security**, or any **Reportable U.S. Global Fund** within any account with a broker, dealer, bank, or transfer agent in which the **Covered Person** has any direct or indirect **Beneficial Ownership** interest.

Such copies shall be provided to the **Chief Compliance Officer** at the time that the **Covered Person** receives his or her copies from the broker, dealer, bank, or transfer agent.

5.4. Quarterly Transaction Reports

Covered Persons shall submit on a calendar quarterly basis, a Quarterly Securities Transaction Report of all personal securities transactions. The quarterly report must also include any additional voluntary contribution or adjustment to (including termination of participation in) an **Automatic Investment Plan**. Such quarterly report shall be submitted to the **Chief Compliance Officer** no later than 30 calendar days after the end of each calendar quarter.

The quarterly report should not include any transactions in **Excepted Securities** or any **Excepted Transactions** (as defined in Appendix A). The certification of the quarterly report is required regardless of whether or not the **Covered Person** had any securities transactions activity during the quarter.

Each quarterly report may contain a statement that the report shall not be construed as an admission by the **Covered Person** that he or she has any direct or indirect **Beneficial Ownership** in any security to which the report relates.

Officers, directors, and employees of USGI are not required to report transactions effected for USGI's own accounts.

The Quarterly Securities Transaction Report must contain the following information relating to the most recent calendar quarter:

- (a) The date of the transaction, the title of and, as applicable, the exchange ticker symbol or CUSIP number, number of shares, interest rate and maturity date, and the principal amount of each security involved;
- (b) The nature of the transaction (i.e., purchase, sale or any other type of acquisition or disposition);
- (c) The price at which the transaction was effected;

- (d) The name of the broker, dealer, bank, or transfer agent with or through whom the transaction was effected; and
- (e) The date the **Covered Person** submits the report.

With respect to any new account established by a **Covered Person** in which any **Covered Securities, USGI Stock, or Reportable U.S. Global Funds** were held, or could be held, during the quarter for the direct or indirect benefit of the **Covered Person**:

- (a) the name of the broker, dealer, bank, or transfer agent with whom the **Covered Person** established the account;
- (b) the date the account was established; and
- (c) the date that the report was submitted by the **Covered Person**.

5.5. Annual Holdings Reports

Covered Persons must provide and certify annually the following personal holdings information (which information must be current as of a date no more than 45 days before the report is submitted):

- (a) the title and type of security, and as applicable the exchange ticker symbol or CUSIP number, number of shares and principal amount of each **Covered Security, USGI Stock, and Reportable U.S. Global Fund** in which the **Covered Person** had any direct or indirect **Beneficial Ownership**;
- (b) The name of any broker, dealer or bank with whom the **Covered Person** maintains an account in which any **Covered Securities, Reportable U.S. Global Funds, or USGI Stock** are held, or could be held, for the direct or indirect benefit of the **Covered Person**; and
- (c) the date that the report is submitted by the **Covered Person**.

5.6. Other Reporting and Disclosure Requirements

Covered Persons are required, upon first becoming a **Covered Person** to review the Code and furnish a disclosure and identification of all securities accounts with brokers, dealers, banks, and transfer agents in which the **Covered Person** currently has any direct or indirect **Beneficial Ownership** interest.

5.7. Newly Opened Securities Accounts

Covered Persons must notify the **Chief Compliance Officer** of any new securities accounts within 15 days of the account being opened. In addition, all **Covered Persons** must notify the **Chief Compliance Officer** of any new Reportable U.S. Global Fund accounts within 15 days of the account being opened.

5.8. Exemption to Reporting Requirements

A person need not make an initial, quarterly or annual report under this section with respect to transactions effected for, and **Covered Securities or Reportable U.S. Global Funds** held in, any account over which the person had no direct influence or control.

Furthermore, quarterly transaction reports need not be filed for any transaction effected in a **Non-Discretionary Account** if the **Chief Compliance Officer**, after a thorough review, is satisfied that the **Covered Person** truly has no discretion over the account. In making requests for quarterly transaction report exemptions, **Covered Persons** will be required to furnish whatever information is called for by the **Chief Compliance Officer**.

5.9. Additional Reporting Requirements Concerning USGI Stock

5.9.1. Insider Reporting Liability. Any **Covered Person** or **Partially Covered Independent Director** who is the beneficial owner of more than 10 percent of any class of **USGI Stock** registered under Section 12 of the Securities Exchange Act of 1934 (the “Exchange Act”) and each Executive Officer and Director of USGI (“Insiders”) are subject to the provisions of Section 16(b) of the Exchange Act.

5.9.2. SEC Reporting. Insiders must file certain reports with the SEC and the New York Stock Exchange concerning their holdings, and any changes thereto, of **USGI Stock** or options to purchase **USGI Stock**. If Insiders fail to file a report, USGI must disclose the failure in the proxy statement it annually distributes to shareholders, the Insider and USGI could suffer penalties as a result. Please note that under these regulations, the reporting obligation is ultimately the Insider’s responsibility, not USGI’s.

- **Form 3.** The initial ownership report by an Insider is required to be filed on Form 3. This report must be filed within 10 days after a person becomes an Insider (i.e., is elected as a director or appointed as an executive officer) to report all current holdings of **USGI Stock**.
- **Form 4.** Any change in the Insider’s ownership of **USGI Stock** must be reported on Form 4 unless the Insider is eligible for deferred reporting on year-end Form 5. The Form 4 must be filed electronically before the end of the second business day following the day on which a transaction resulting in a change in **Beneficial Ownership** has been executed.
- **Form 5.** Any transaction or holding that is exempt from reporting on Form 4, such as small purchases of stock or gifts may be reported electronically on a deferred basis on Form 5 within 45 calendar days after the end of the calendar year in which the transaction occurred. No Form 5 is necessary if all transactions and holdings were previously reported on Form 4.

5.9.3. Liability for Short-Swing Profits. Under the U.S. securities laws, profit realized by certain officers, as well as directors and 10% stockholders of a company (including USGI) as a result of a purchase and sale (or sale and purchase) of **USGI Stock** within a period of less than six months must be returned to USGI or its designated payee upon request. Profit is measured by matching the highest sale price with the lowest purchase price within six months. The grant and exercise of options, although reportable under Section 16(b), are exempt from short-swing profit liability. You are subject to potential short swing profit liability for so long as you are subject to Section 16(a) reporting requirements, which could continue for a period of time after you cease to be a director or officer.

6. RESTRICTIONS ON OTHER ACTIVITIES

6.1. Policy on Gifts, Gratuities, Favors, and Other Benefits

Gifts, gratuities, favors, or other benefits (“Gifts”) may be given or accepted only if they are in accordance with generally accepted business practices and do not raise any question of impropriety. A question of impropriety may be raised if a Gift influences or gives the appearance of influencing the recipient. Please do not give or receive gifts or entertainment that would be embarrassing to you, USGI, or USGB if made public.

If you are licensed and registered with the Financial Industry Regulatory Authority (“FINRA”), you also are subject to those provisions of the FINRA rules relating to the receipt of Gifts. Among other things, you may accept gifts of a nominal value (i.e., no more than \$100 annually from one person), customary business meals and entertainment if both you and the giver are present (e.g., sporting events), and promotional items (e.g., pens or mugs).

6.2. Policy on Service as a Director of a Public Company

6.2.1. Prohibition against Serving as a Director of a Public Company

No **Covered Person** except the **Covered Independent Directors** and the Chief Executive Officer (“CEO”) shall serve on the board of directors of a publicly traded company (“Public Company”) (other than USGI, its subsidiaries and affiliates, including investment companies).

6.2.2. Notice about CEO to Serve as Director

If the CEO intends to serve as a director of a Public Company (or if he serves as a director for a private company that proposes to become public), he shall first notify the boards of directors of USGI and the board of trustees of each investment company registered under the 1940 Act for which USGI serves as investment adviser. Each Board shall be given an opportunity to ask questions and discuss the CEO’s proposed service as a director.

6.2.3. Trading Restrictions While Serving as Director

When the CEO serves on the board of directors of a Public Company, he (trading for his own account) and USGI (trading for its own accounts or on behalf of the U.S. Global Funds or Other USGI-Managed Accounts) are prohibited from trading in the securities of the Public Company (except during the “Trading Window”) for as long as the CEO serves as a director and continuing until the Public Company issues a Form 10-K, 10-Q, or otherwise makes a public announcement which discloses any material nonpublic information which the CEO may possess. The Trading Window begins on the third trading day after the Public Company issues a Form 10-K, 10-Q, or otherwise makes a public announcement that discloses any material nonpublic information the CEO may possess and continues for a period of 30 days after publication. If the Public Company has an insider trading policy that is in whole or in part more restrictive than this Code, the more restrictive provision shall apply to the CEO or USGI.

6.2.4. Pre-Clearance Requirement

The CEO (trading for his own account) and USGI (trading for its own accounts or on behalf of the U.S. Global Funds or Other USGI-Managed Accounts) may trade in the securities of the Public Company during the “Trading Window” after the CEO pre-clears the transactions with the **Chief Compliance Officer**.

7. ADMINISTRATION OF THE CODE OF ETHICS

7.1. Review by Chief Compliance Officer

The **Chief Compliance Officer** shall regularly review or supervise the review of the **Personal Securities Transactions** that are subject to this Code. The **Compliance Department** will provide a quarterly report of his or her review to the **Review Committee**.

7.2. Review Committee

If the **Chief Compliance Officer** determines that a violation may have occurred, he or she shall promptly submit the pertinent information about the transaction to the **Review Committee**, which shall evaluate whether a violation of this Code has occurred and whether the violation was material, taking into account all facts and circumstances. Before determining that a violation has occurred, the **Review Committee** shall give the person involved an opportunity to supply additional information about the transaction in question.

7.3. Imposition of Sanctions

If the **Review Committee** determines that a violation of this Code has occurred, the CEO shall provide a written report of the **Review Committee**’s determination and sanctions to USGI’s Board of Directors for such further

action and sanctions as the Board deems appropriate. In the event the violation involves the CEO, the USGI Director serving on the **Review Committee** shall issue the report. The **Review Committee** may impose such sanctions as it deems appropriate, including, without limitation, a letter of censure or suspension, termination of employment or personal trading privileges. All material violations and any sanctions imposed with respect thereto shall be reported to the Board of Directors of USGI and the Board of Directors/Trustees of any client which has been directly affected by the violation.

7.4. **Sanction Guidelines**

Outlined below are the guidelines for the sanctions that may be imposed on **Covered Persons** who fail to comply with the Code:

- First violation - A written or verbal reprimand may be given to the person and a copy or record will be put in the person's personnel file. The written or verbal reprimand will reinforce the person's responsibilities under the Code, educate the person on the severity of personal trading violations, and inform the person of the possible penalties for future violations.
- Second violation - The **Review Committee** will impose such sanctions as it deems appropriate, including without limitation, a letter of censure, fines, withholding of bonus payments, or suspension of personal trading privileges for up to 60 days.
- Third violation - The **Review Committee** will impose such sanctions as it deems appropriate, including without limitation, a letter of censure, fines, withholding of bonus payments, or suspension or termination of personal trading privileges or employment.
- In addition to the above disciplinary sanctions, such persons may be required to disgorge any profits realized in connection with such violation. All disgorgement proceeds collected will be donated to a charitable organization selected by the **Review Committee**. The **Review Committee** may determine to impose any sanctions, including termination, immediately and without notice if it determines that the severity of any violation or violations warrants such action. All sanctions imposed will be documented in such person's personal trading file maintained by USGI.

7.5. **Exemptions from the Code**

The **Review Committee** may exempt any transaction or class of transactions from this Code if it finds that the exemption is consistent with the intent and purposes of the Advisers Act and the 1940 Act. The exemption shall be in writing and signed by each member of the **Review Committee**. No member of the **Review Committee** shall participate in any discussion or decision involving a potential exemption from this Code for a transaction in which the member has any direct or indirect beneficial interest.

7.6. **Records**

The **Chief Compliance Officer** shall ensure that the following records are maintained: (i) a copy of this Code and any amendment thereto that is or at any time within the past five years has been in effect; (ii) a record of any violation of this Code, or any amendment thereof, and any action taken as a result of such violation; (iii) files for personal securities transaction confirmations and account statements, all reports and pre-clearance requests submitted by **Covered Persons** pursuant to the Code and any action taken thereon; (iv) a list of all persons who are, or have been, required to submit reports pursuant to the Code; (v) a copy of each report created under this Code; and (vi) records relating to violations under the Code and any sanctions imposed. Such records shall be maintained in accordance with and for the time periods required under the 1940 Act and the Advisers Act.

7.7. Amendments

The directors of USGI may from time to time amend this Code and adopt interpretations of this Code as they deem appropriate. The Board of Directors/Trustees of any Client that previously has received a copy of this Code shall be provided with a copy of the Code as amended.

7.8. Questions

Every **Covered Person** must read and retain this Code and should consult the **Chief Compliance Officer** about any question arising under this Code.

DEFINITIONS

As used within this Code, the following terms have the following meanings:

Defined Persons

Covered Person means: (i) any officer, director (other than **Partially Covered Independent Directors**), or employee of USGI or USGB; (ii) USGI itself when trading for any of its own accounts; and (iii) any other person designated by the **Chief Compliance Officer**.

Investment Personnel means (i) any **Portfolio Manager** or any USGI officer, director, employee, or consultant who, in connection with his or her regular functions or duties, makes or participates in making recommendations on behalf of USGI regarding the purchase or sale of specific securities by the U.S. Global Funds or Other USGI-Managed Accounts and (ii) all other employees or consultants that are part of USGI's Investments department, including investment analysts, traders, and the administrative assistants of those persons identified in subsection (i).

Covered Independent Director means any director of USGI who is not **Investment Personnel** or an employee of USGI, or an affiliate thereof, but who cannot make the certifications set forth in Appendix B.

Partially Covered Independent Director means any director of USGI who is not **Investment Personnel** or an employee of USGI, or an affiliate thereof, and who can make the certifications set forth in Appendix B.

Independent Subadviser means any subadviser with which USGI has contracted to manage the investment portfolios of one or more clients and which the **Review Committee** has designated as independent. Independence is a question of fact. Factors include, but are not limited to, performance of securities research, analysis, selection, and trading conducted independently and separately from USGI. The fact that USGI or any of its affiliates provide advisory and/or administrative services for a U.S. Global Fund or Other USGI-Managed Account advised by a subadviser will not by itself prevent the subadviser from being independent.

Portfolio Manager means any **Covered Person** who, with respect to any U.S. Global Fund or Other USGI-Managed Account, has or shares with any other person the primary responsibility for the day-to-day management of the investment portfolio of such U.S. Global Fund or Other USGI-Managed Account.

Defined Securities and Accounts

Automatic Investment Plan means a program in which transactions are made automatically in an investment account in accordance with a predetermined schedule and allocation, such as a dividend reinvestment plan, employee stock option plan, employee stock purchase plan, or other such investment plan.

Covered Security encompasses each of the following (but not an **Excepted Security**, a **Reportable U.S. Global Fund**, or **USGI Stock** each of which is separately defined below):

- any note, stock, treasury stock, shares of a closed-end fund, shares of an exchange-traded fund, interests in a 529 plan, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights;
- any put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof);

- any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or
- in general, any interest or instrument commonly known as a “security,” or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

Equivalent Covered Security means, with respect to another security (the “reference security”), any security of the same class as the reference security, as well as any option (including puts as well as calls), warrant, convertible security, subscription or stock appreciation right, or other right or privilege on, for or with respect to the reference security.

Excepted Security means any security issued by the Government of the United States, bankers’ acceptance, bank certificate of deposit, commercial paper, share of any open-end money market fund, or share of any other registered open-end investment company (other than a **Reportable U.S. Global Fund** or an exchange-traded fund). In accordance with interpretations of the SEC:

- (a) “security issued by the Government of the United States” shall NOT be deemed to include any indirect obligations of the Government of the United States (so-called “agency” obligations) with a remaining maturity in excess of 397 calendar days (e.g., FNMA and FHLMC), but shall be deemed to include any obligations directly issued or guaranteed by the Government of the United States, irrespective of the obligation’s initial or remaining maturity (e.g., U.S. Treasury and GNMA); and
- (ii) certain so-called “money-market instruments,” including conventional repurchase agreements, U.S. Government agency obligations and obligations issued or guaranteed by foreign governments maturing within 397 calendar days from date of purchase, are also deemed to be excepted securities.

Non-Discretionary Account means any account over which a **Covered Person** has given full investment discretion to a third party, retaining no ability to influence specific trades.

Other USGI-Managed Account means any person (besides the **U.S. Global Funds**) who has a current advisory agreement with USGI. **Other USGI-Managed Account** shall include any partnership or limited liability company of which USGI, or an affiliate thereof, is a general partner or managing member.

Reportable U.S. Global Funds means any **U.S. Global Fund**.

USGI Stock means securities issued by USGI.

U.S. Global Funds means the series of U.S. Global Investors Funds.

Defined Transactions

Covered Calls are financial market transactions in which the seller of call options owns the corresponding amount of the underlying stock.

Excessive Trading is defined as either (i) transactions in a **Reportable U.S. Global Fund** that violate any short-term trading restriction described in each **Reportable U.S. Global Fund’s** prospectus or (ii) a transaction in a **Reportable U.S. Global Fund** (other than the U.S. Government Securities Ultra-Short Bond Fund or the Near-Term Tax Free Fund) which, when matched (on a purchase-and-sale basis) with any other such transaction (other than a transaction made pursuant to an automatic dividend reinvestment or automatic investment plan) by or on behalf of the same person in the same **Reportable U.S. Global Fund** occurring within seven (7) calendar days before or after the subject transaction, regardless of whether such transactions occur across multiple accounts in the same **Reportable U.S. Global Fund**.

Initial Public Offering means an offering of securities registered under the Securities Act of 1933, the issuer of which, immediately before the registration, was not subject to the reporting requirements of Sections 13 or 15 (d) of the Exchange Act, or a similar initial offering of securities under the laws of a foreign country.

Limited Offering means an offering that is exempt from registration under state securities laws and under the Securities Act of 1933, such as transactions by an issuer not involving a public offering or sales of securities to accredited investors, or sales of securities to a limited number of investors or in limited dollar amounts, or a similar offering of securities under the laws of a foreign country.

Personal Securities Transaction means the execution, either directly or indirectly, of any “purchase or sale of a security.”

Protective Puts are financial market transactions in which the investor buys shares of a stock and [put options](#) to cover those shares.

Purchase Or Sale Of A Covered Security shall include any bargain, contract or other arrangement including the writing of an option to purchase or sell a **Covered Security**, by which a person (other than a U.S. Global Fund or Other USGI-Managed Account) purchases, buys or otherwise acquires, or sells or otherwise disposes of, a security in which he or she currently has or thereby acquires any direct or indirect **Beneficial Ownership** interest.

Excepted Transaction means any transaction excepted from the definition of **Purchase Or Sale Of A Covered Security** by this Code and includes any purchase or sale of a security:

- (a) involving a security or securities account over which a person has no direct or indirect influence or control;
- (b) which is non-volitional on the part of the person by or for whom the transaction is effected;
- (c) which is effected pursuant to an automatic dividend reinvestment plan;
- (d) which is effected pursuant to an **Automatic Investment Plan**;
- (e) which occurs as a result of taking a loan from the USGI 401(k) Plan; or
- (f) involving either:
 - a. the purchase of a security effected upon the exercise of one or more rights issued by an issuer pro rata to all holders of a class of its securities, if and only to the extent to which such rights were acquired directly from such issuer; or
 - b. the sale of any such rights so acquired.

Beneficial Ownership is interpreted in the same manner as it would be under Rule 16a-1(a)(2) under the Exchange Act, as amended, in determining whether a person is subject to the provisions of Section 16 except that the determination of direct or indirect **Beneficial Ownership** shall apply to all securities which a **Covered Person** has or acquires. For example, in addition to a person’s own accounts, the term **Beneficial Ownership** encompasses securities held in the name of a spouse or equivalent domestic partnership, minor children, a relative sharing your home, or certain trusts under which you or a related party is a beneficiary, or held under other arrangements indicating a share of financial interests.

Specific examples of the types of accounts over which a **Covered Person** generally is deemed to have **Beneficial Ownership** include the following:

- (a) The person's spouse, minor children, or any other relatives sharing the person's household;
- (b) A trust in which the person has a beneficial interest, unless such person has no direct or indirect control over the trust;
- (c) A trust as to which the person is a trustee;
- (d) A revocable trust as to which the person is a settlor;
- (e) A corporation of which the person is an officer, director or 10% or greater stockholder; or
- (f) A partnership of which the person is a partner (including most investment clubs) unless the person has no direct or indirect control over the partnership.

Short-Term Matched Profit Transaction means the combination of any "personal securities transaction" (the subject transaction) in a **Covered Security** which, when matched (on a purchase-and-sale basis) with any other such transaction by or on behalf of the same person in the same (or any "equivalent") **Covered Security** or **Equivalent Covered Security** occurring within sixty (60) calendar days before the subject transaction, results in actual trading profit for the person.

Other Definitions

Chief Compliance Officer means the officer of USGI designated by vote of USGI's Board of Directors to receive reports and take certain actions as provided in this Code.

Federal Securities Laws means the Securities Act of 1933, the Exchange Act, the Sarbanes-Oxley Act of 2002, the Investment Company Act of 1940, the Investment Advisers Act of 1940, Title V of the Gramm-Leach-Bliley Act, any rules adopted by the SEC under any of these statutes, the Bank Secrecy Act as it applies to funds and investment advisers, and any rules adopted thereunder by the SEC or the Department of the Treasury.

Review Committee means the USGI committee which consists of USGI's Chief Executive Officer/Chief Investment Officer, President/General Counsel, and **Chief Compliance Officer**. Should the committee meet to discuss a transaction involving a USGI proprietary account or a transaction involving any of the committee members, a USGI Director, as nominated by the Board of Directors, will take the place of that committee member.

SEC means the Securities and Exchange Commission.

Quarterly Certification

In my capacity as Director of U.S. Global Investors, Inc. (“USGI”), I hereby certify that during the previous calendar quarter:

- I did not have access to or knowledge of nonpublic information regarding any USGI client’s purchase or sale of securities or the portfolio holdings of mutual funds affiliated with USGI;
- I neither was involved in making securities recommendations to USGI clients nor did I have access to any such nonpublic recommendations; and
- I engaged in and reported any personal securities transactions in USGI stock in accordance with the applicable provisions of the USGI Code of Ethics.

Director

Date

EXHIBIT 31 - CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Frank E. Holmes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of U.S. Global Investors, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2015

/s/ Frank E. Holmes

Frank E. Holmes

Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lisa C. Callicotte, certify that:

1. I have reviewed this quarterly report on Form 10-Q of U.S. Global Investors, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2015

/s/ Lisa C. Callicotte

Lisa C. Callicotte

Chief Financial Officer

**EXHIBIT 32 - CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of U.S. Global Investors, Inc. (the "Company") does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: May 14, 2015

/s/ Frank E. Holmes

Frank E. Holmes

Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of U.S. Global Investors, Inc. (the "Company") does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: May 14, 2015

/s/ Lisa C. Callicotte

Lisa C. Callicotte

Chief Financial Officer