



U.S. Global Investors

Searching for Opportunities, Managing Risk

View of Flying at 50,000 Feet

Frank Holmes,
CEO and Chief Investment Officer



Fund Recognition

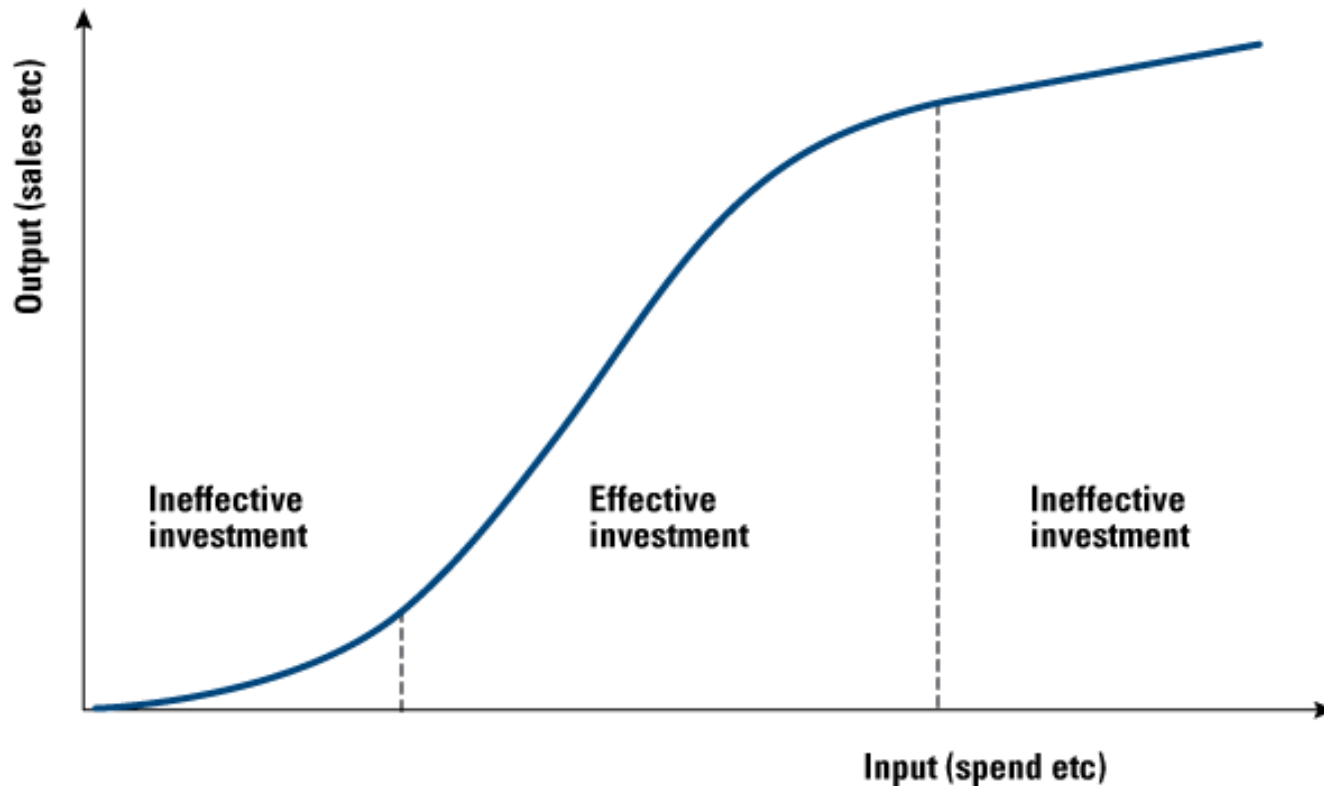
Investment
leadership results
in performance



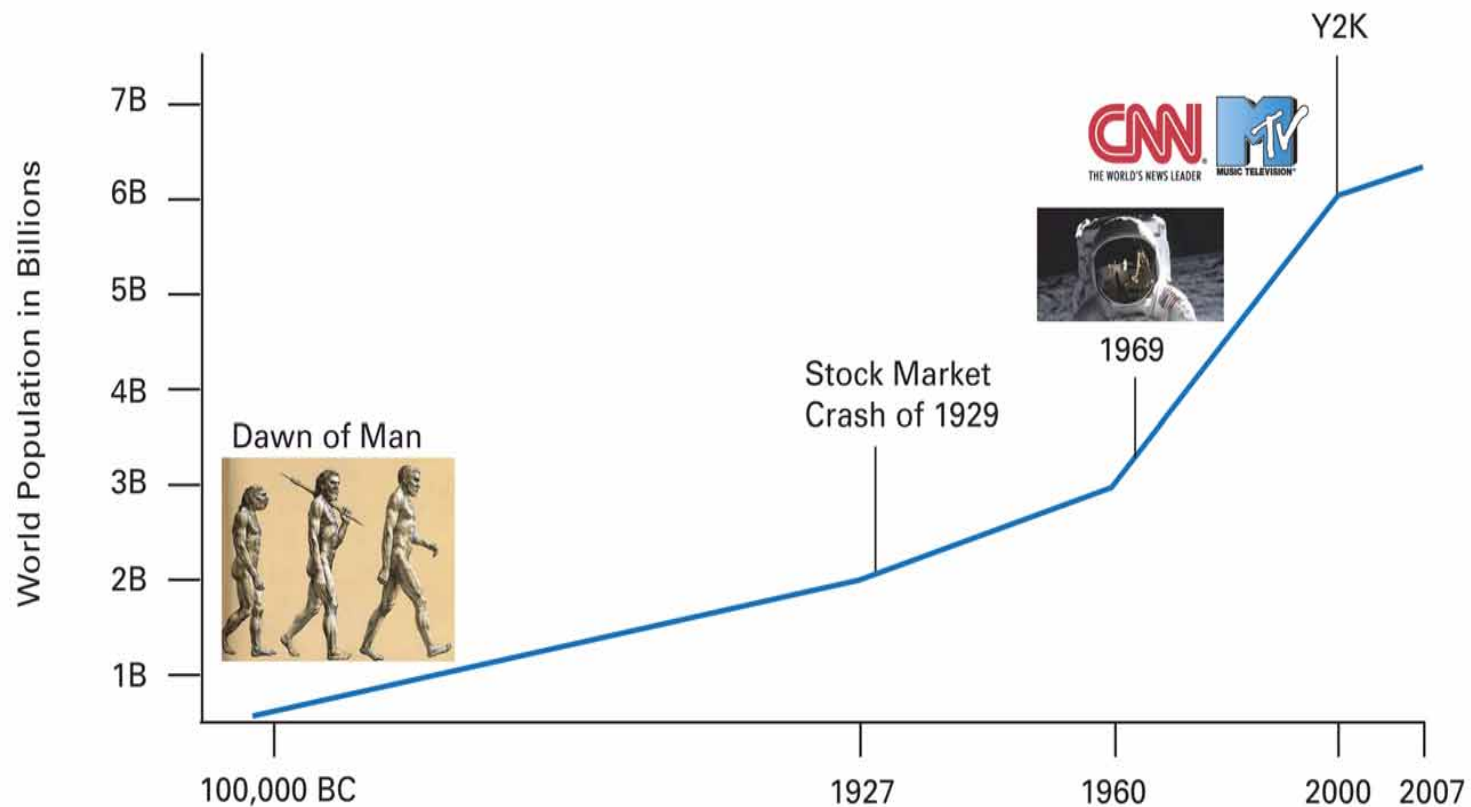
Winner of 26 Lipper Fund Awards and certificates since 2000



The S-Curve – Big Question is Where Are We On The Curve?



6 Billion People-Tipping Point



Demographics is the Key



Deng Xiaoping

Emerging Markets expected to account for nearly three-quarters of the world's urban population by 2015



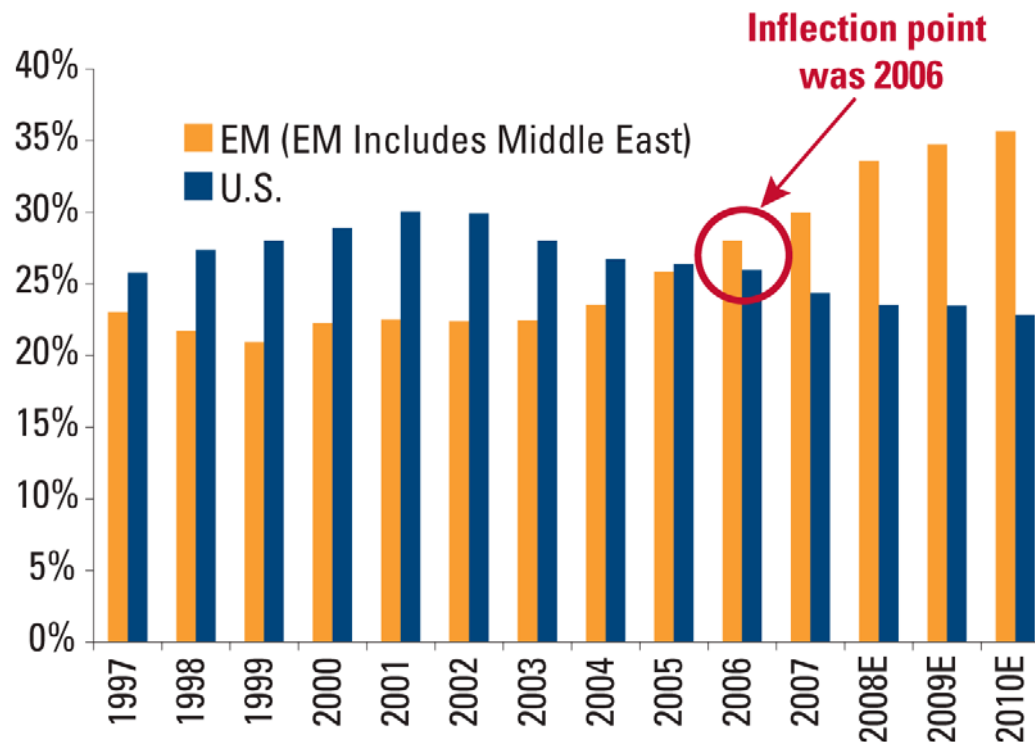
Source: United Nations World Population Prospects 2005 Revision, Morgan Stanley Research

- Half of the global population (>3 billion) is estimated to live in urban areas
- Projected urban population is larger than the entire world population in 1965



Demographics is the Key

Share in Global Nominal US\$ GDP



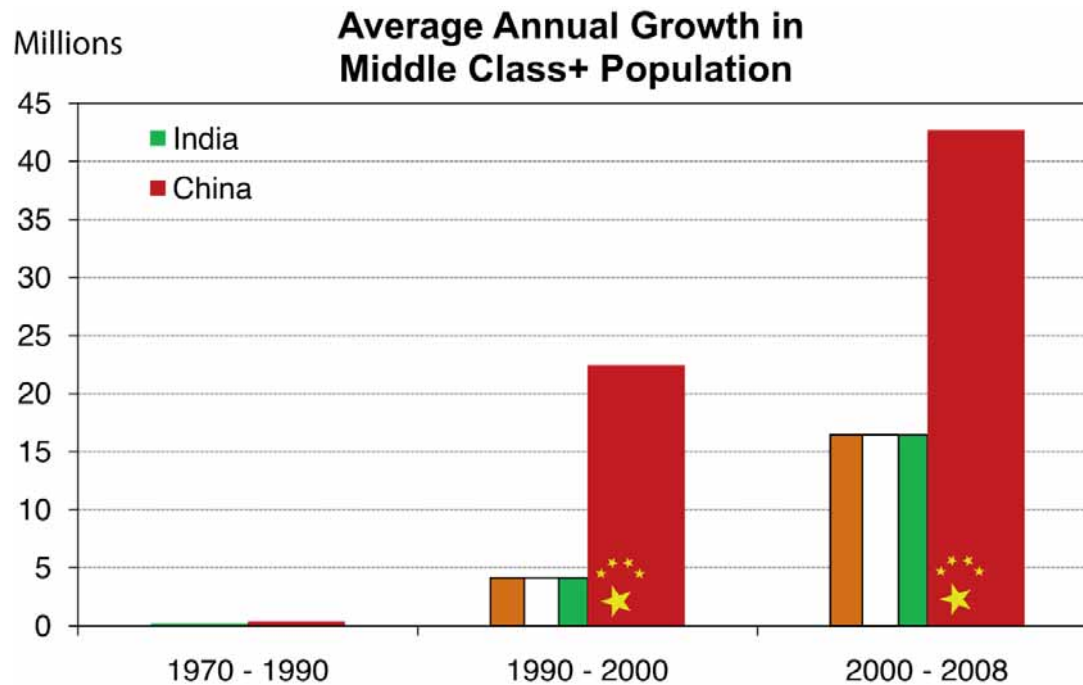
Taipei, Taiwan

Source: IMF, Morgan Stanley Research

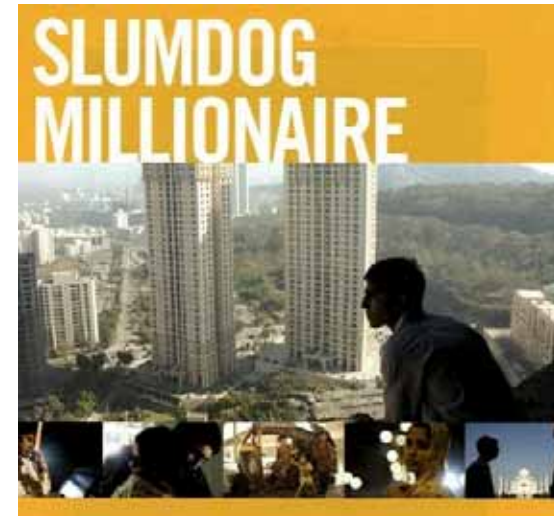
EM = Emerging Markets



Chindia — Rising Middle Class



Source: PIRA



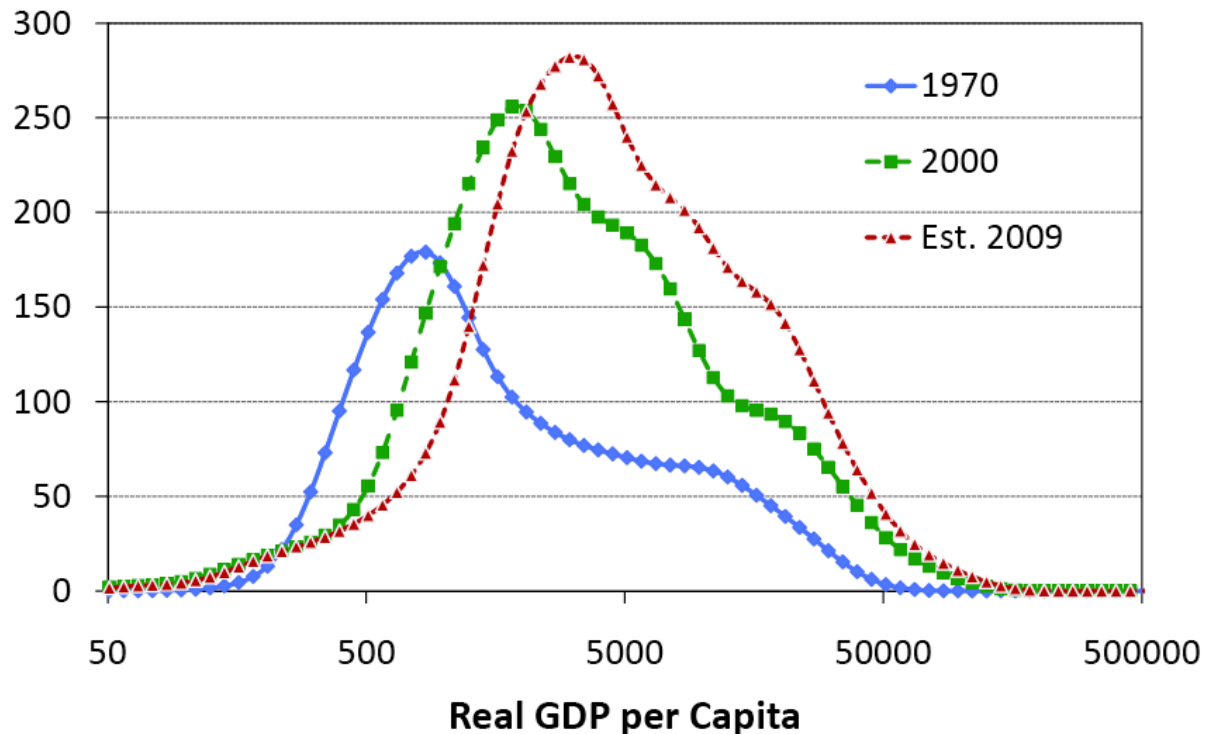
Source: padanisaa.blogspot.com



Macro Trend-Tailwind for Investing in Emerging Economies

Population
Millions

World Distribution of Income



Mercedes Showroom, China

Source: PIRA



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Catch-Up Potential — Big Macro Trend

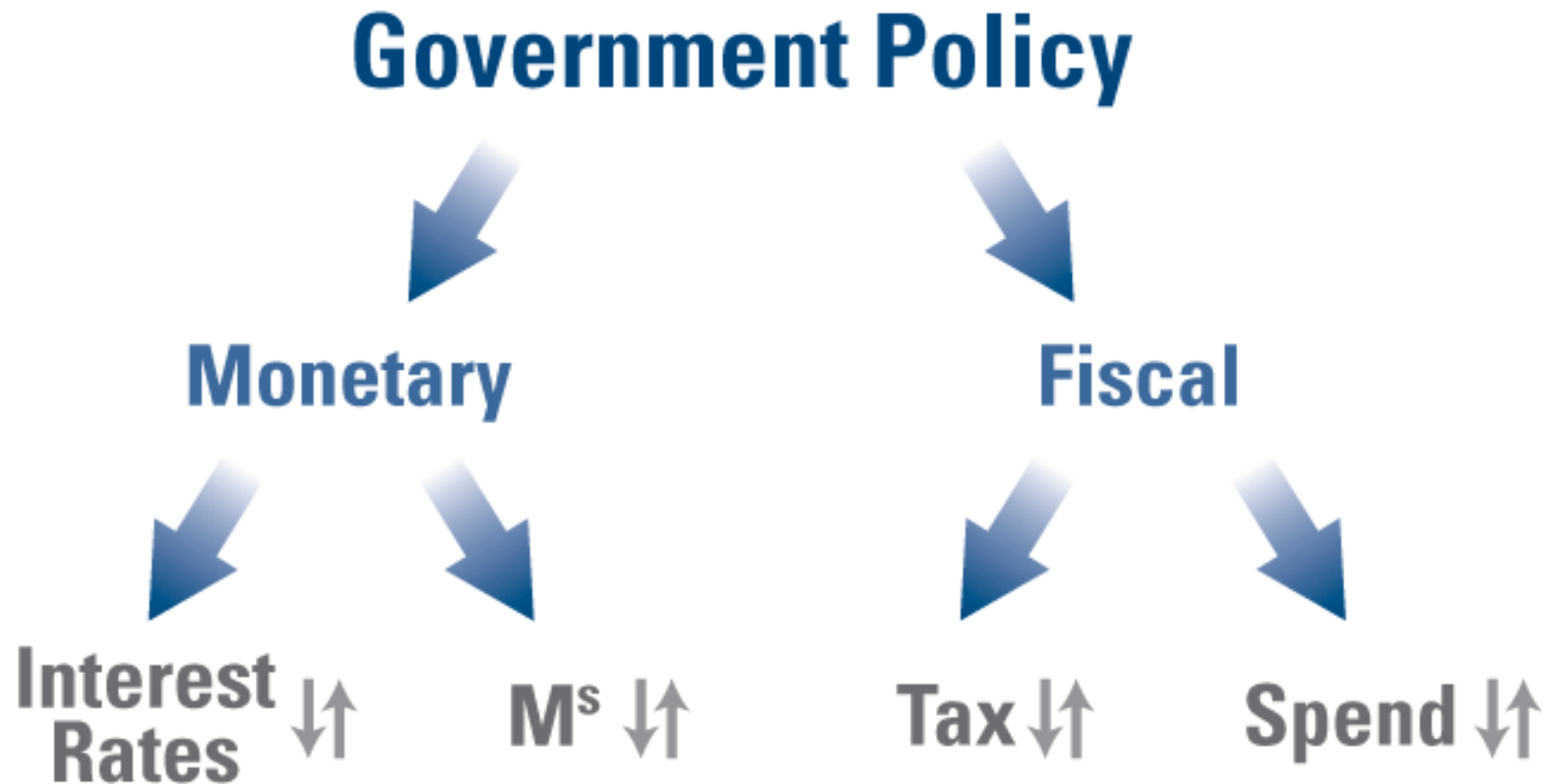


As of Sep 2006. Source: IMF, Merrill Lynch








- Poor countries typically grow faster than rich ones
- EM GDP per capita is US\$5,000 vs. \$40,000 in developed markets










Government Policy Model — Precursor for Change



E7 and G7 Population vs GDP

		Population (million)*	Nominal GDP (bn USD) 2009*
E-7			
	China	1324	4985
	India	1157	1310
	Indonesia	240	540
	Brazil	199	1572
	Pakistan	181	167
	Russia	140	1231
	Mexico	111	875
Total		3352	10679
		49% of world total	18% of world total

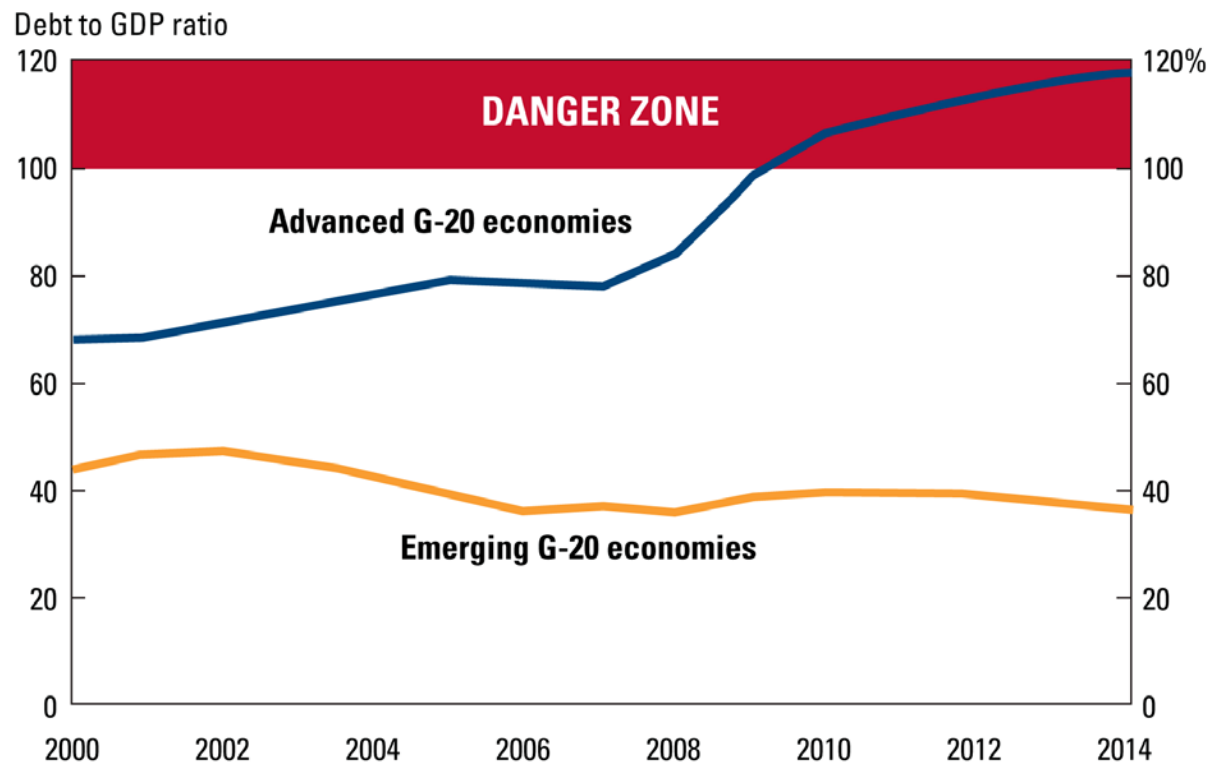
		Population (million)*	Nominal GDP (bn USD) 2009*
G-7			
	USA	307	14256
	Japan	127	5068
	Germany	82	3347
	France	64	2649
	UK	62	2175
	Italy	58	2113
	Canada	33	1336
Total		734	30943
		11% of world total	53% of world total

Source: U.S. Global Research

*As of December 2009



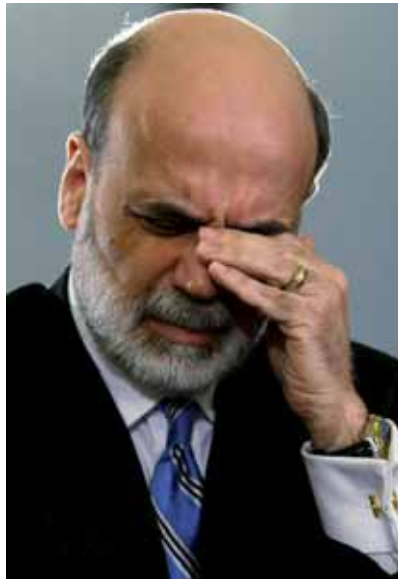
Less Debt in Emerging Economies



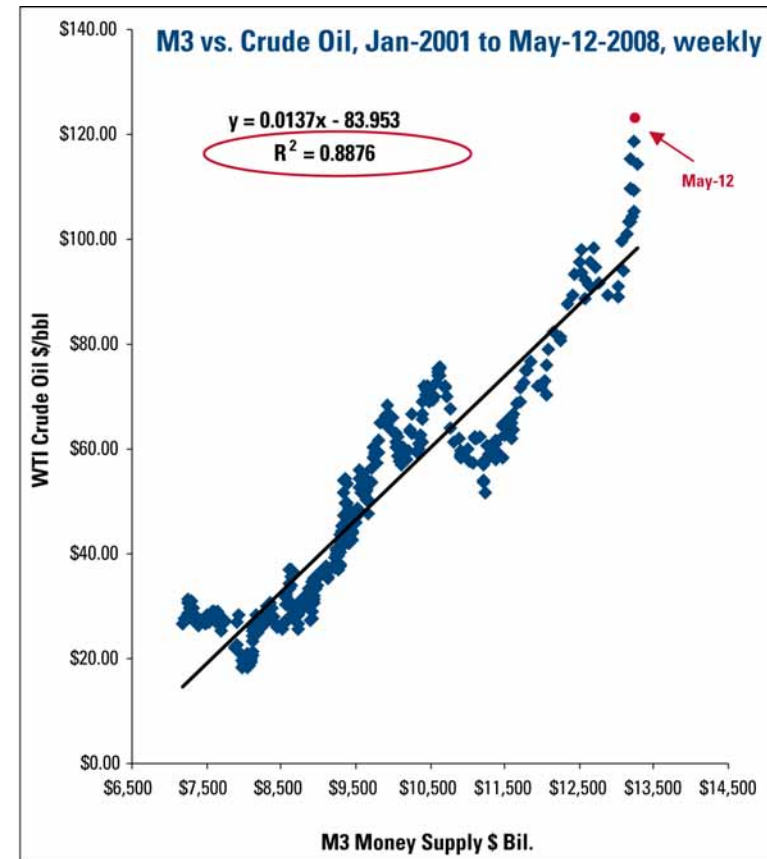
Source: IMF, <http://www.imf.org/external/pubs/ft/spn/2009/spn0925.pdf>;
Morgan Stanley Research



High Correlation of Oil and Money Supply



Government will likely continue to print money, like the bailout of Fannie Mae and Freddie Mac, to support the economy



Source: Stifel Nicolaus & Co., BLS, Federal Reserve, WTI crude oil prices. Stifel Nicolaus recreation of Non-M2 M3 data components (not including institutional money funds) after February 2006.



The Shocking Cost of U.S. Regulation is an Opportunity for Emerging Markets



14% of the economy

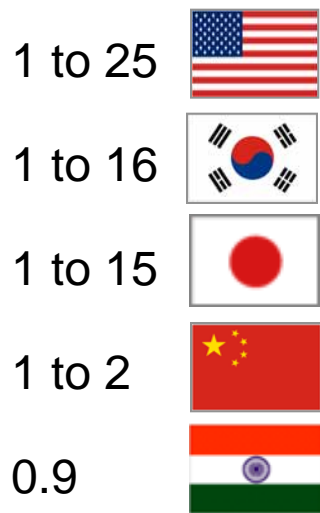


\$8,000 per private sector employee

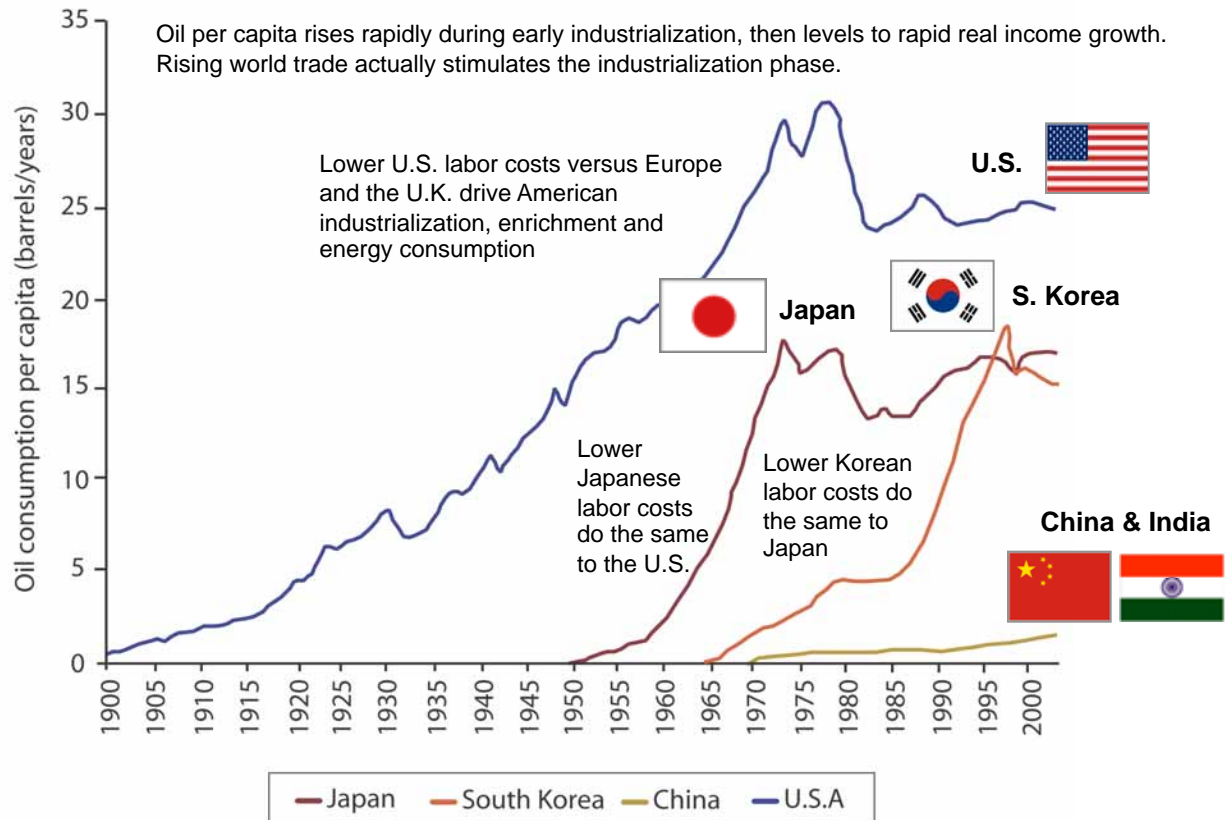


Super Shift – Energy

Oil Consumption per capita:



Oil Consumption and Industrialization, 1900 to present

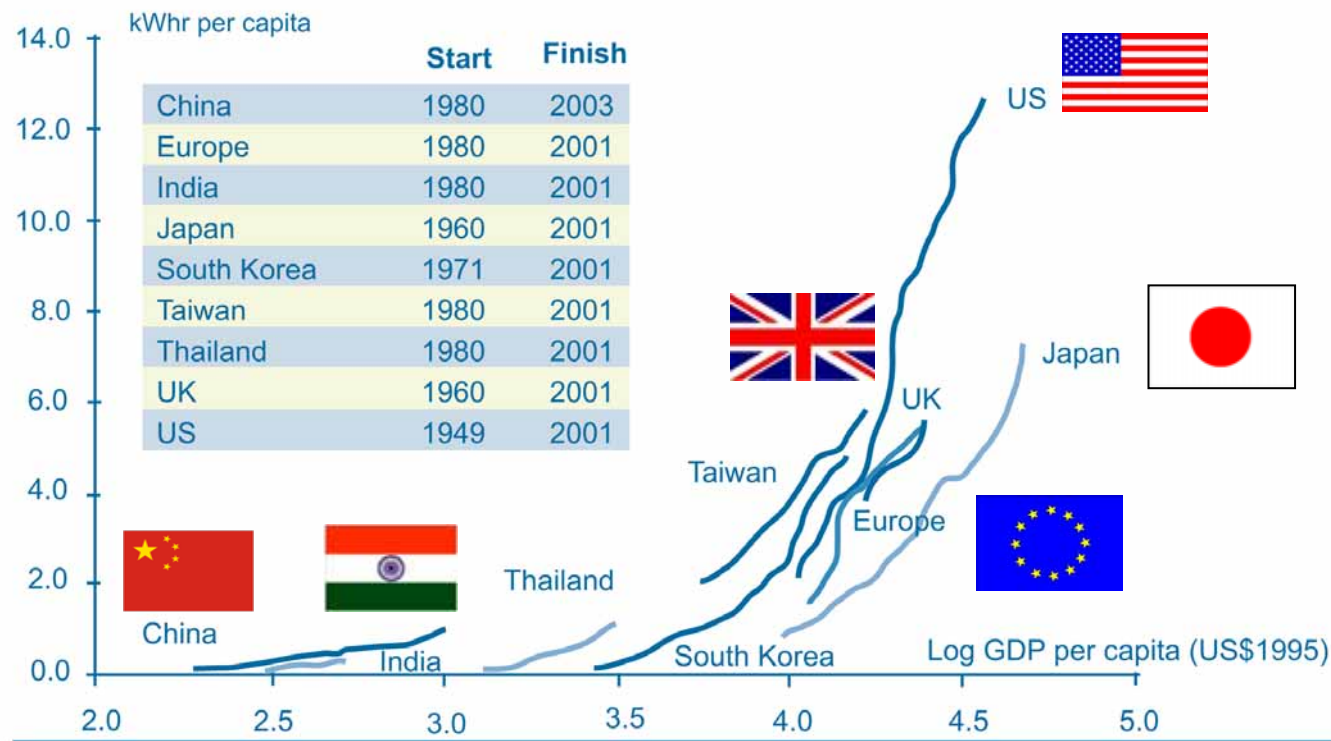


Source: Dr. Marc Faber



Super Shift – Electricity

Intensity of electricity consumption



Source: BHPB

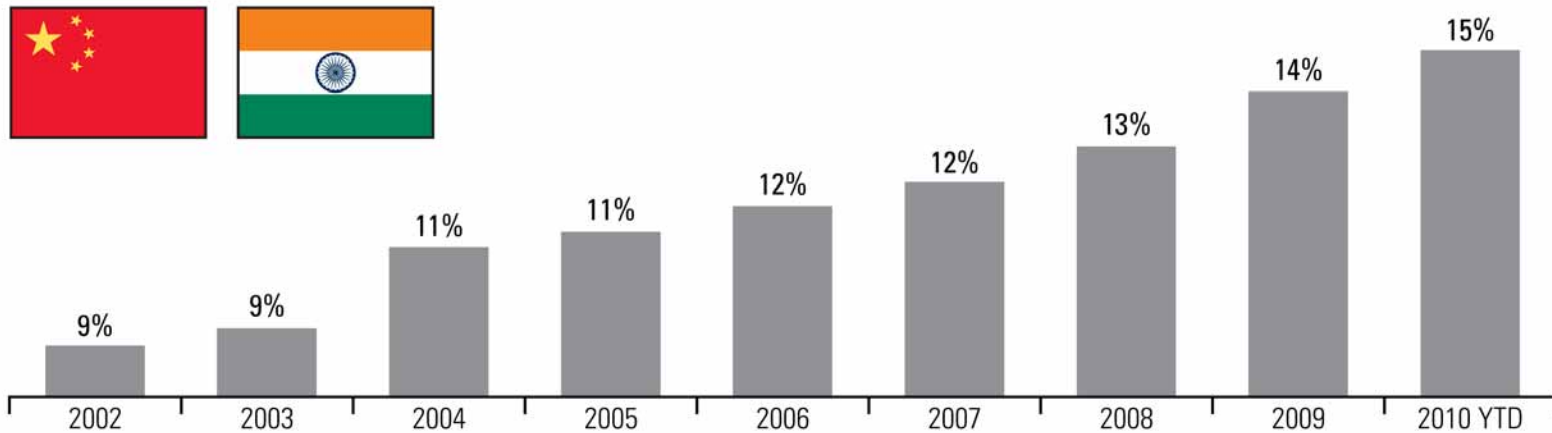
Power consumption has been growing faster than the rate of GDP growth.



China and India Increasing Share of Global Oil Demand

China and India Increasing Share of Global Oil Demand

China & India total oil demand / Global oil demand

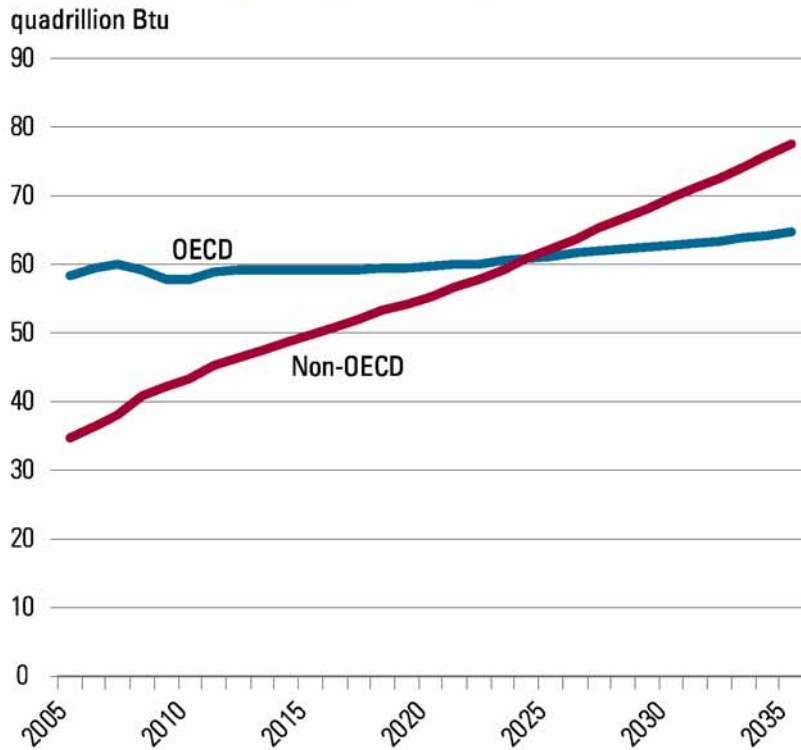


Source: India OGP, China National Bureau of Statistics & China General Administration of Customs, IEA, US DOE/EIA, Deutsche Bank



Cars Driving Oil Demand

Energy Consumption by the Transportation Sector



The OECD is a collection of 31 countries around the world whose economies are considered developed.

Source: EIA

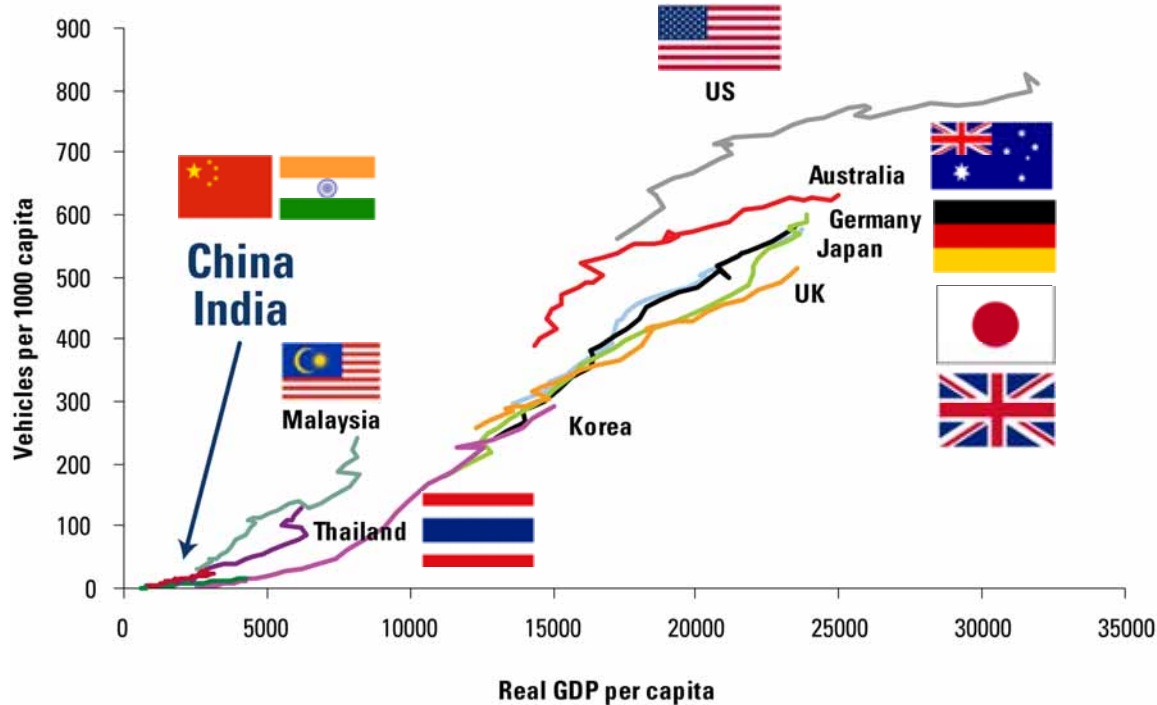


Zhanxi bridge highway, Beijing China



Huge Pent-Up Demand for Automotive Transportation in the Developing World

The Main Demand Question Remains Unanswered



Source: Nexant

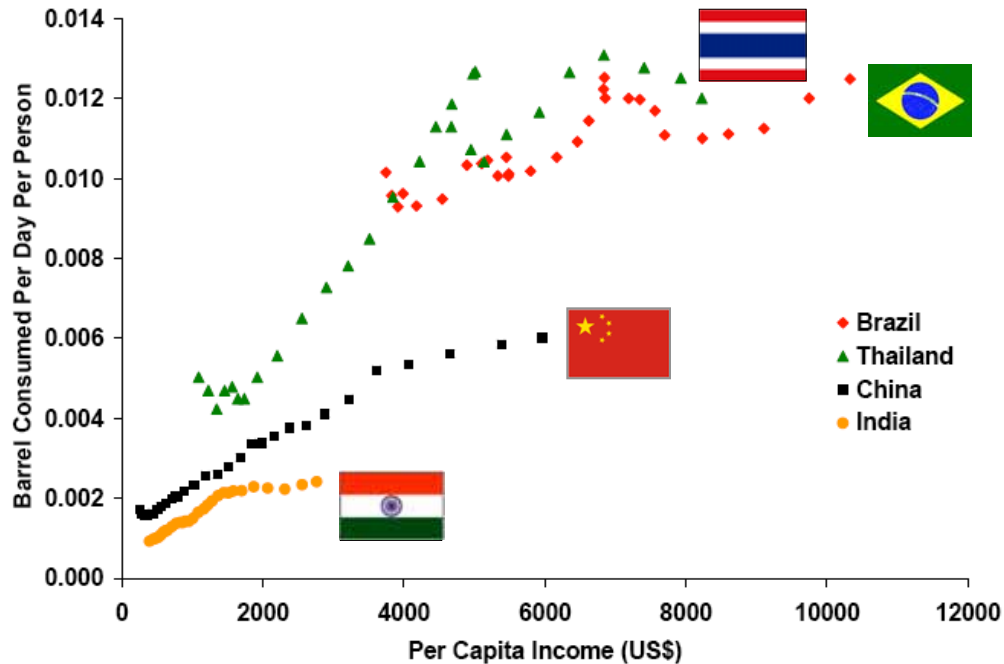


BYD (Build Your Dreams) president Wang Chuanfu sits inside the BYD E6 Electric Car during the North American International Auto Show in Detroit, Michigan January 12, 2009. Source: REUTERS/Mark Blinch



Oil Consumption Per Day Per Person Vis-à-Vis Per Capita Income

Oil Consumption per day per person vis-à-vis per capita Income



Source: BP Statistical Review of Energy, Bloomberg, Morgan Stanley Research

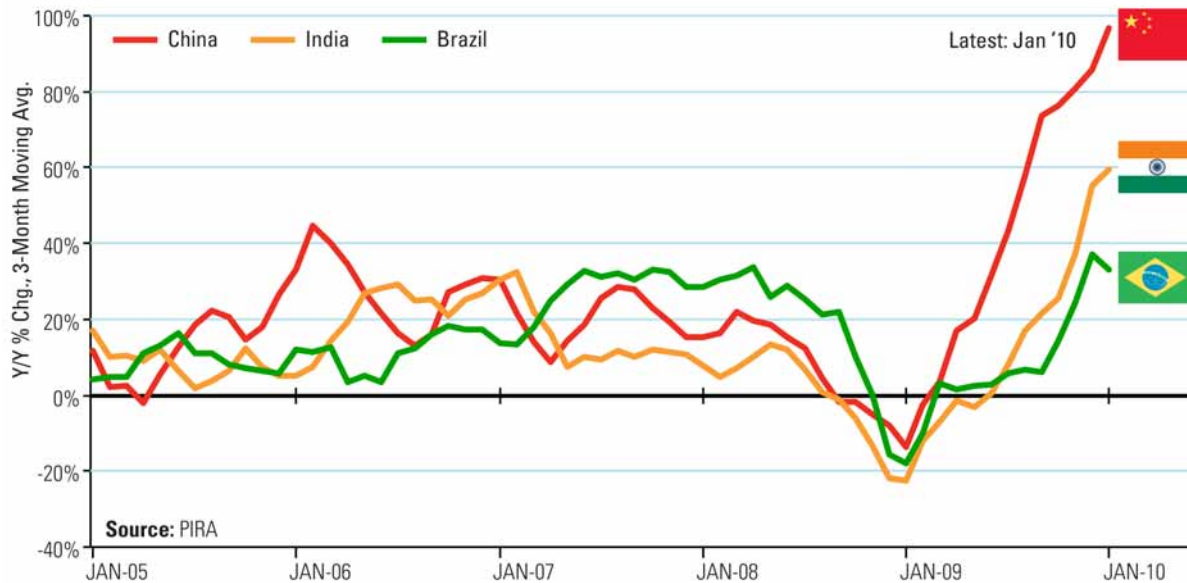


China



A New Era for Autos

Explosive Growth of Vehicle Sales in China / India / Brazil



Frank Holmes
India-Nano Car

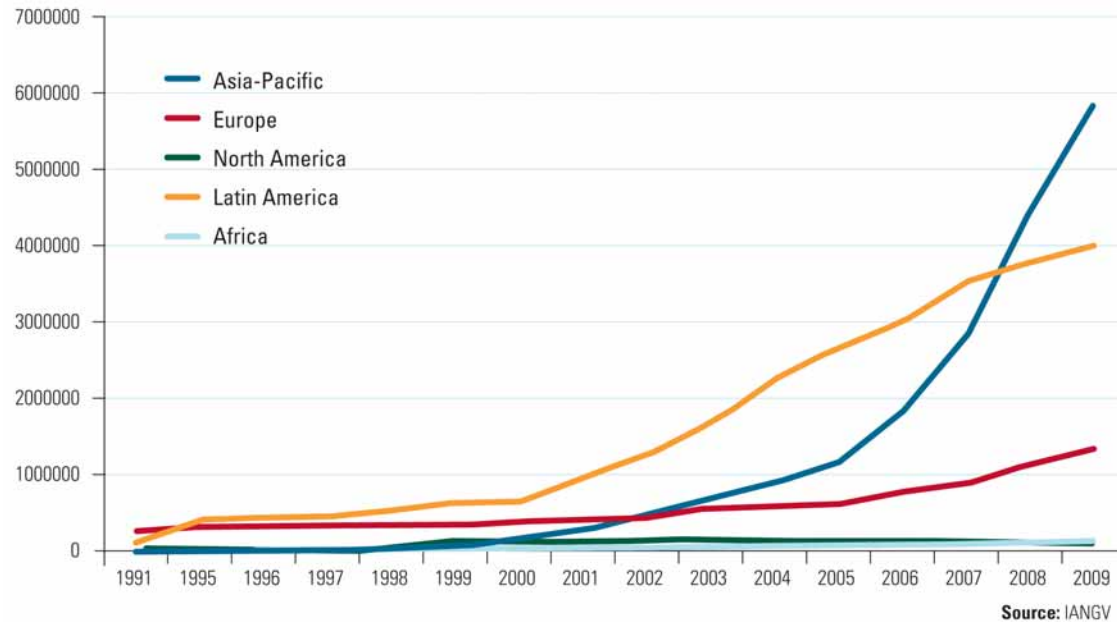


The Future Market for Alternative Cars

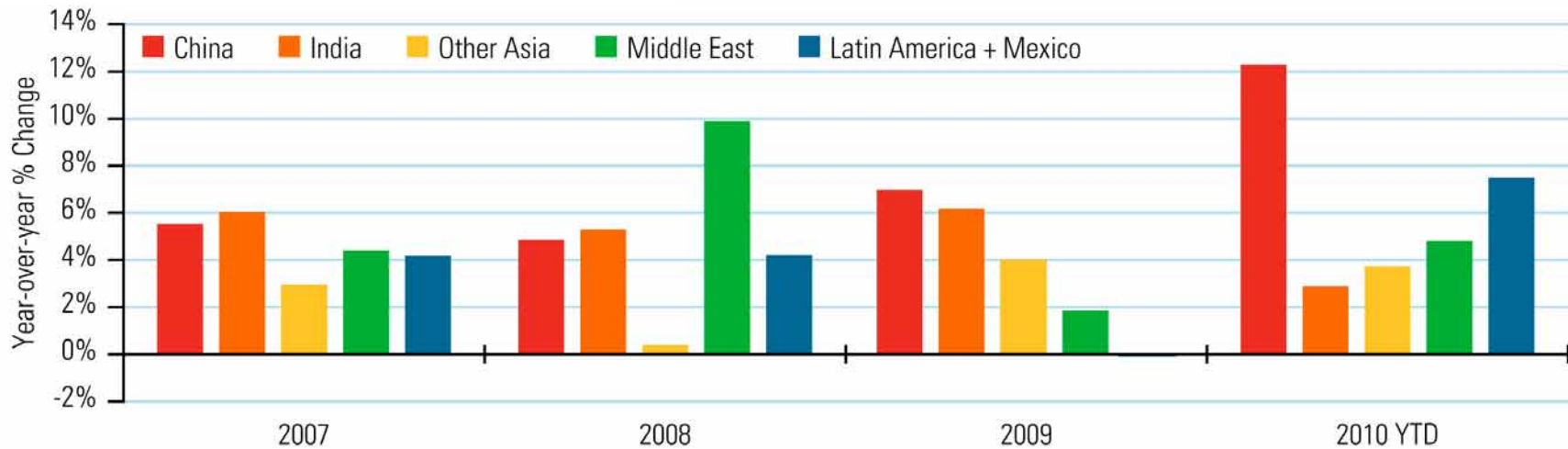


The Future Market for Alternative Cars

Natural Gas Vehicle Growth by Region
1991 - 2008 by number



Emerging Market Oil Demand Growth Rates



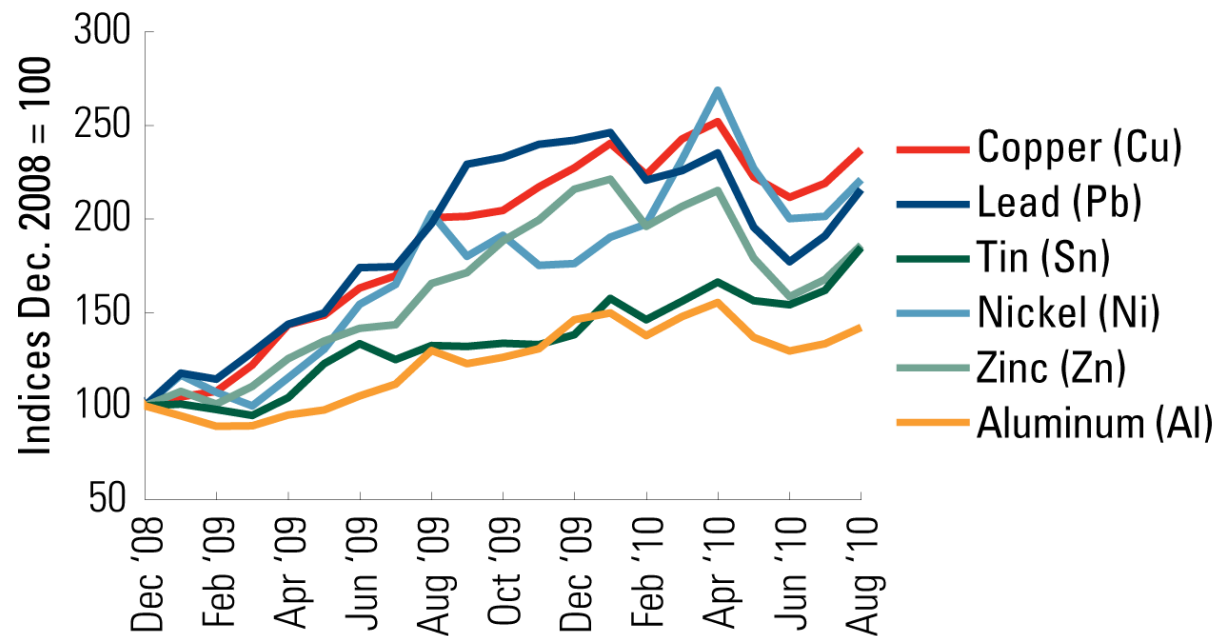
Other Asia: Thailand, Taiwan, Philippines, Indonesia, Vietnam & Malaysia; Middle East: Saudi Arabia, Kuwait, Qatar, UAE & Iran;
Latin America: Mexico, Argentina, Brazil, Peru, Colombia & Ecuador.

Source: IEA, JODI, India OGP, trade/govt data, China General Administration of Customs, China National Bureau of Statistics, Deutsche Bank



Tracking Performance of Base Metals

Base Metal Performance Since Late 2008

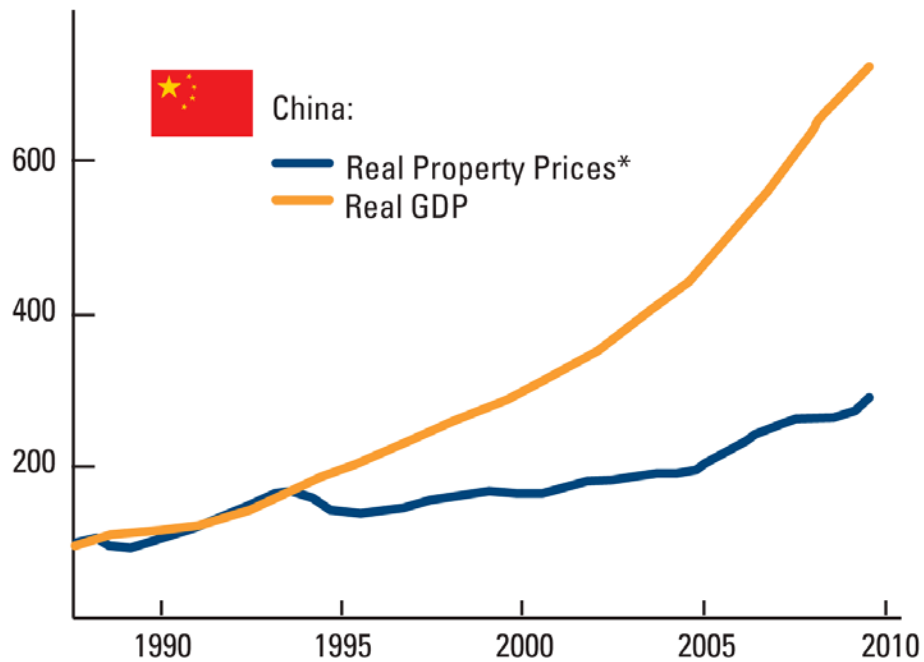


Source: LME, Macquarie Research, September 2010



No Housing Bubble in China

Do Rising Property Prices Equal a Bubble?



Note: Both series are rebased to May 1988 = 100

* Deflated by CPI and shown as a 12-month moving average

Source: BCA Research










Condos in China



\$6 Trillion in Infrastructure Over the Next Three Years

\$6 Trillion in Infrastructure over the Next Three Years

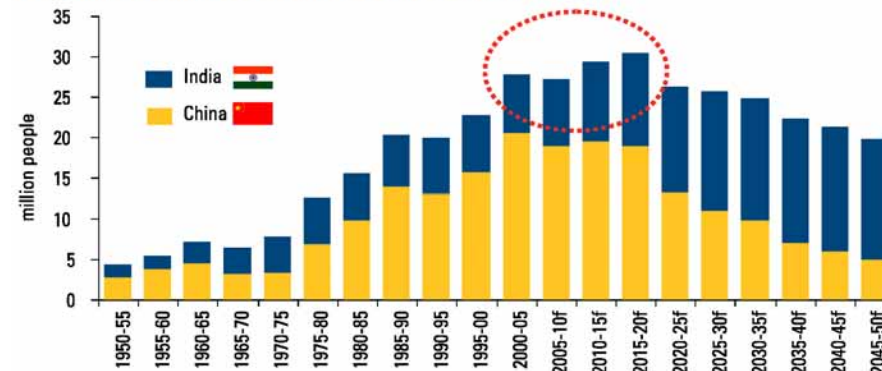
		Construction	Energy & Power	Transport & Logistics	Water & Environment	Housing	Other	Total
	China	0.0	778.0	1,472.0	1,621.0	0.0	0.0	3,871.0
	Russia							500.0
	Middle East/Gulf	314.0	105.0	158.0	9.0	0.0	0.0	586.0
	India	0.0	169.7	80.1	51.1	0.0	1.5	303.0
	Brazil	0.0	251.0	56.0	17.0	150.0	43.0	517.0
	Mexico	0.0	83.0	28.0	11.0	0.0	18.0	140.0
	South Africa	0.0	54.0	13.0	2.0	6.0	40.0	115.0
	Turkey	0.0	20.0	100.0	0.0	26.0	41.0	187.0
	CEE	0.0	6.9	26.6	4.3	0.0	3.8	41.6
Total	Average	314.0	1,467.6	1,933.7	1,715.4	182.0	147.3	6,260.6

Source: BofA Merrill Lynch Global Research, Country Sources



Asia's Infrastructure Opportunity

Combined Chinese and Indian Urbanization Trend

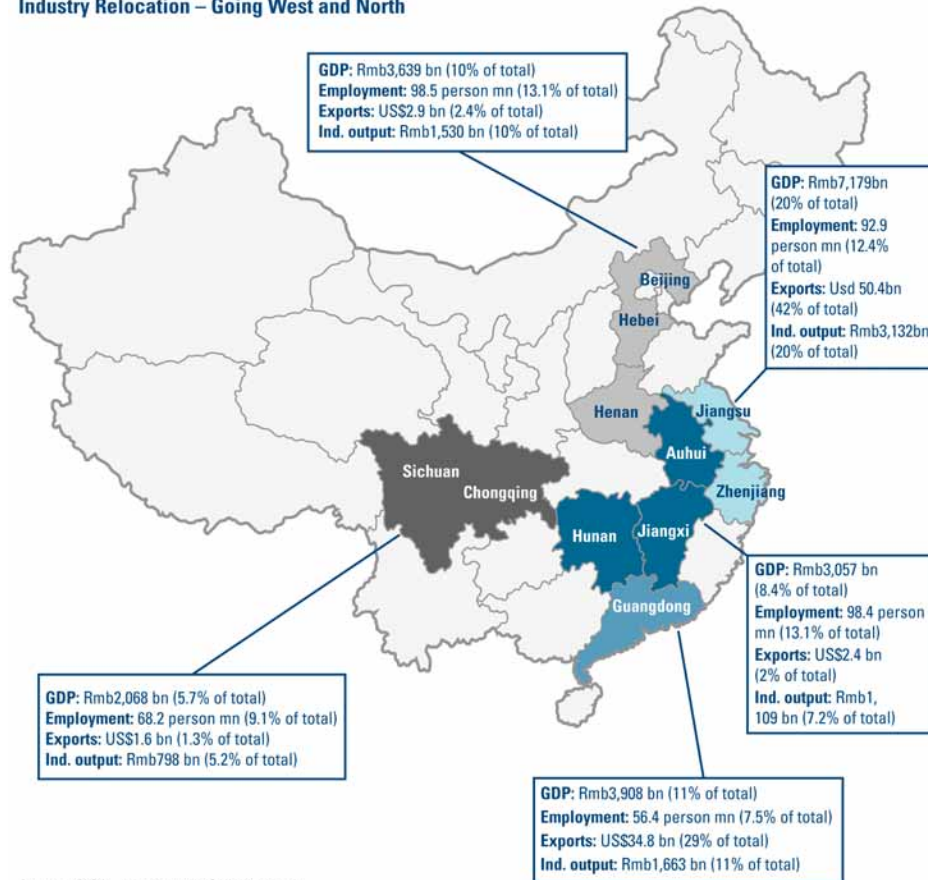


Source: United Nations, McKinsey, Macquarie Research, September 2008



Industry-Relocation-Going West and North

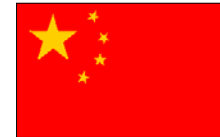
Industry Relocation – Going West and North



Source: CLSA, James Lang LaSalle Research



Inward Looking



Chinese provinces with higher-than-average 2H08 fixed asset investment (FAI) growth



China

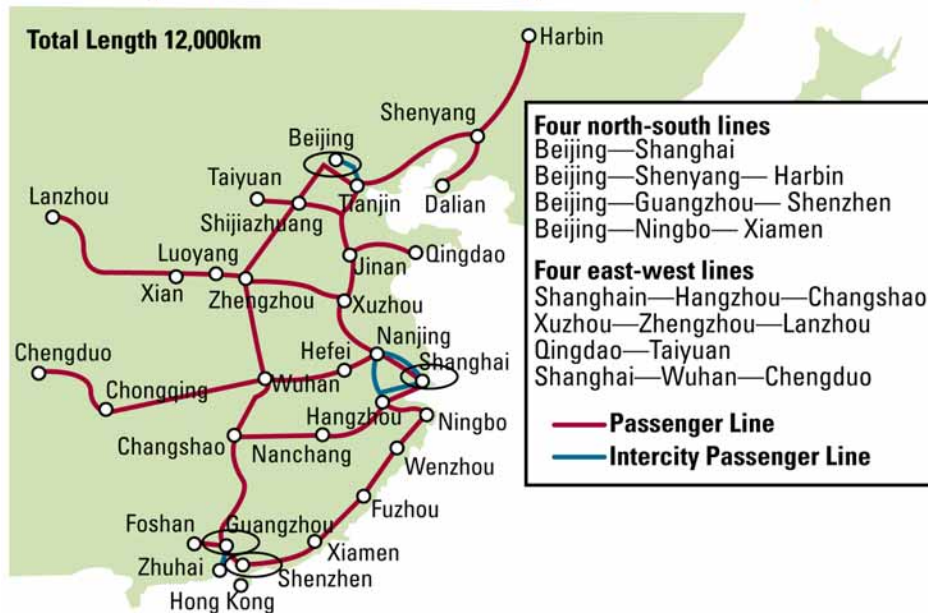
Source: CLSA Asia-Pacific Markets



High Speed Rail Network — Planned and Operating



China's High Speed Rail Plans Set Stage for More Consumption



Source: MoR, Nomura International (Hong Kong) Limited

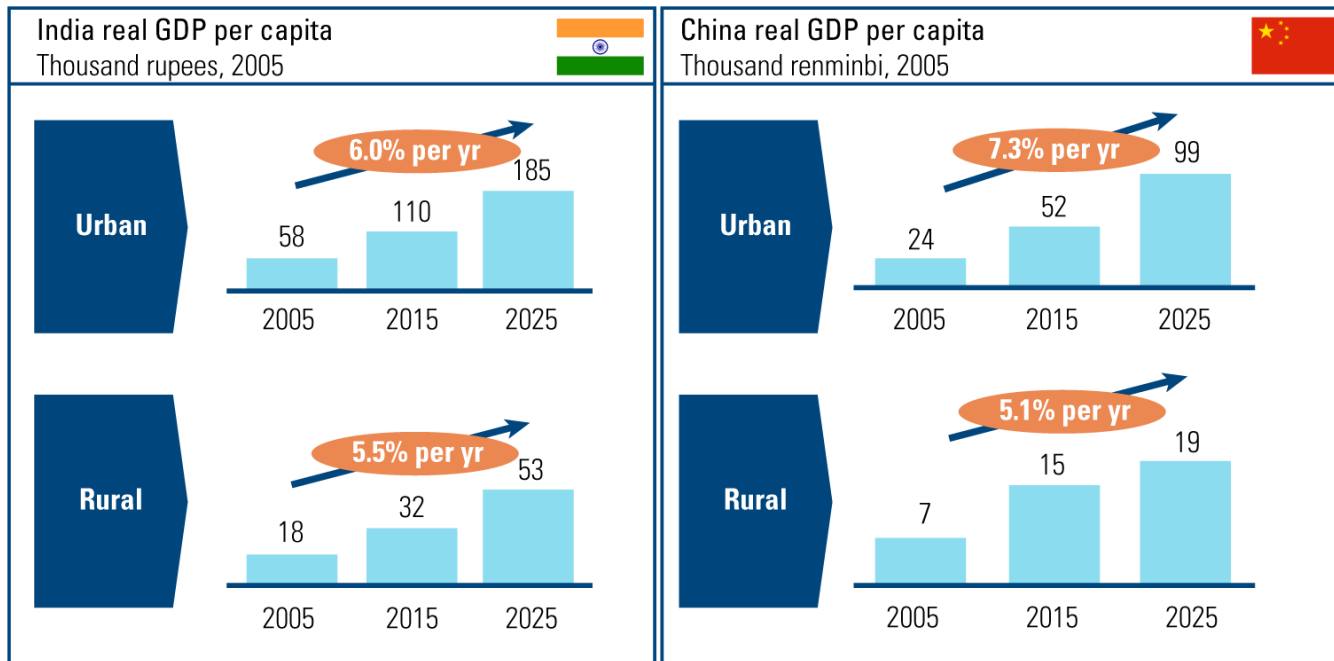


China



Urbanization a Key to Consumption

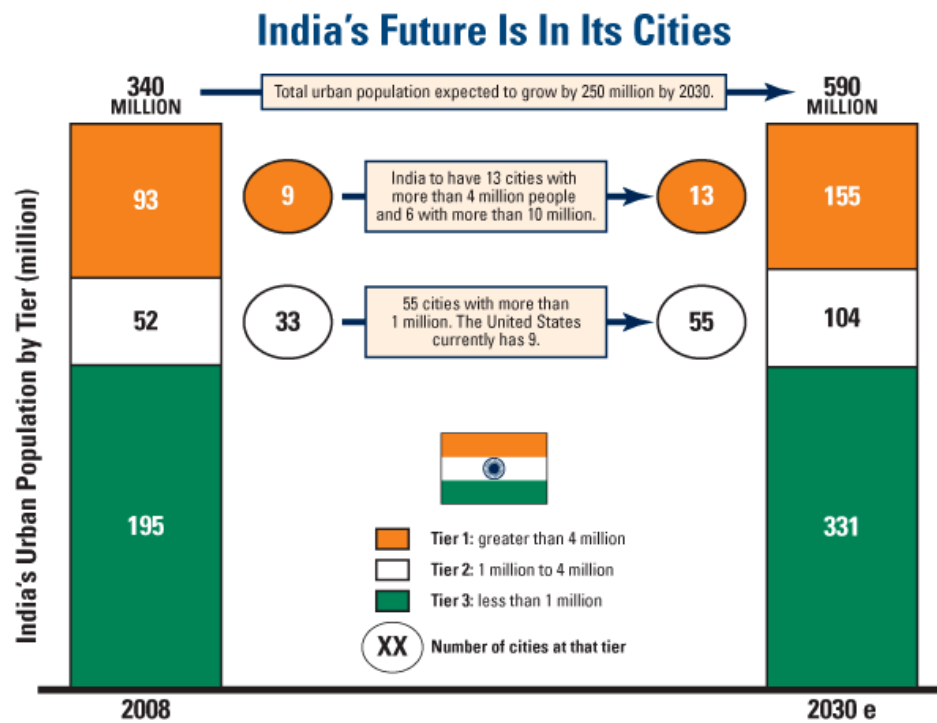
Urban GDP Growth Outpaces Rural



Source: India Urbanization Model: McKinsey Global Institute China All City Model, January 2010: McKinsey Global Institute analysis



India's Urban Future



Source: India Urbanization Econometric Model; Census 2001; McKinsey Global Institute Analysis



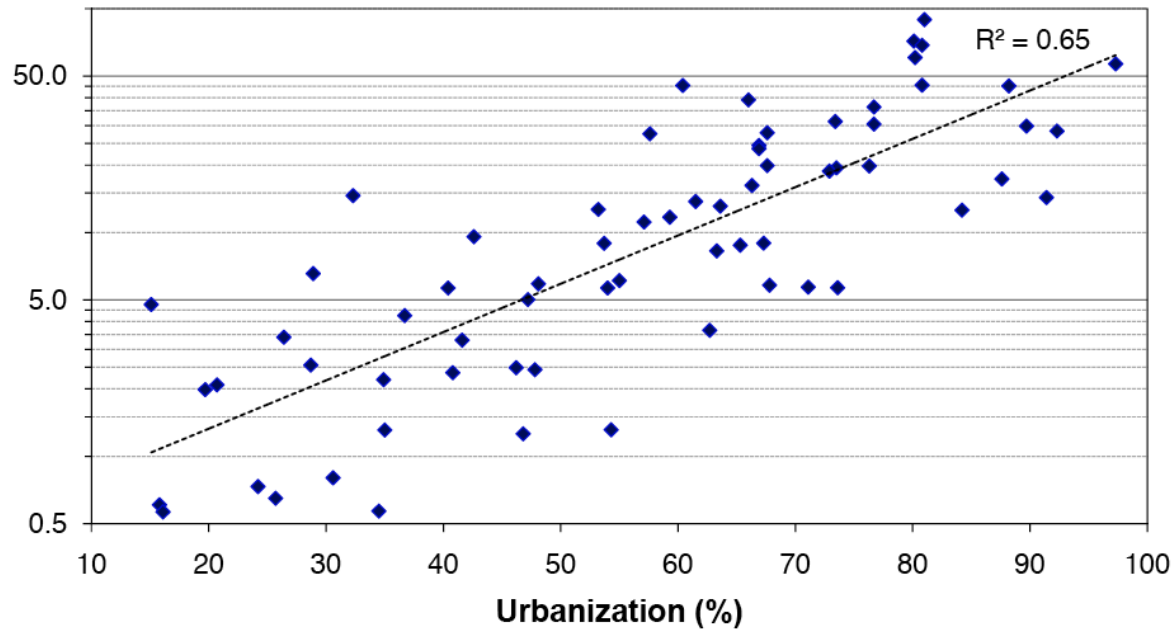
Taj Mahal, India

Infrastructure Spending and Oil Demand March Together

Barrels of Oil per Day/1000

BOD/1000
(Log Scale)

Oil Use Per Capita
vs. Urbanization



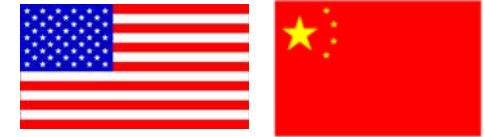
China

Source: PIRA

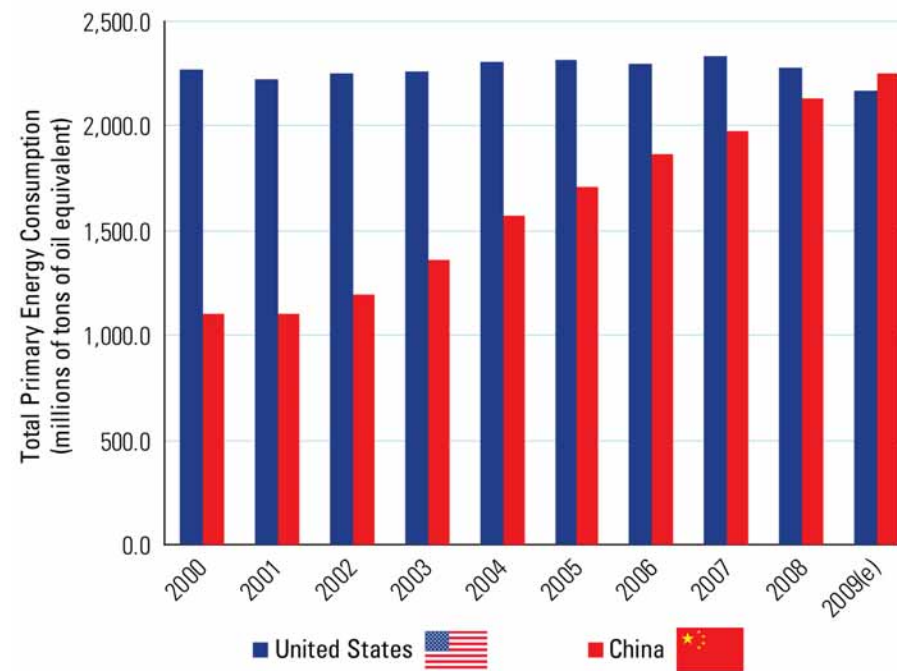


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A New Age of Energy



Energy Usage Declines in the U.S. While China Gains

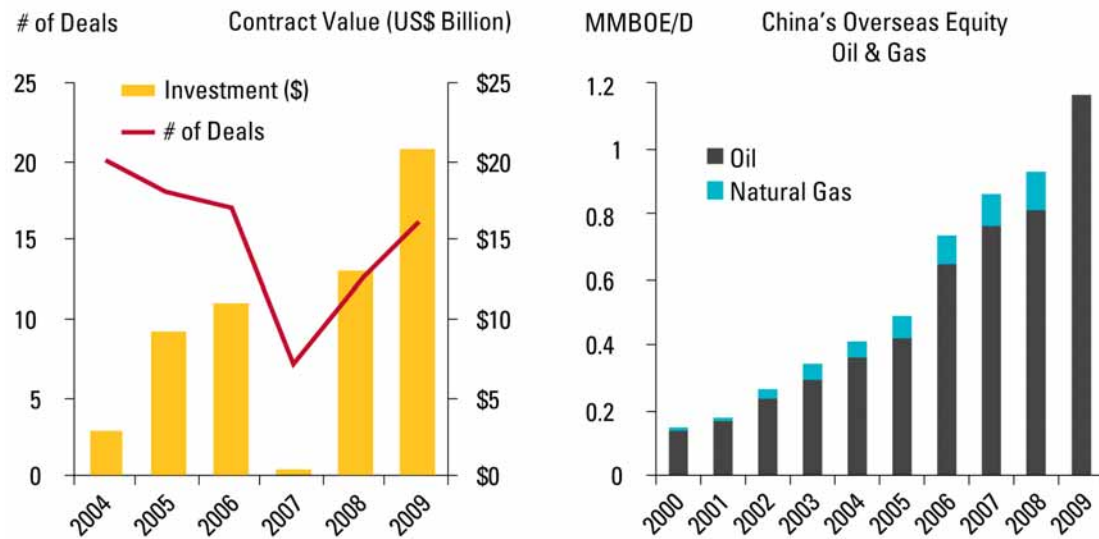


Source: International Energy Agency, WSJ



China's Overseas Oil and Gas Activity Rebounds

China's Overseas Oil and Gas Activity Rebounds



Source: PIRA
 *2009 contact value does not include \$50B in oil backed loans.



Luxury Demand Across China



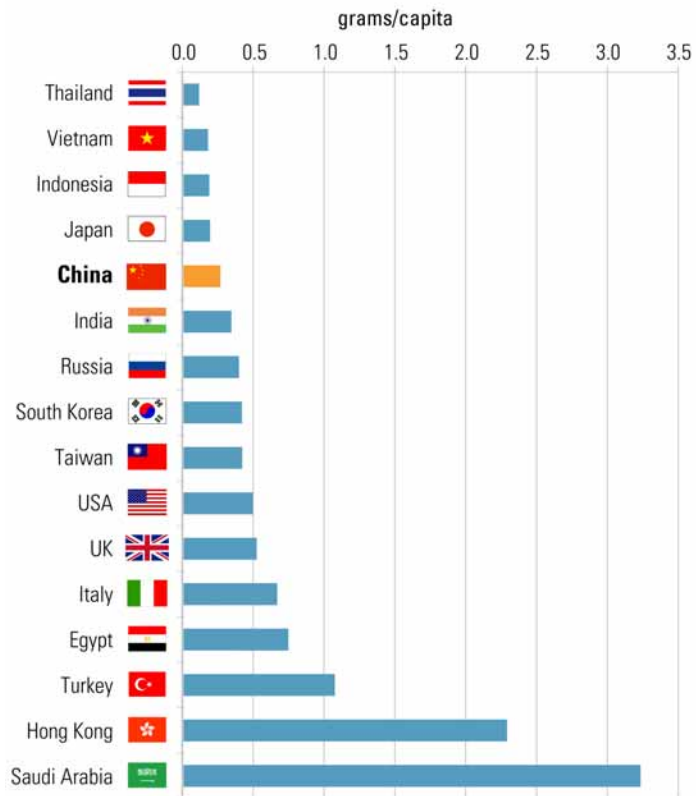
Source: CLSA, James Lang LaSalle Research



Cartier Store in Shanghai
Source: Getty

China is Gold's Future

Consumption of Gold Jewelry Around the World



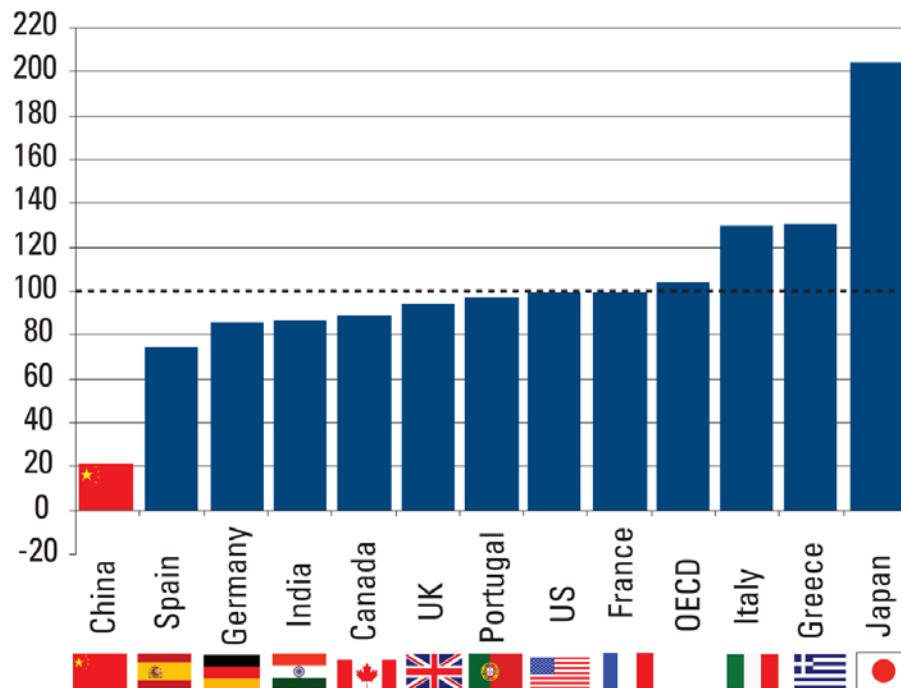
Note: Jewelry data in this chart refers to consumption not fabrication.
Source: GFMS, IMF, WGC estimates



Why More Investors Like Gold

Gross Financial Liabilities

% of nominal GDP-Projected for 2011



Source: OECD, Dundee Wealth Economics



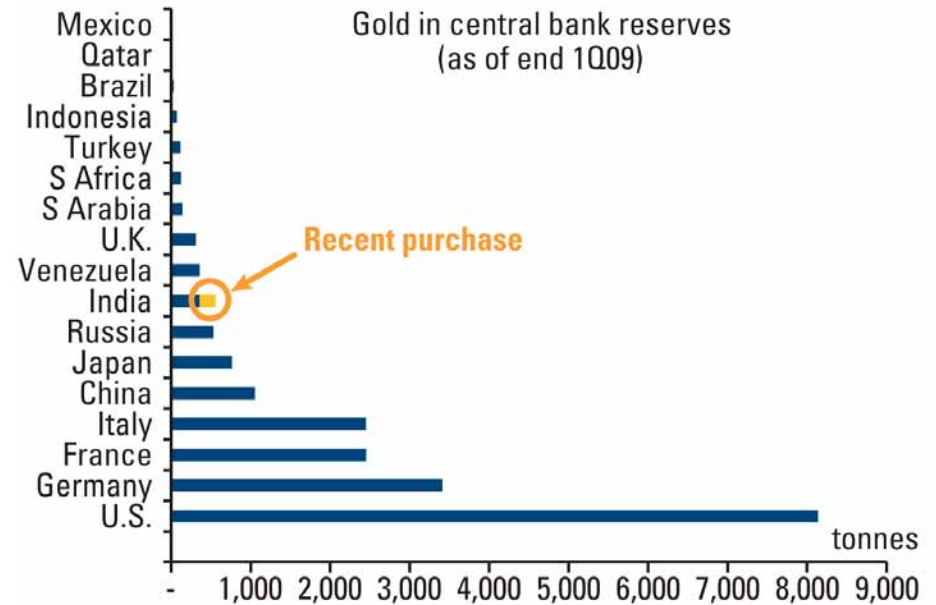
India-From Price Taker to Price Maker



Scene from *Slumdog Millionaire*

Source: padanisaa.blogspot.com

India's gold purchase reflects a growing emerging markets central bank preference for physical assets over fiat currencies in FX reserves



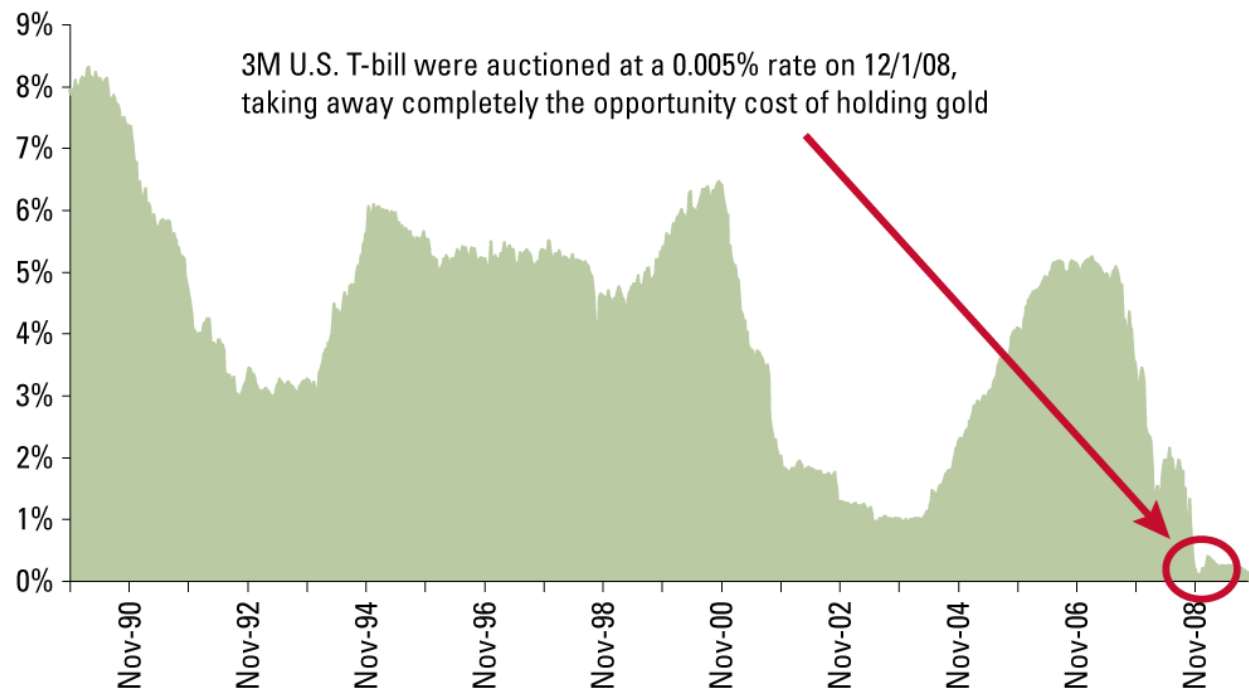
Source: World Gold Council, BofA Merrill Lynch Global Commodity Research



Negative Real Interest Rates Makes Gold Attractive As a Currency



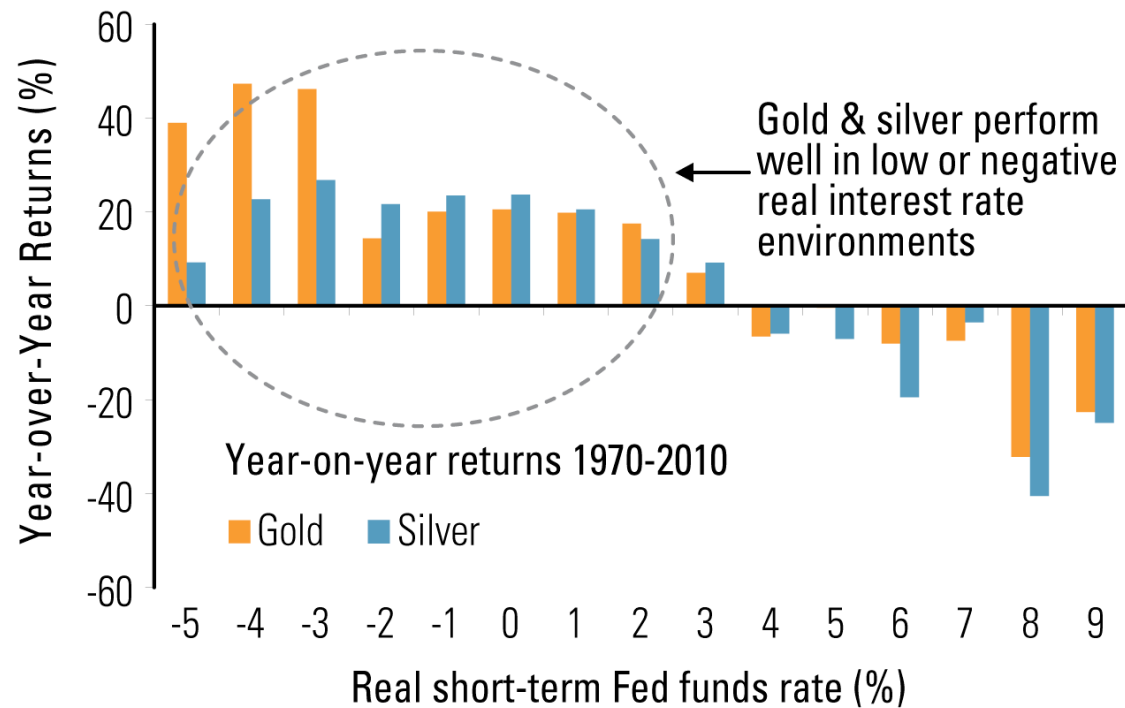
3M U.S. Treasury Bill Weekly Auction Rates
(Nov 9, 1989 thru Nov 5, 2009)



Source: Bloomberg, U.S. Global Research



Low Real Interest Rates Historically Fuel Gold & Silver



Source: Bloomberg Finance LP, Deutsche Bank

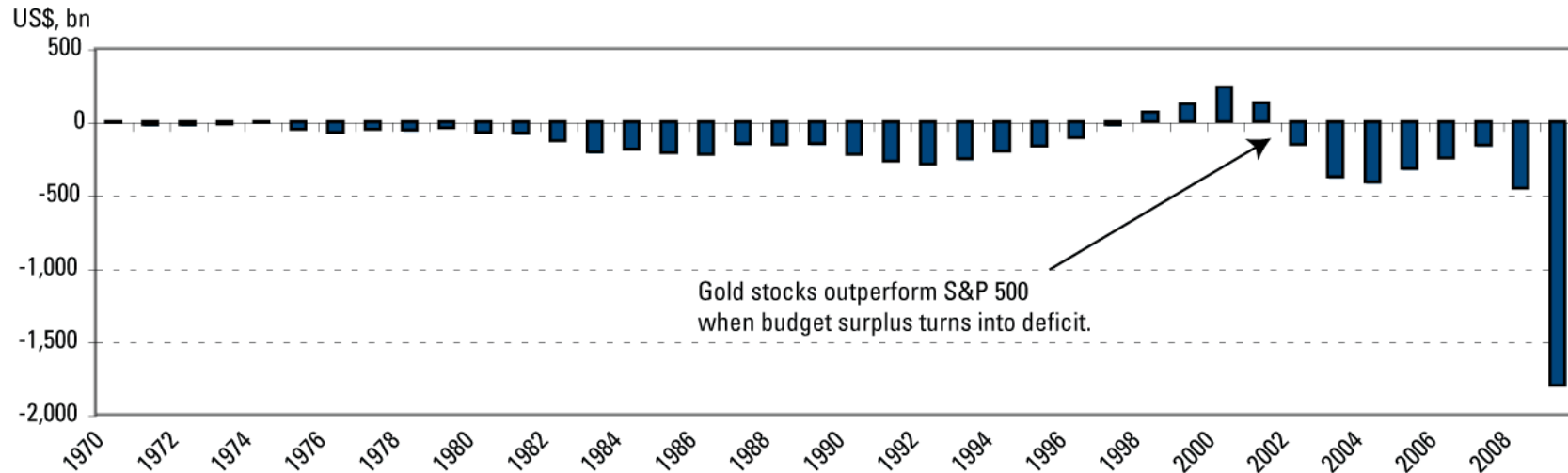


Right Time for Gold Mining Stocks?



**Investor Alert
Special Report**
06/05/09

Federal Budget Surplus or Deficit

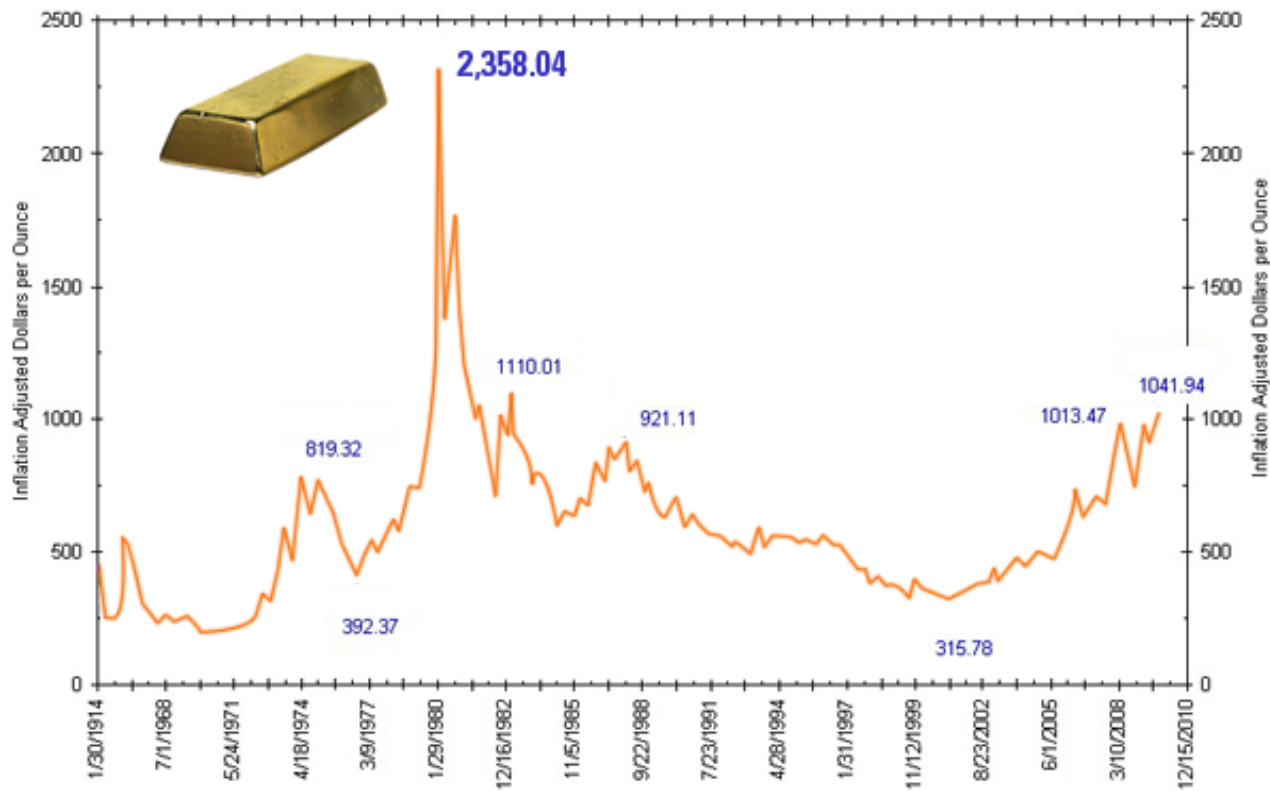


Source: 2009 Forecast: White House



Inflation-Adjusted Gold Prices in 2009 Dollars

Inflation-Adjusted Gold Prices in 2009 Dollars

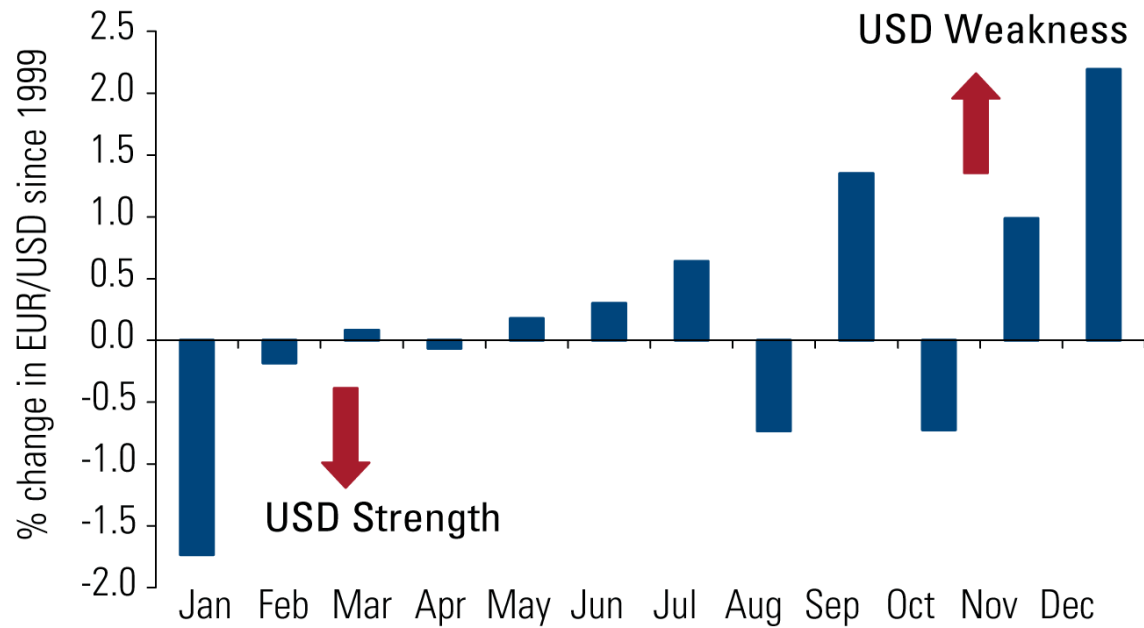


Source: Solari.com



EUR/USD Seasonality Since 1999

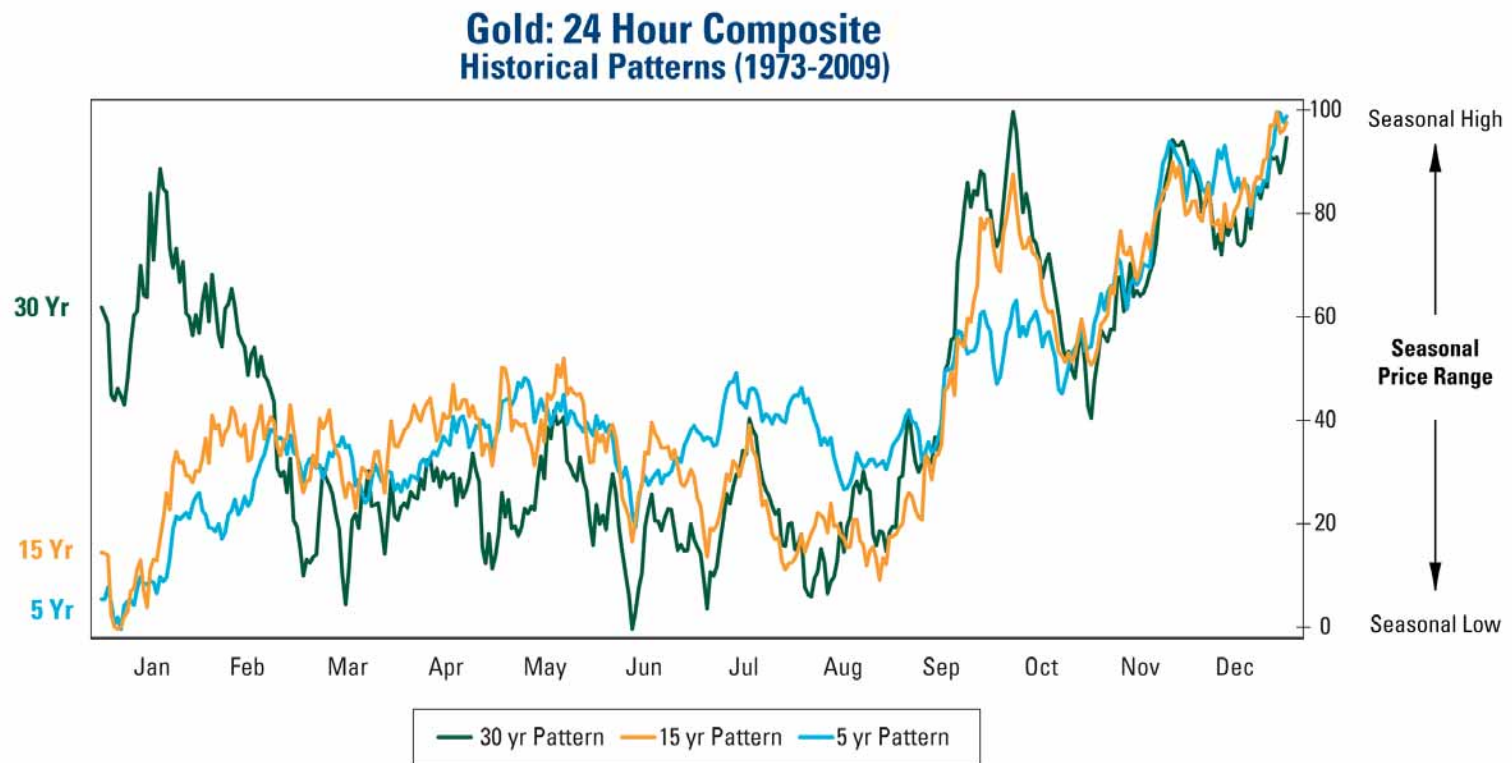
EUR/USD Seasonality Since 1999



Source: Bloomberg Finance LP, Deutsche Bank



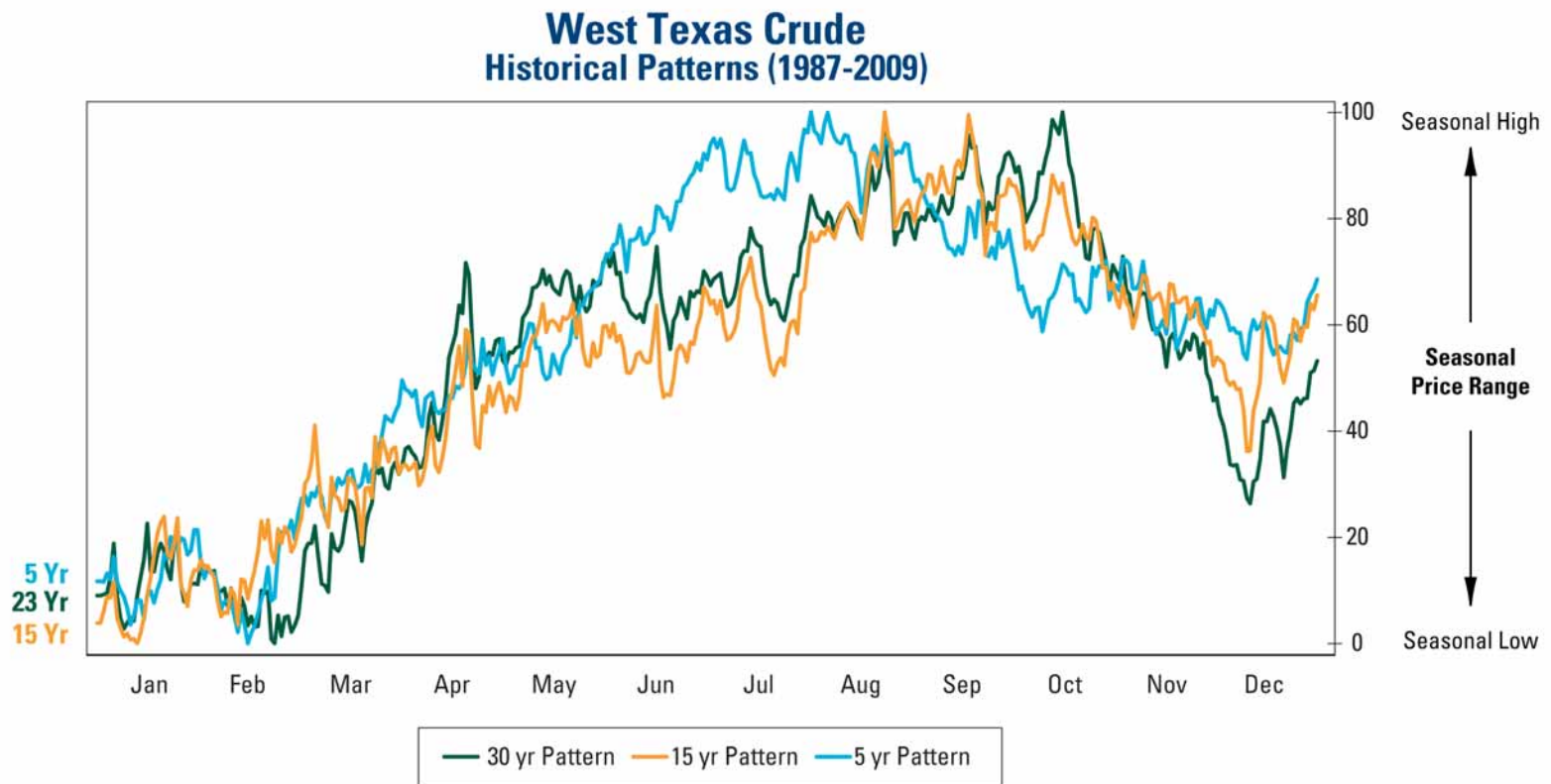
Gold Seasonality



Source: Moore Research Center, Inc.



Oil Seasonality

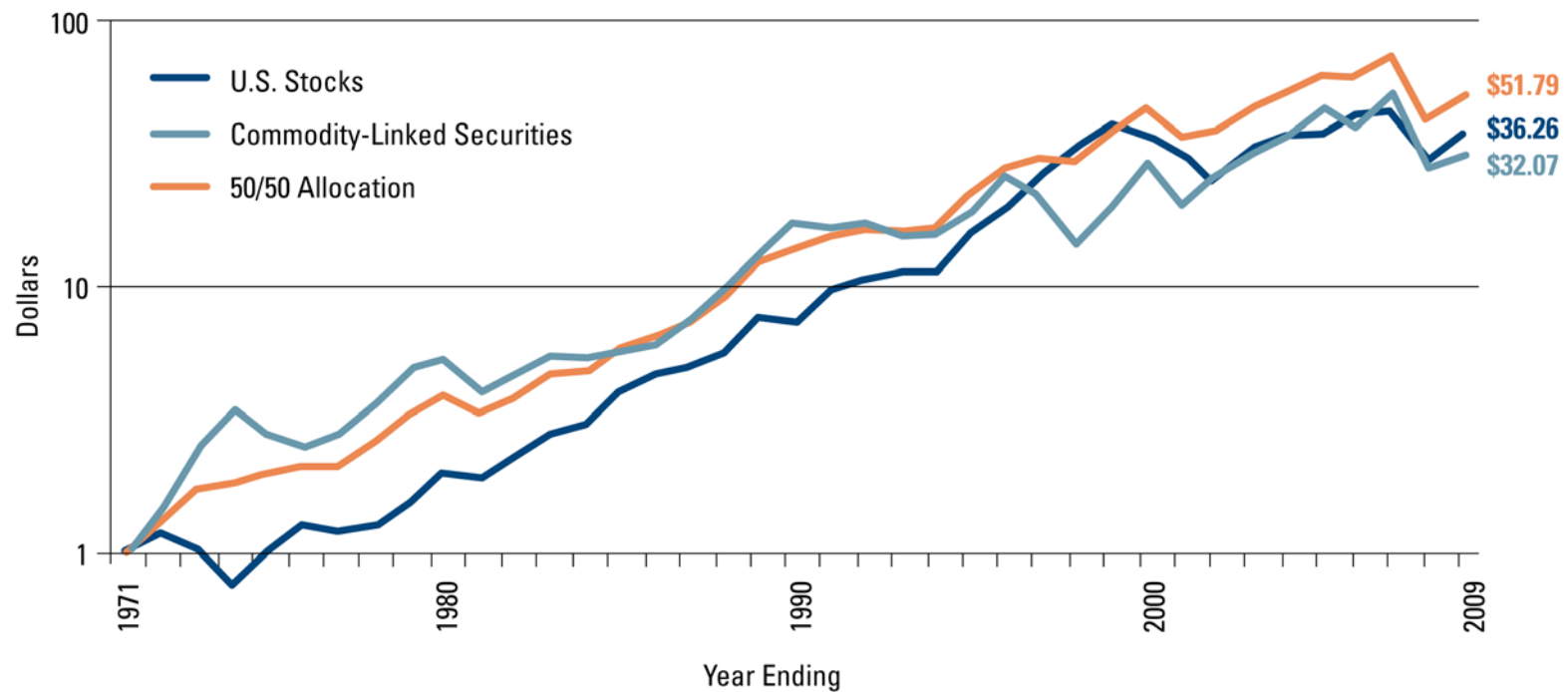


Source: Moore Research Center, Inc.



Importance of Diversification

Growth of \$1



Source: Roger Gibson



Anticipate Before You Participate

Standard Deviation (as of 9/30/10) based on 10-Year Data

	Rolling 1 Year
U.S. Global Investors (GROW)	114.1%
NYSE Arca Gold BUGS Index (HUI)	41.4%
Crude Oil	37.4%
MSCI Emerging Markets (MXEF)	33.5%
S&P 500 Index (SPX)	19.6%
Gold Bullion	14.8%

12-month rolling volatility of
price action over 10 year period



View the presentation “Anticipate Before You Participate” at
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