

Form

**1040**

Department of the Treasury—Internal Revenue Service  
**U.S. Individual Income Tax Return**

Explore this Opportunity for Yield and Tax-Free Income with NEARX

**Label**

See instructions on page 16.)

Use the label, otherwise please print type.

Residential Section Ca

For the year Jan. 1–Dec. 31, 200 , or other tax year

Your first name and initial

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If

**United States Treasury**



Month	Day	Year
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**NEAR-TERM TAX FREE FUND (NEARX)**

# Corporate Overview

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- Boutique investment management firm specializing in actively managed equity and bond strategies. Longstanding history as experts in gold and precious metals, natural resources and emerging markets.
- Originally founded as an investment club in the 1960s. The company became a registered investment adviser in 1968 and went on to launch the nation's first no-load gold mutual fund in 1974.
- Publicly traded company, listed on Nasdaq under the symbol GROW, based in San Antonio.

# Seeking Opportunities to Earn More in a Low Interest Rate World

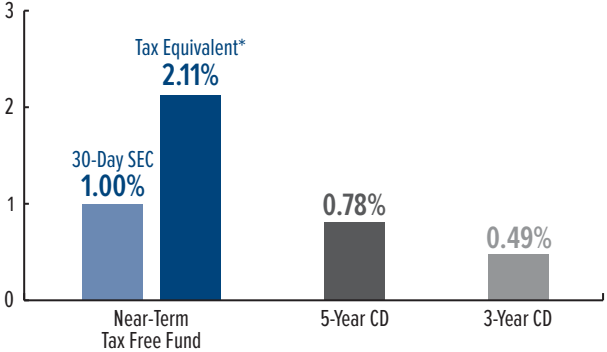
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- Interest rates remain at historic lows.
- Rates are expected to remain low this year.
- Your money could benefit from higher yields with low volatility.
- When rates do begin to rise, shorter-term bond funds offer more protection than longer-term bond funds.

# It Pays to Compare Opportunities to Improve Your Yield

## Compare Yields



\*Based on 43.4% tax rate

With interest rates at 50-year lows, many investors need alternatives to bank CDs.

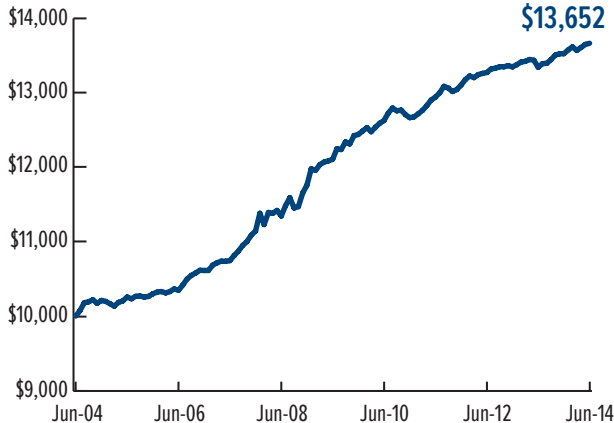
NEARX yields as of 06/30/14. CD rates from Bankrate.com national average as of 07/22/14. NEARX SEC yield without waiver and reimbursement 0.36%. See additional important information on pages 18-19.

# Need Steady Growth for Your Cash?

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## Near-Term Tax Free Fund

Growth of \$10,000



Many investors have been seeking higher yields from short-term bond funds. The Near-Term Tax Free Fund may help you earn more and lower your tax bill.

The chart illustrates the performance of a hypothetical \$10,000 investment made in the fund during the depicted time frame. Figures include reinvestment of capital gains and dividends, but the performance does not include the effect of any direct fees described in the fund's prospectus which, if applicable, would lower your total returns. See complete fund performance information on page 16.

# The NEARX Solution

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- The Near-Term Tax Free Fund (NEARX) seeks to provide tax-free monthly income and preservation of capital by investing in debt securities issued by state and local governments from across the country.
- The fund invests in a diversified portfolio of municipal bonds with relatively short maturities.
- The fund will maintain a weighted-average maturity of five years or less.

# Credit Quality is Important

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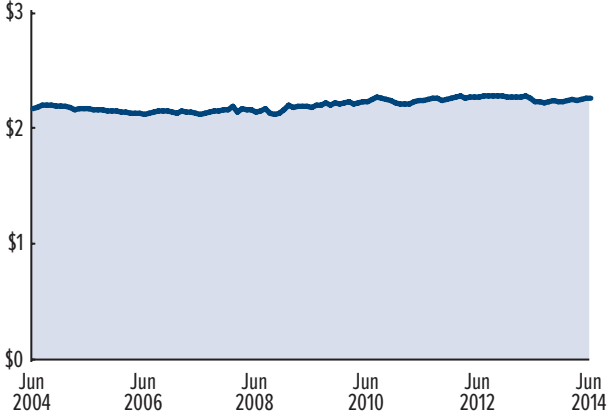
The logo for Moody's, featuring the word "MOODY'S" in a blue, serif font.The logo for Standard & Poor's Ratings Services, featuring the words "STANDARD & POOR'S" in a bold, sans-serif font with "S" and "P" in red, and "RATINGS SERVICES" in a smaller, red, sans-serif font below it.

The Near-Term Tax Free Fund invests at least 80 percent of its net assets in investment grade municipal securities. At the time of purchase for the fund's portfolio, the ratings on the bonds must be one of the four highest ratings by Moody's Investors Service or Standard & Poor's Corporation (or, if not rated, determined to be of comparable quality).

# The Fund Seeks to Preserve Your Capital

## 10+ Years Minimal Share Price Volatility

Near-Term Tax Free Fund Share Price



For their cash or short-term investments, many investors seek shelter from the volatility of the stock market. This fund has demonstrated minimal fluctuation in its share price over the past 10 years.

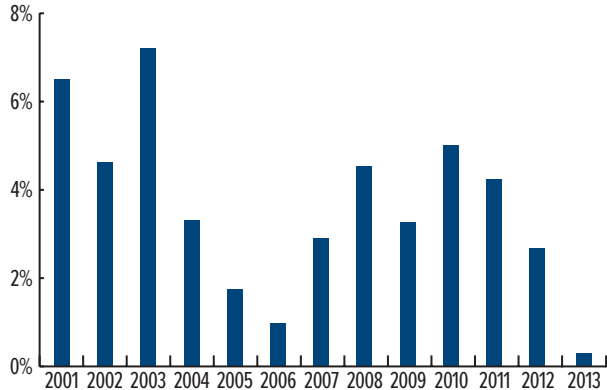
Past performance does not guarantee future results. See complete fund performance information on page 16.



# 10+ Years of Positive Annual Total Returns

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**Near-Term Tax Free Fund Annual Total Return**



The Near-Term Tax Free Fund has generated consistent positive annual total returns (yield + appreciation) for investors for 13 years in a row.

Past performance does not guarantee future results. See complete fund performance information on page 16.

# 4 Stars for 10-Year Performance

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★★★★	Overall/163
★★★★	3-Year/163
★★★★	5-Year/129
★★★★	10-Year/103

Morningstar ratings based on risk-adjusted return and number of funds

Category: Municipal National Short-term funds

Through 06/30/2014



5	Lipper Leader <b>Preservation</b>
5	Lipper Leader <b>Tax Efficiency</b>

Lipper ratings for Preservation reflect funds' historical loss avoidance relative to other funds within the same asset class, as of 6/30/2014. Preservation ratings are relative, rather than absolute, measures, and funds named Lipper Leaders for Preservation may still experience losses periodically; those losses may be larger for equity and mixed equity funds than for fixed income funds. Lipper ratings for Tax Efficiency reflect funds' historical success in postponing taxable distributions relative to peers as of 6/30/2014. Tax Efficiency offers no benefit to investors in tax-sheltered accounts such as retirement plans. Past performance does not guarantee future results.

# The Fund Focuses on High Quality Investment-Grade Debt with Average Maturities of Five Years or Less

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## Quality

AAA	8.49%
AA	43.85%
A	32.09%
BBB	3.90%
Other	1.37%

## Maturity

<1 Year	14.02%
1-3 Years	30.93%
3-5 Years	22.00%
5-10 Years	22.75%
10+ Years	0.00%
Average Maturity	2.99
Average Duration	2.91

As of June 30, 2014

# The Fund is Diversified Geographically and Across Sectors

## Top 10 Holdings

Texas Department of Housing & Community Affairs	1.83%
Long Island Power Authority	1.46%
City of Chicago IL	1.38%
School District of Philadelphia/The	1.14%
Lorain County Community College District	1.12%
Spartanburg Regional Health Services District	1.11%
Chicago Board of Education	1.08%
University of Alabama/The	1.02%
City of Bessemer AL	0.98%
Springfield Metropolitan Sanitation District	0.98%
<b>Percentage of total net assets in top 20 holdings</b>	<b>21.04%</b>
<b>Total number of holdings</b>	<b>166</b>

## Top 10 Sector Breakdown

General Obligation	28.09%
School District	12.71%
Water	9.25%
Medical	9.25%
Higher Education	5.79%
Power	4.66%
Facilities	4.17%
Transportation	4.16%
Education	2.94%
Utilities	2.43%

## Top 5 States

Texas	14.64%
Florida	12.16%
Illinois	9.11%
Michigan	5.23%
California	5.01%

As of June 30, 2014

# Portfolio Management Team

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## **Frank Holmes, Investment Team Leader**

- CEO and CIO
- Selected as 2006 mining fund manager of the year by *Mining Journal*
- 30+ years industry experience

## **John Derrick, Portfolio Manager**

- Joined U.S. Global Investors in 1999
- 20 years industry experience
- BA Finance, University of Texas at Arlington; CFA Charterholder

# Performance and Results Oriented

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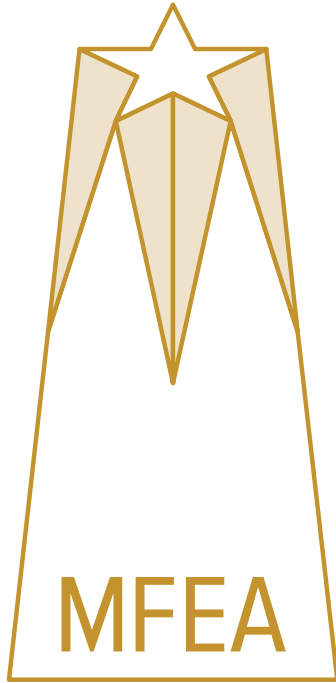
## Investment leadership results in performance

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

(4 of the U.S. Global Investors Funds received Lipper performance awards from 2005 to 2008. 6 of the U.S. Global Investors Funds received certificates from 2000 to 2007, and 2 of the U.S. Global Investors Funds received top rankings from 2009 to 2010. During the years mentioned, there were 13 U.S. Global Investors Funds, while currently the fund family consists of 9 funds.)

# Focus on Education

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## **Best Overall Advisor and Best Overall Retail Communications**

2013 Mutual Fund  
Education Alliance  
STAR Awards

# Fund Performance

As of 06/30/14	Average Annual					Gross Expense Ratio	Expense Ratio After Waivers
	1-year	3-year	5-year	10-year	Since Inception		
Near-Term Tax Free Fund	3.68%	2.51%	3.07%	3.16%	4.26%*	1.21%	0.45%

*Expense ratio as stated in the most recent prospectus. The expense ratio after waivers is a contractual limit through December 31, 2014, for the Near-Term Tax Free Fund, on total fund operating expenses (exclusive of acquired fund fees and expenses, extraordinary expenses, taxes, brokerage commissions and interest). Performance data quoted above is historical. Past performance is no guarantee of future results. Results reflect the reinvestment of dividends and other earnings. For a portion of periods, the fund had expense limitations, without which returns would have been lower. Current performance may be higher or lower than the performance data quoted. The principal value and investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. Performance does not include the effect of any direct fees described in the fund's prospectus which, if applicable, would lower your total returns. Performance quoted for periods of one year or less is cumulative and not annualized. Obtain performance data current to the most recent month-end at [www.usfunds.com](http://www.usfunds.com) or 1-800-US-FUNDS. Since Inception \*(12/04/90).*



# Contact Us

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## **It's easy to begin investing directly with U.S. Global Investors.**

You can apply online, print an application and mail it to us, or request that an investment kit be sent to you.

First, please be sure to review our prospectus.

## **For more information, please contact us:**

### **Financial Advisors**

1-800-873-3639

[advisor@usfunds.com](mailto:advisor@usfunds.com)

### **Individual Investors**

1-800-386-3847

[info@usfunds.com](mailto:info@usfunds.com)

# Disclosures

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*Please consider carefully the fund's investment objectives, risks, charges and expenses. For this and other important information, obtain a fund prospectus by visiting [www.usfunds.com](http://www.usfunds.com) or by calling 1-800-US-FUNDS (1-800-873-8637). Read it carefully before investing. Distributed by U.S. Global Brokerage, Inc.*

*Unlike bank savings accounts, an investment in a municipal bond fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency.*

Though the Near-Term Tax Free Fund seeks minimal fluctuations in share price, it is subject to the risk that a decline in the credit quality of a portfolio holding could cause a fund's share price to decline. Tax-exempt income is federal income tax free. A portion of this income may be subject to state and local income taxes, and if applicable, may subject certain investors to the Alternative Minimum Tax as well. The Near-Term Tax Free Fund may invest up to 20% of its assets in securities that pay taxable interest. Income or fund distributions attributable to capital gains are usually subject to both state and federal income taxes. The Near-Term Tax Free Fund is subject to interest-rate risk; its value declines as interest rates rise. The Near-Term Tax Free Fund may be exposed to risks related to a concentration of investments in a particular state or geographic area. These investments present risks resulting from changes in economic conditions of the region or issuer. Bond funds are subject to interest-rate risk; their value declines as interest rates rise. A bond's credit quality is determined by private independent rating agencies such as Standard & Poor's, Moody's and Fitch. Credit quality designations range from high (AAA to AA) to medium (A to BBB) to low (BB, B, CCC, CC to C).

Morningstar Ratings are based on risk-adjusted return. The Overall Morningstar Rating for a fund is derived from a weighted-average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Past performance does not guarantee future results. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.)

# Disclosures

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The Lipper ratings are subject to change every month and are based on an equal-weighted average of percentile ranks for the Preservation and Tax Efficiency metrics over three-, five-, and ten-year periods (if applicable). The highest 20% of funds in each peer group are named Lipper Leader or a score of 5, the next 20% receive a score of 4, the middle 20% are scored 3, the next 20% are scored 2, and the lowest 20% are scored 1. The Near-Term Tax Free Fund, in Lipper's Short-Intermediate Municipal Debt Funds classification, received the following ratings for the 3-, 5-, and 10-year periods, respectively. Preservation (in Fixed Income asset class): 5 (4,944 funds), 5 (4,079 funds), and 5 (2,838 funds). Tax Efficiency: 5 (48 funds), 5 (41 funds), and 5 (34 funds). Lipper ratings are not intended to predict future results, and Lipper does not guarantee the accuracy of this information. More information is available at [www.lipperweb.com](http://www.lipperweb.com). Lipper Leader Copyright 2014, Reuters, All Rights Reserved.

It's important to consider the differences between the two investment products before investing.

Compare	Near-Term Tax Free Fund	Bank CD
Type of Investment and Objective	Municipal bond fund; seeks current income that is exempt from federal income tax and seeks preservation of capital	Certificate of deposit; entitles the bearer to receive interest
Primary Investments	Investment grade municipal bonds with relatively short maturity	A promissory note issued by a bank
Stable share price?	No, but seeks minimal fluctuations	Yes
Withdrawal penalty?	No	Yes, withdrawal before the maturity date usually incurs a penalty
FDIC insured?	No	Yes, up to \$250,000

The CD interest rate is typically a fixed rate of interest, and payable on a set maturity date. The 30-day yield is used for bond funds, balanced funds, and stock funds. It consists of the interest income the fund pays over a 30-day period, net of expenses, expressed as an annualized percentage of the fund's share price. Tax Equivalent Yield is the before-tax yield you would have to get from a higher-paying but taxable investment to equal the yield from a tax-exempt investment and was computed assuming a 43.4% tax rate. 14-320