



U.S. Global Investors

Searching for Opportunities, Managing Risk

Frank E. Holmes

CEO and Chief Investment Officer

Citi Small/MidCap Conference
Las Vegas



Corporate Overview

- Publicly traded company, traded on NASDAQ (GROW)
- Headquartered in San Antonio, TX
- Boutique investment management firm specializing in commodity-related equity strategies
- 82 employees including 14 investment professionals
- Offers mutual funds focused in gold, precious metals and minerals, global resources, emerging markets and global infrastructure
- Manages \$2.45 billion in average AUM as of September 30, 2011



GROW Strengths



- “Go-to” stock for exposure to emerging markets and resources
- Debt-free, strong balance sheet with a reflexive cost structure
- Monthly dividend and return on equity discipline

Top Institutional Holders of GROW

TheRoyceFunds

1. Royce and Associates 14%

| F | I | M | group

2. Financial and Investment Management Group 8%



3. Perritt Capital Management 4%



4. SunAmerica Asset Management Corp 3%



5. BlackRock Fund Advisors 3%

Percentage of shares outstanding as of 9/30/2011

Company Snapshot



- NASDAQ: GROW
- Price on 9/30/11: \$6.78
- Market Cap: \$105 million
- 52-wk Range: \$6.32 - \$10.05

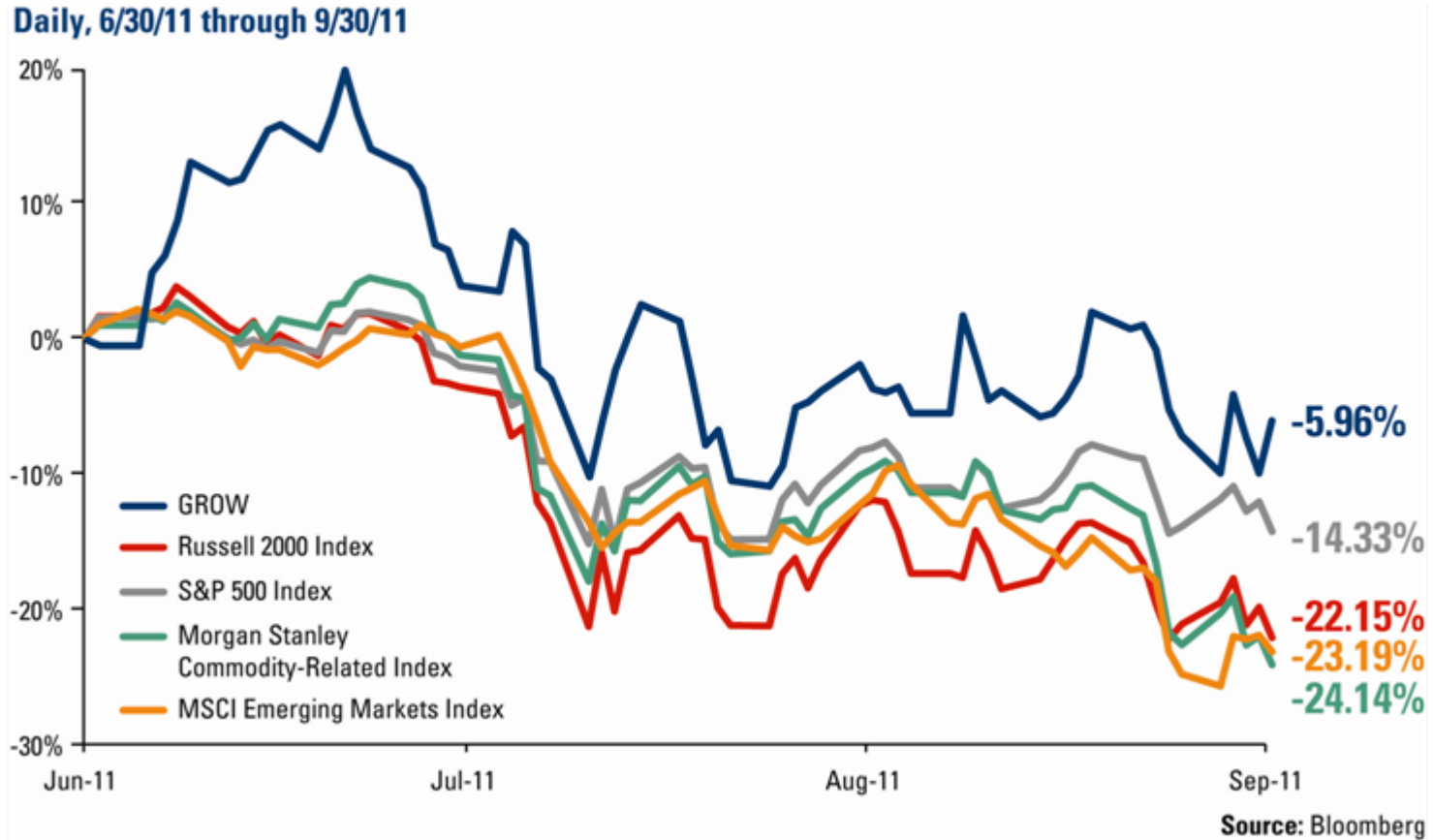
Stock Price, 10/1/2010 – 9/30/2011



Source: Bloomberg



Rough Quarter for All Equities



Dividends — Paid Monthly



Consistent for
52 months

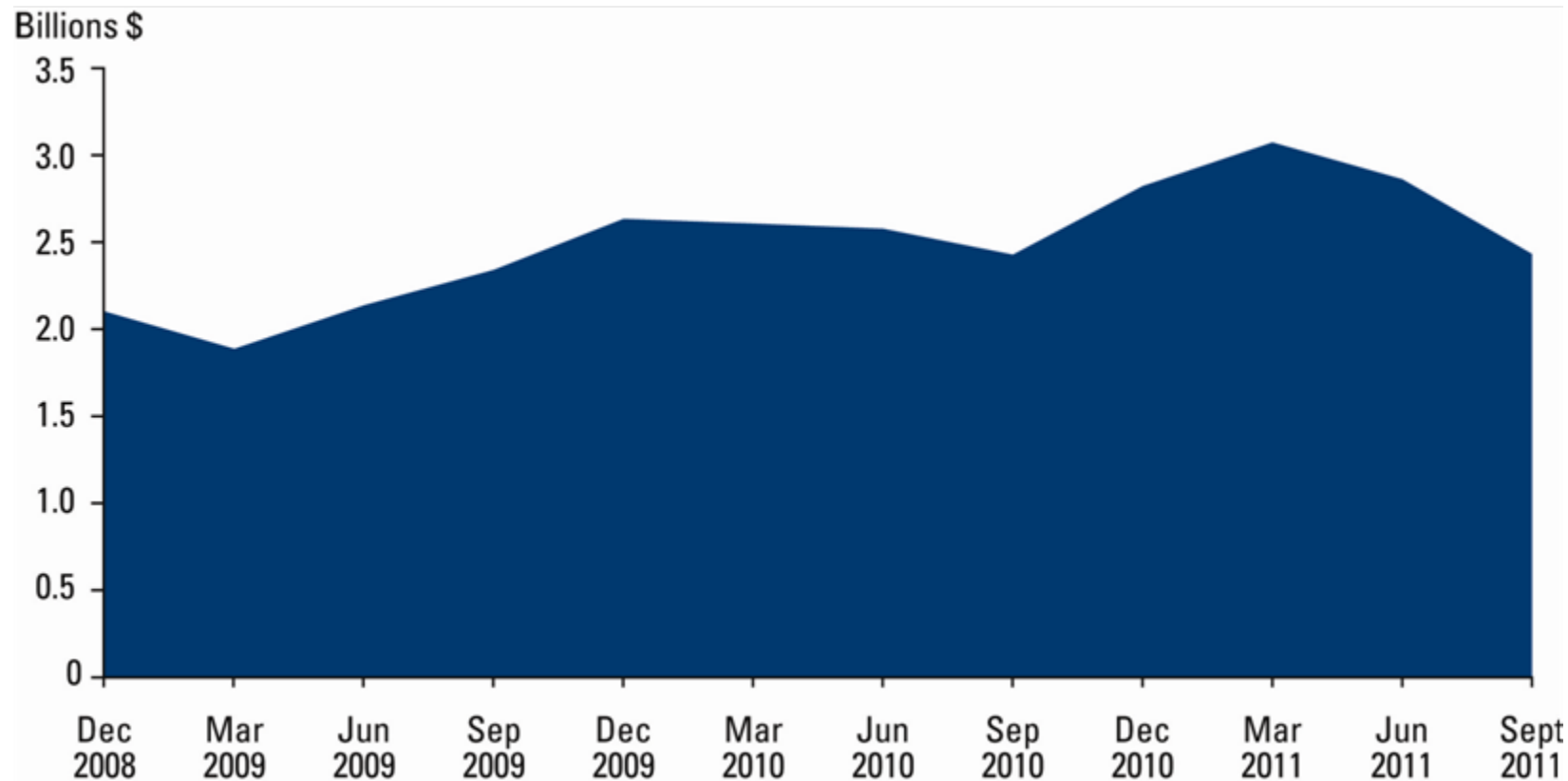
Current per month
2¢ per share

Current yield
3.5%*

*At share price of \$6.78 as of 9/30/2011
Dividends through September 30, 2011

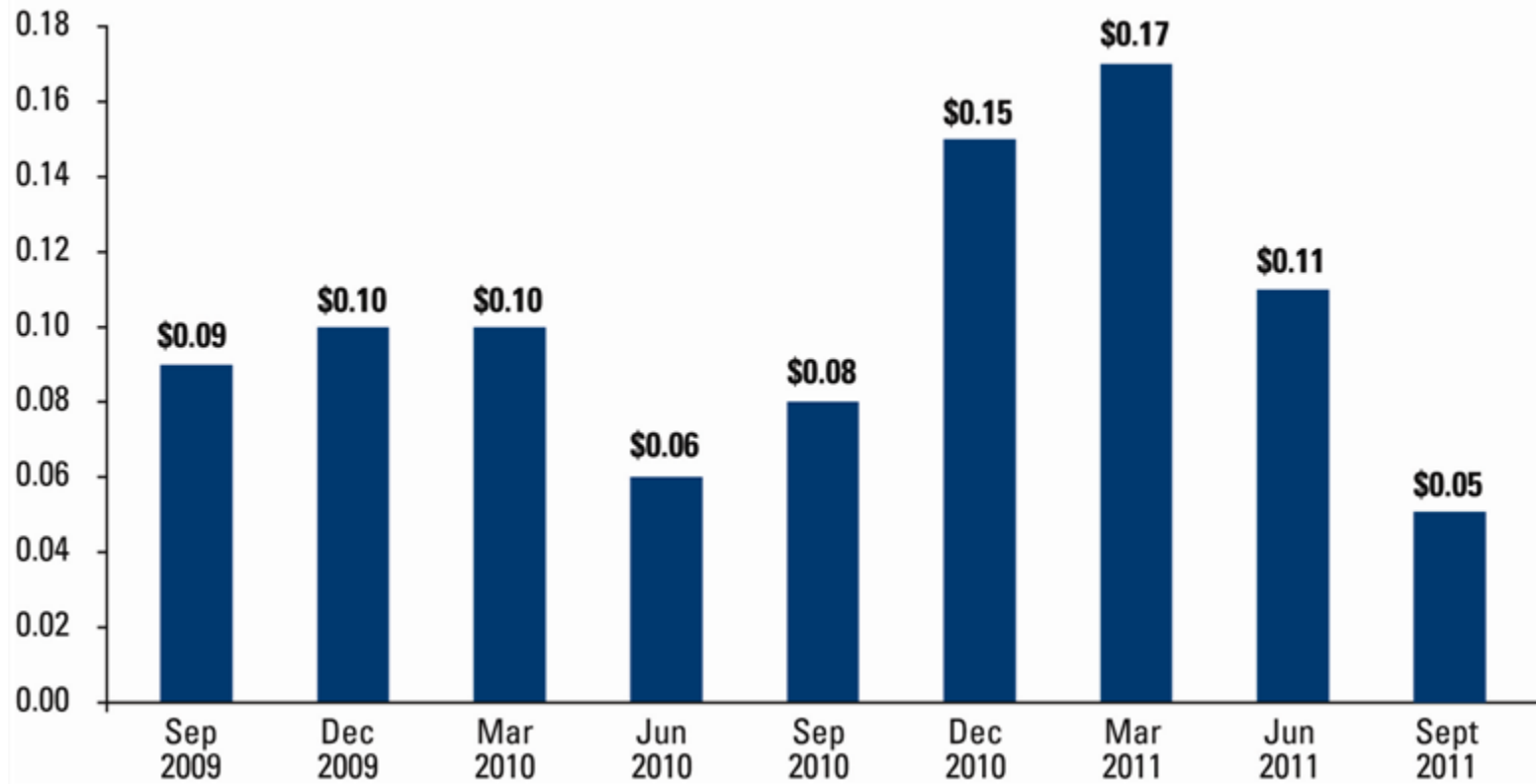


Quarterly Average Assets Under Management



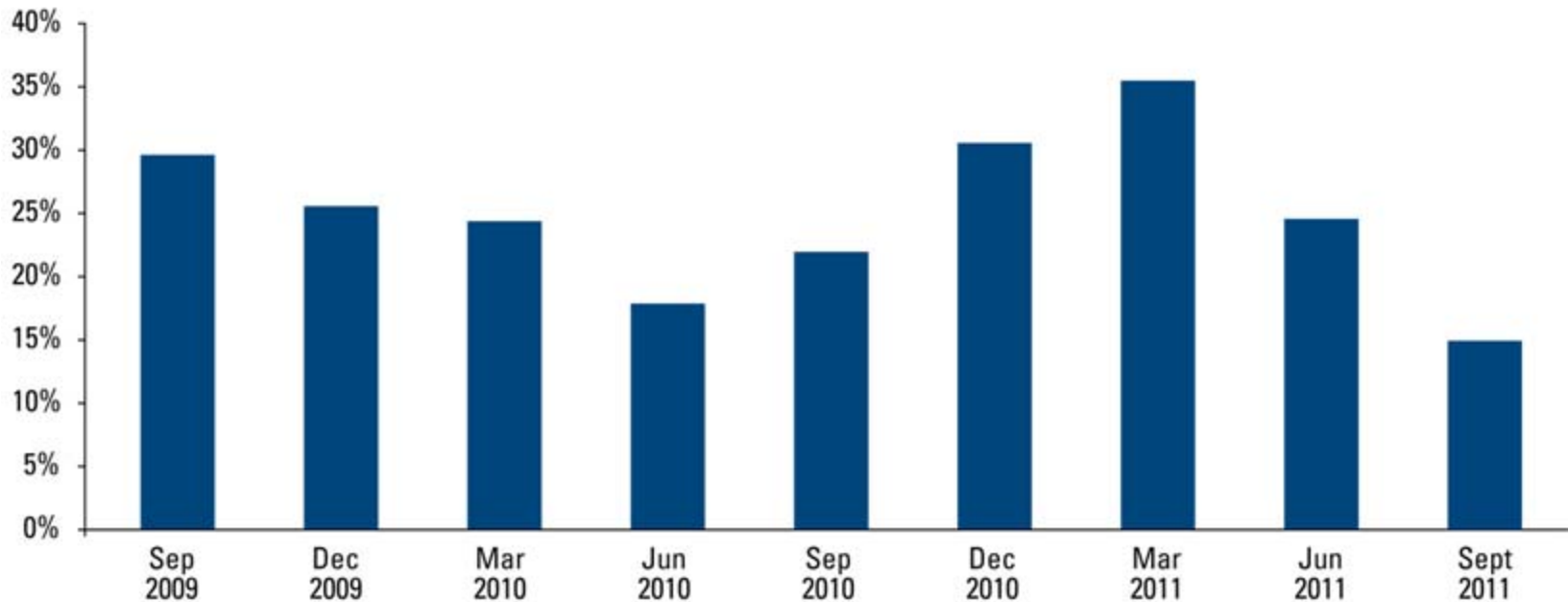
Earnings Per Share (Quarterly)

Earnings Per Share



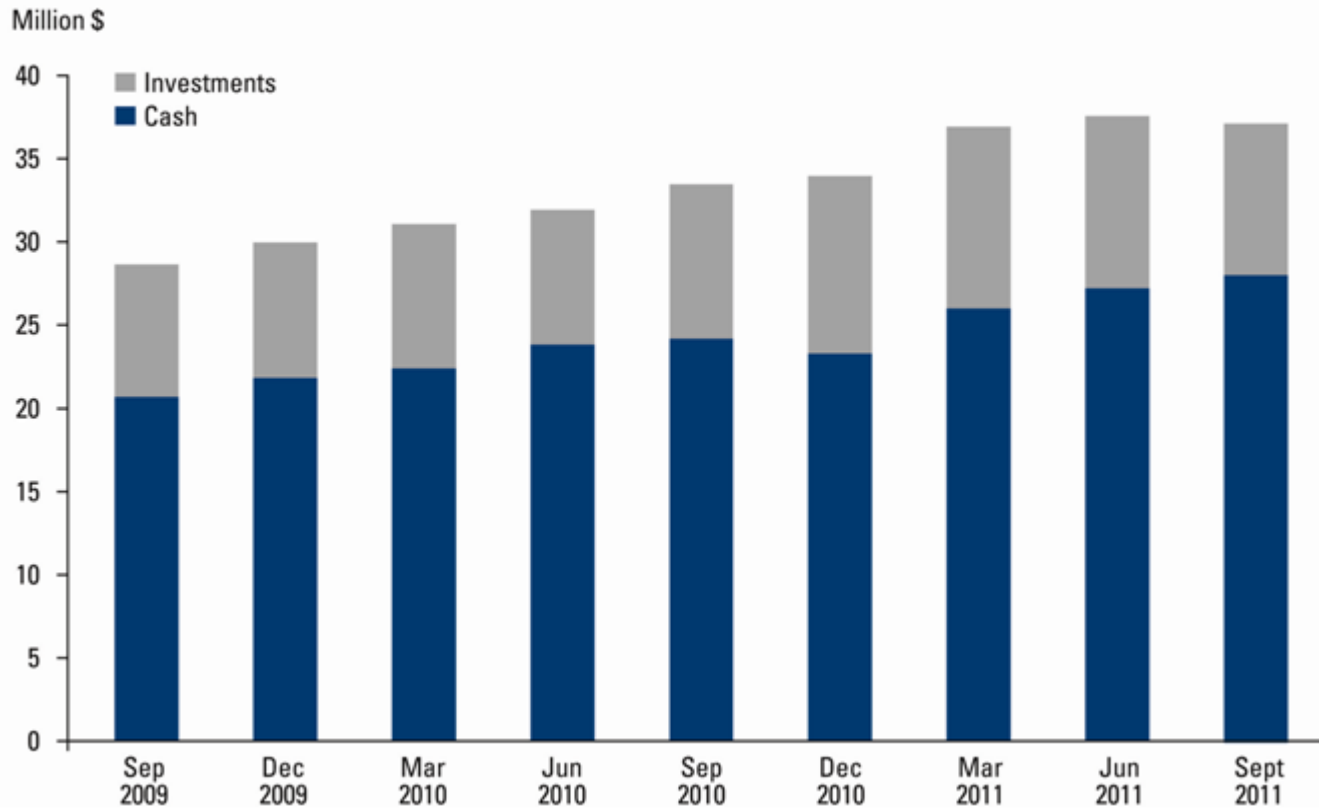
Pre-Tax Profit Margin (Quarterly)

Quarterly Pre-Tax Profit Margin



Balance Sheet Strength – No Debt

Cash, Cash Equivalents and Investments



3 Reasons GROW is More Attractive than Peers

	Growth 1 Year Trailing EPS Growth	Value 3 Year Average Return on Equity	Income Dividend Yield
GROW	41.2%	11.8%	3.5%
Peers*	24.2%	7.7%	2.2%

Dividend yield calculated as of 9/30/2011. Earnings per share and return on equity based on the quarter ended 9/30/2011.

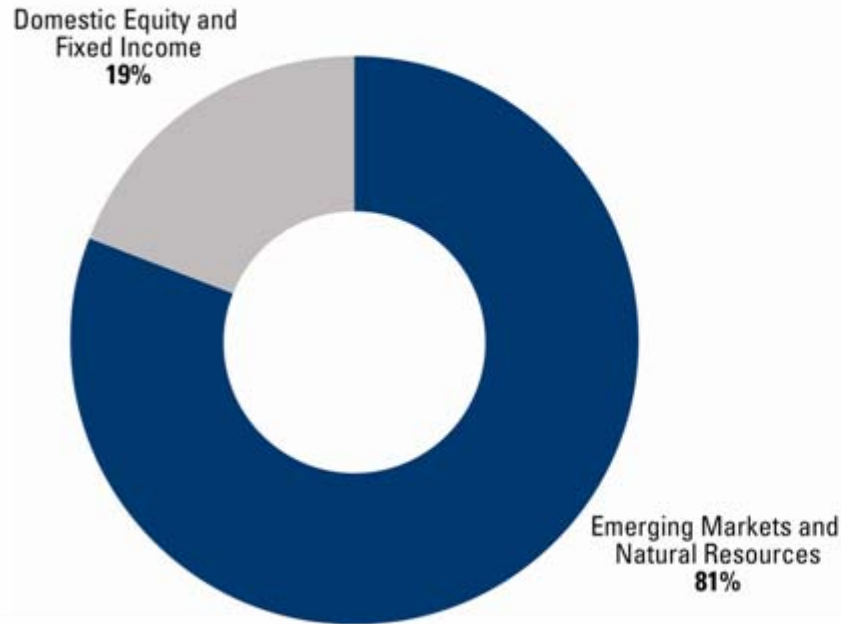
* Median calculations based from quarterly results for the quarter ended 9/30/2011 by T. Rowe Price, Franklin Resources, Invesco, Cohen & Steers, Janus, Affiliated Managers, Federated Investors, Waddell & Reed, BlackRock, Pzena Investment Management, Westwood Holdings, Legg Mason, AllianceBernstein, Calamos, Eaton Vance, Epoch Holding Corp., GAMCO Investors and Artio Global Investors.

Source: FactSet

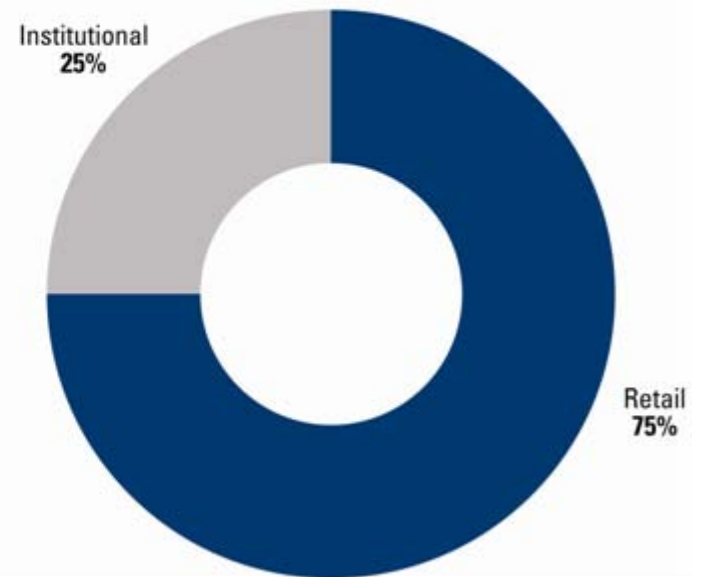


Asset Breakdown

Assets by Investment Objective as of 9/30/2011



Assets by Distribution Channel as of 9/30/2011



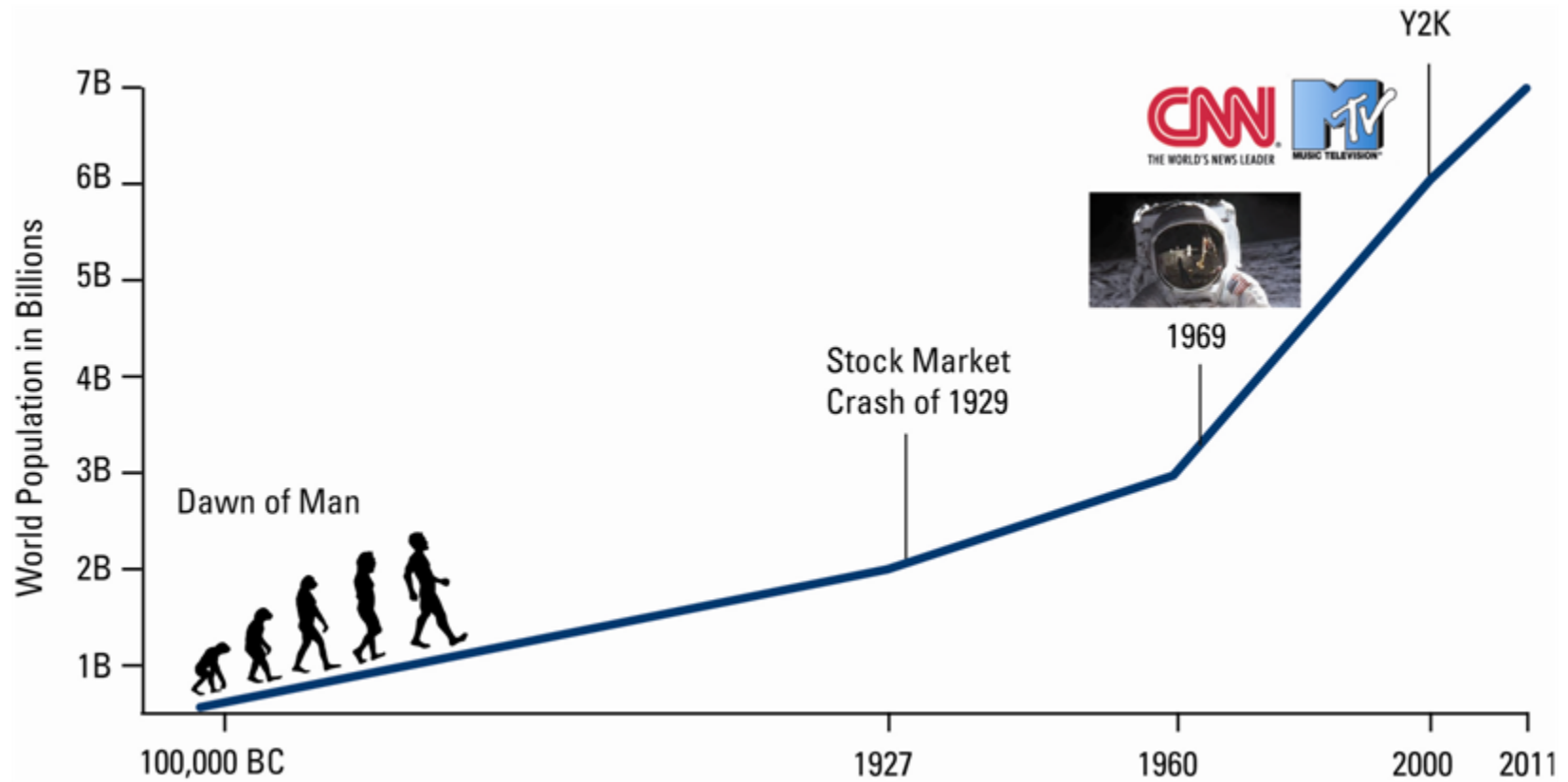
Data for SEC-registered funds as of September 30, 2011.

Tipping Points, Melting Points

Ice Turns to Water at 32°

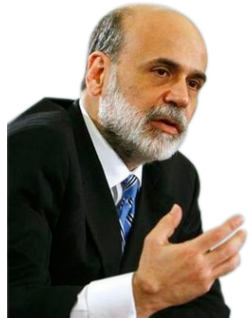


7 Billion People — Tipping Point



Government Policy Model — Precursor for Change

Government Policy



Ben Bernanke, Chairman
of the Federal Reserve

Monetary

Fiscal



President Barack Obama








Interest Rates ↓↑








Money Supply ↓↑

Tax ↓↑

Spend ↓↑

E7 and G7 Population vs GDP

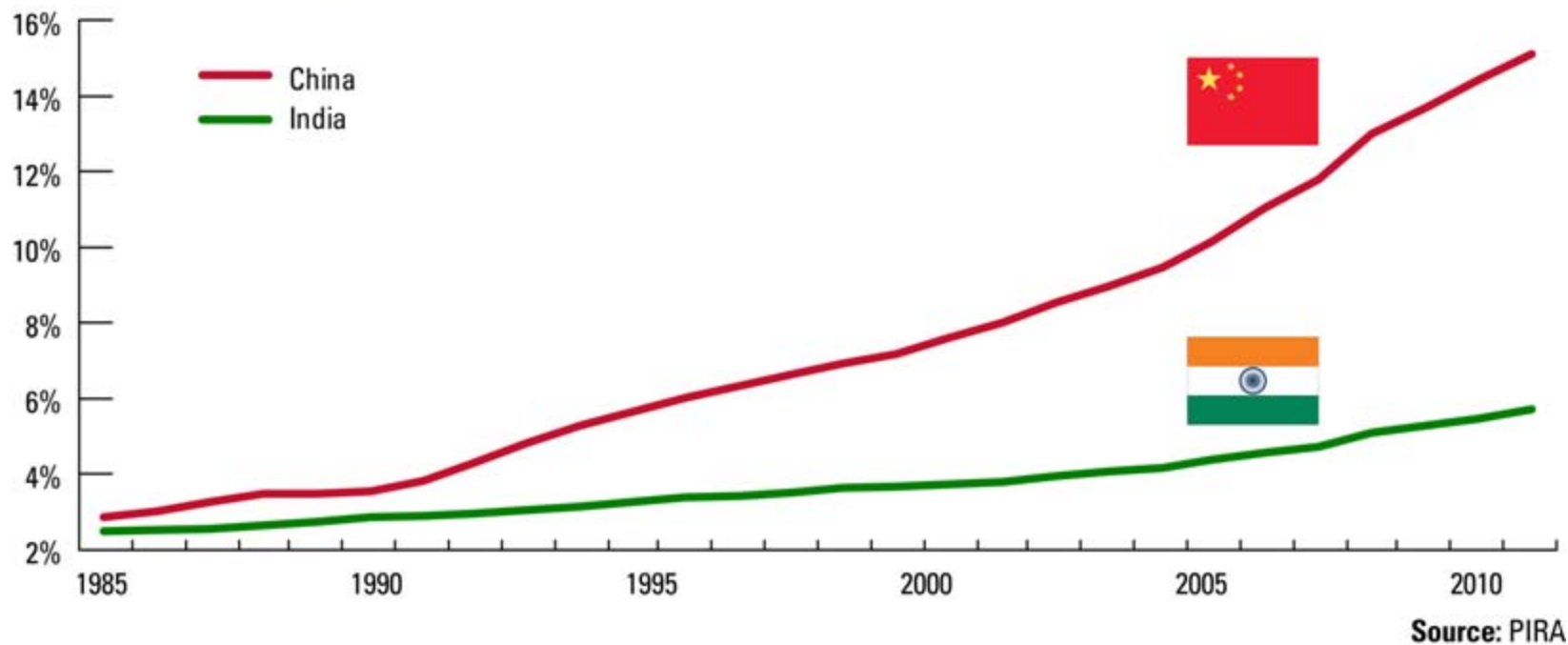
E-7		Population (million)*	Nominal GDP (bn USD) 2010*
	China	1330	5879
	India	1173	1729
	Indonesia	243	707
	Brazil	201	2088
	Pakistan	184	175
	Russia	139	1480
	Mexico	112	1040
Total		3382	13098
		49% of world total	21% of world total

G-7		Population (million)*	Nominal GDP (bn USD) 2010*
	USA	310	14582
	Japan	127	5498
	Germany	82	3310
	France	65	2560
	UK	62	2246
	Italy	61	2051
	Canada	34	1574
Total		741	31821
		11% of world total	50% of world total

Source: U.S. Global Research
*As of December 2010

China/India Share of World GDP Increased Substantially

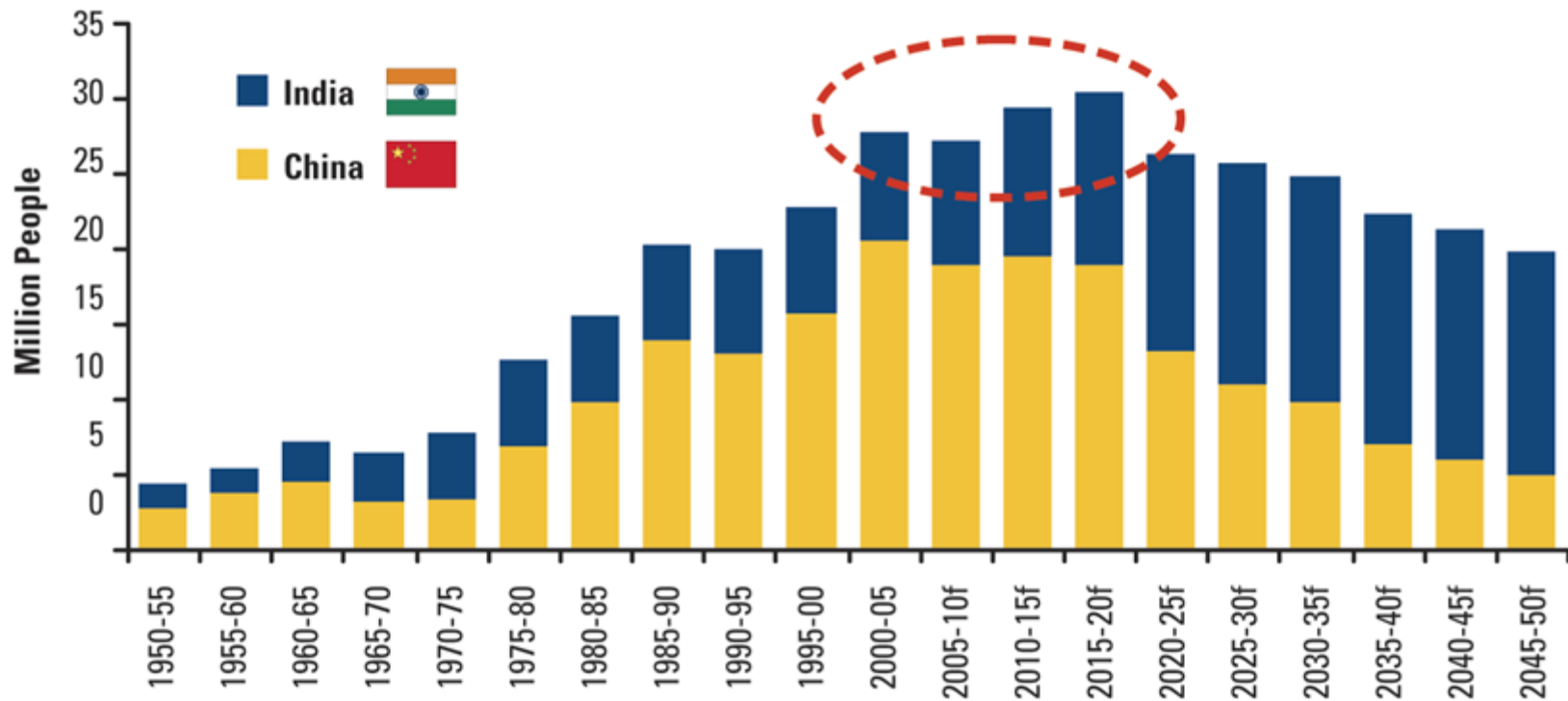
Share of World GDP (PPP Basis)



Massive Urbanization Trend in India and China

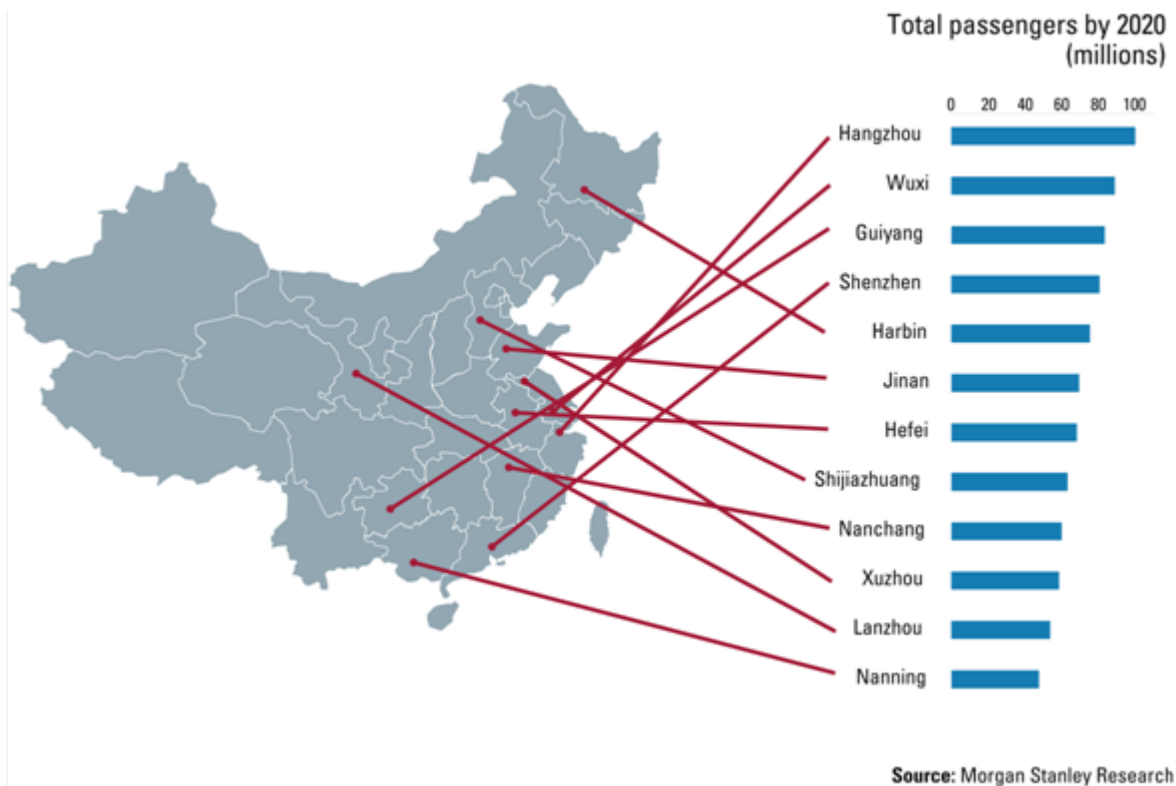


Urbanization Rates in China and India



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

Emerging High-Speed Rail Hub Cities

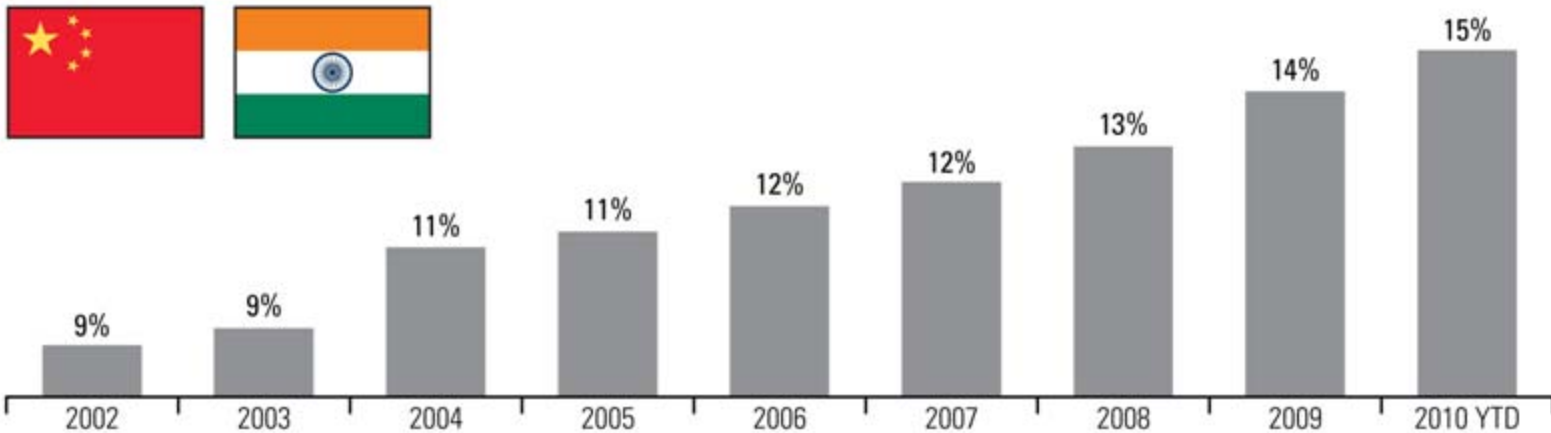


Frank Holmes
High Speed Train, China

China and India Increasing Share of Global Oil Demand

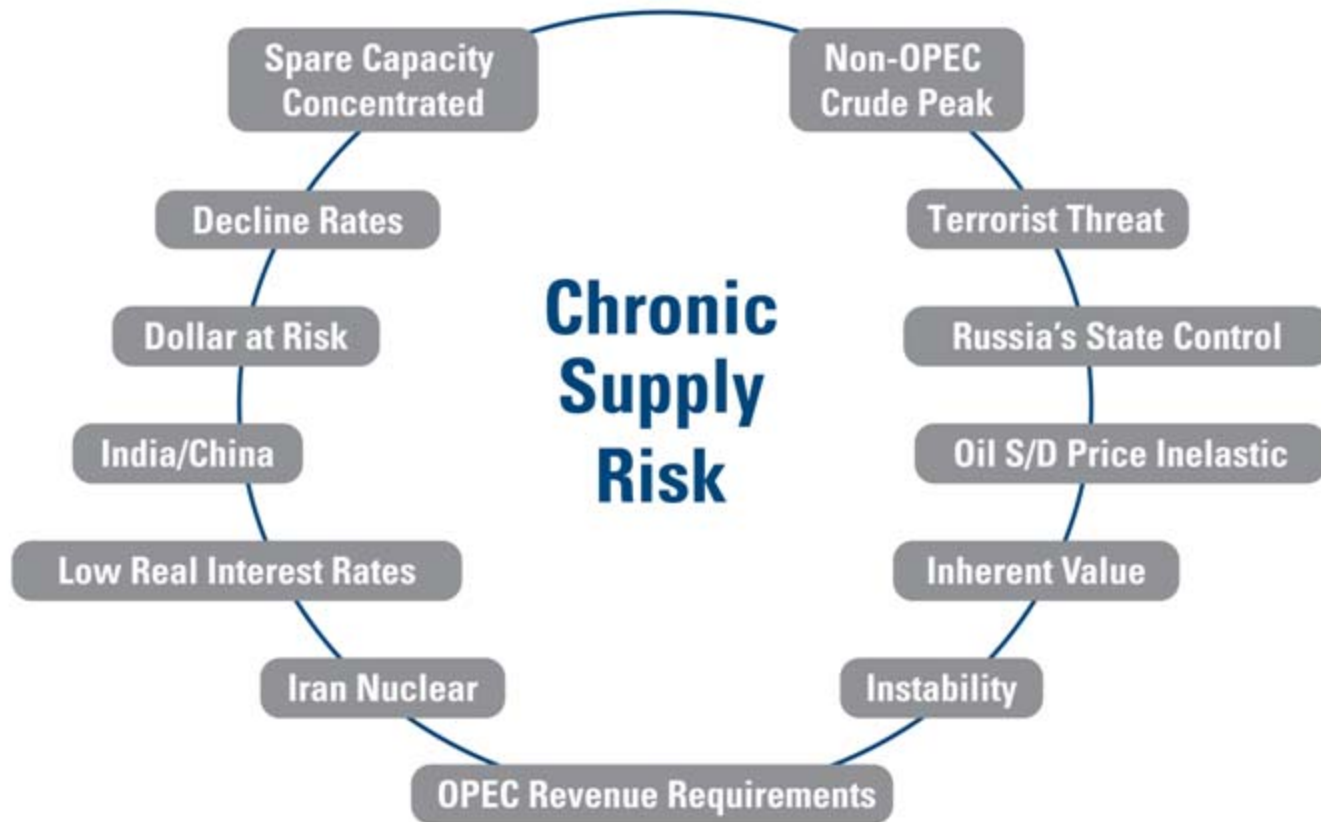
China and India Increasing Share of Global Oil Demand

China & India total oil demand / Global oil demand



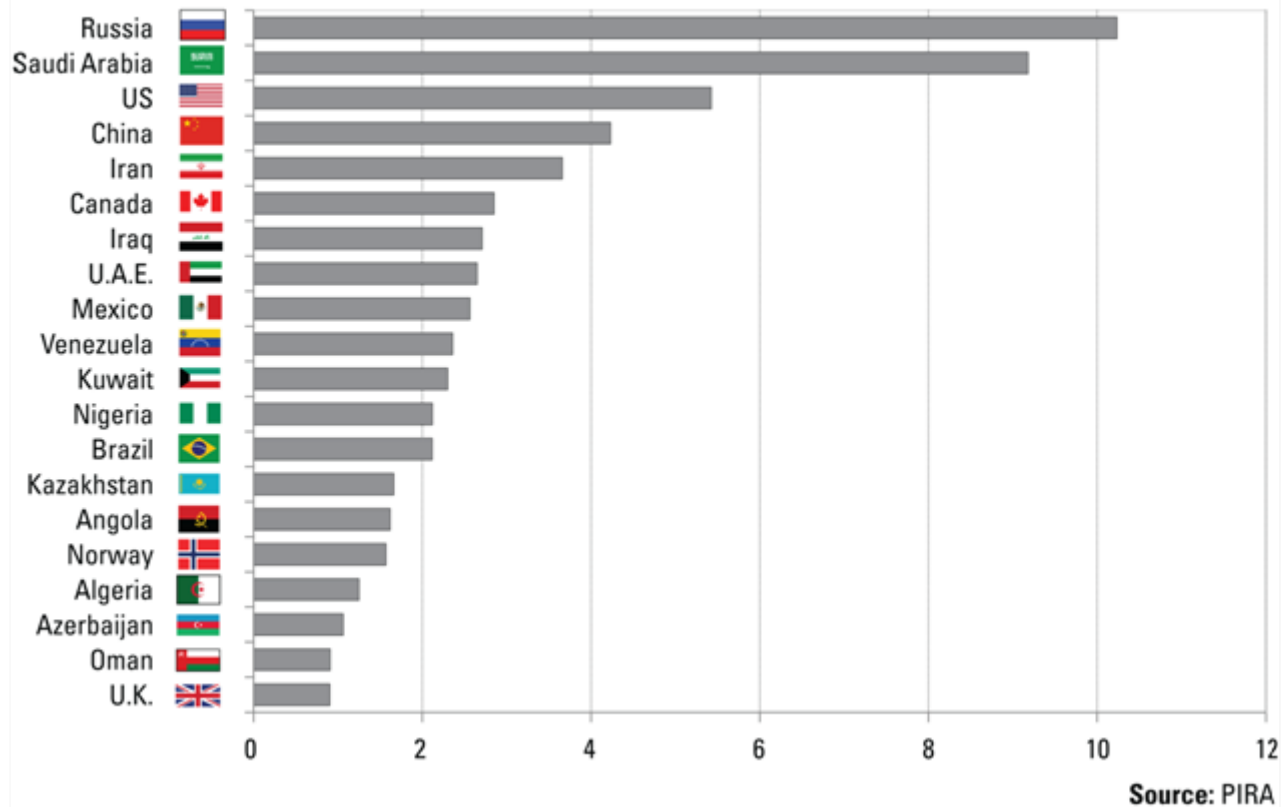
Source: India OGP, China National Bureau of Statistics & China General Administration of Customs, IEA, US DOE/EIA, Deutsche Bank

Hard Not To Be Bullish Oil in Medium-Term

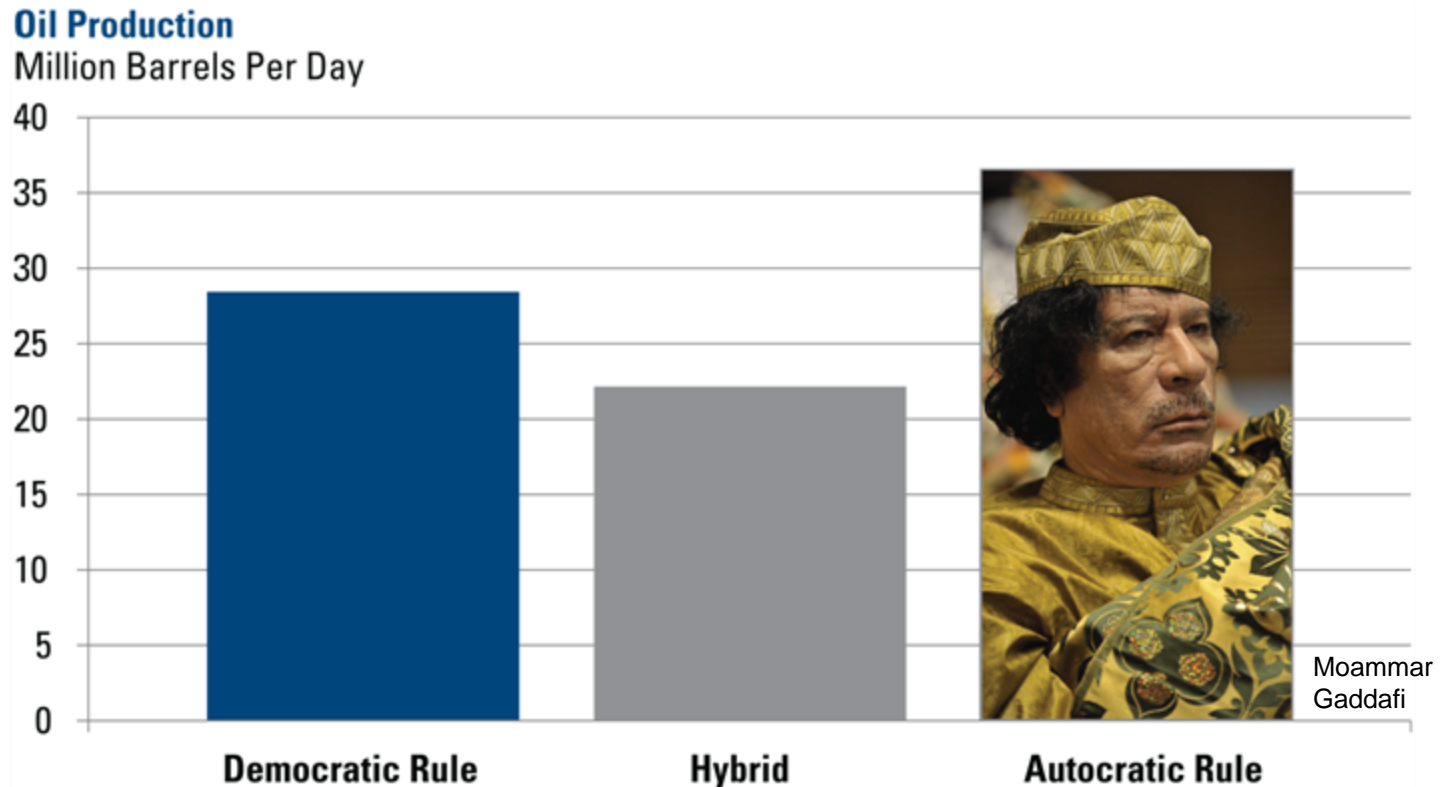


Top 20 Crude Producers

Top 20 Crude Producers, May 2011 (Million Barrels per Day)



Over 40 Percent of Global Oil Supply Under Autocratic Rule



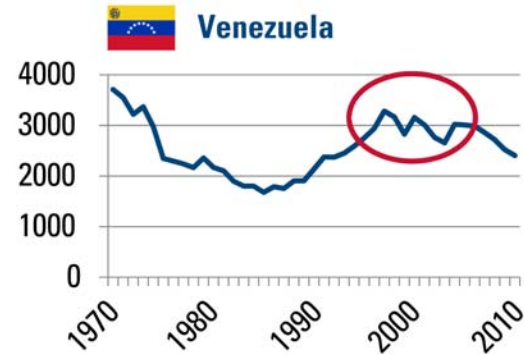
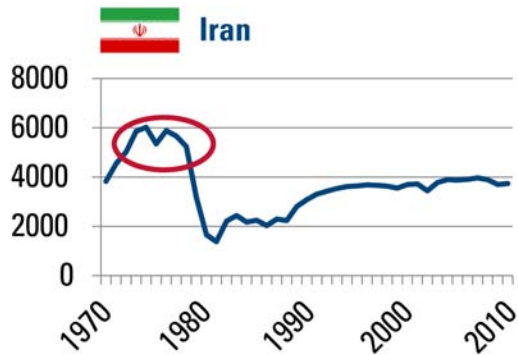
Source: EIU, Freedom House

Disruptions Often Have Long-Lived Impact

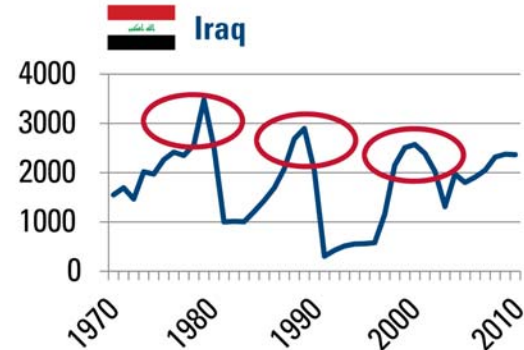
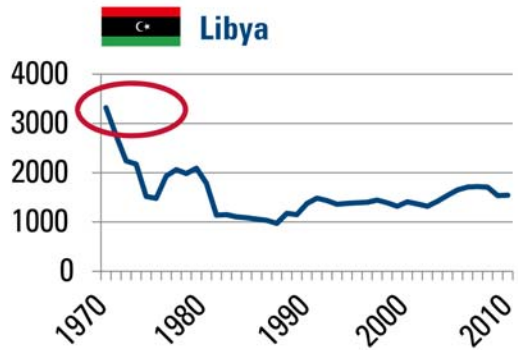
Crude Oil Production, Thousand Barrels Per Day



Mahmoud Ahmadinejad
President of Iran



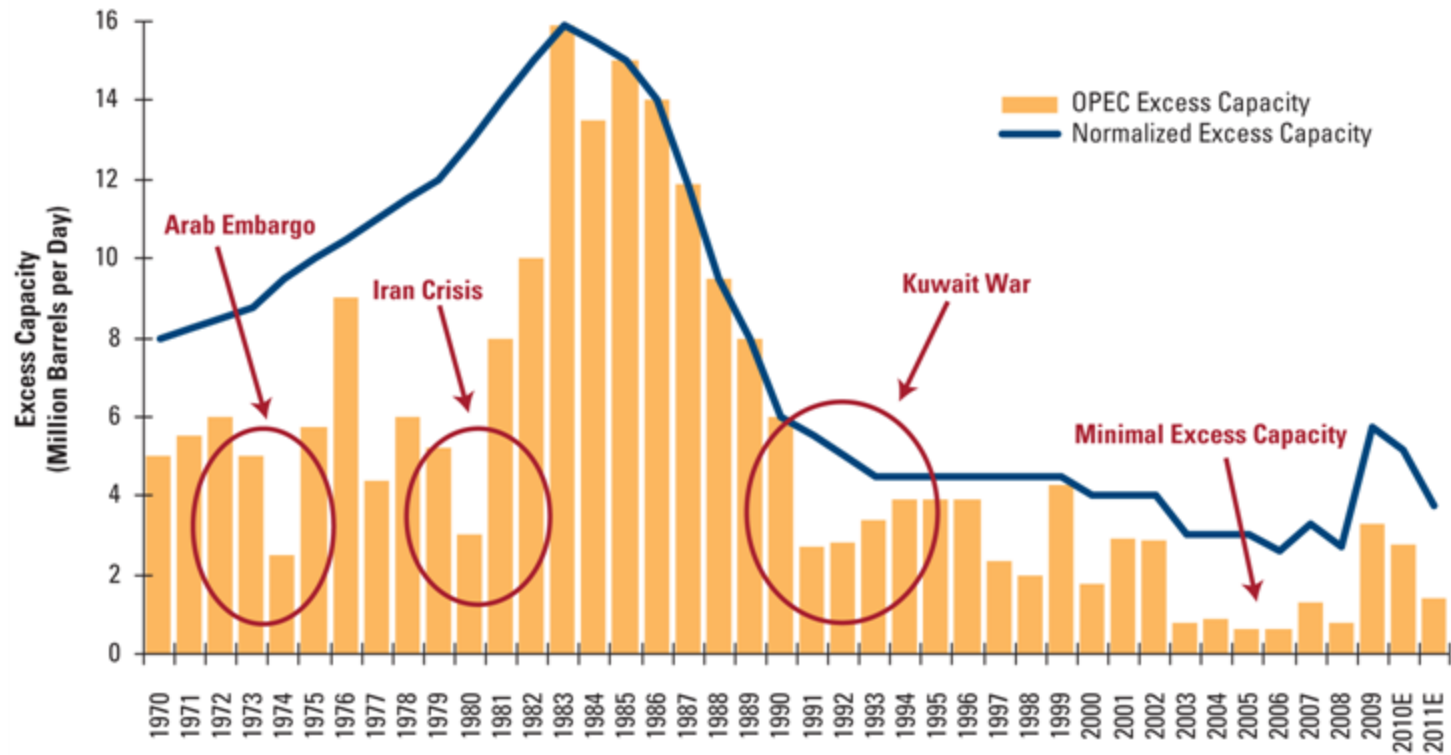
Hugo Chávez
President of Venezuela



Source: PIRA

Average Excess OPEC Capacity

Average Excess OPEC Capacity



Source: IEA, RJ&A, Bloomberg



Gold Demand Drivers



Gold Demand



"Fear" Trade

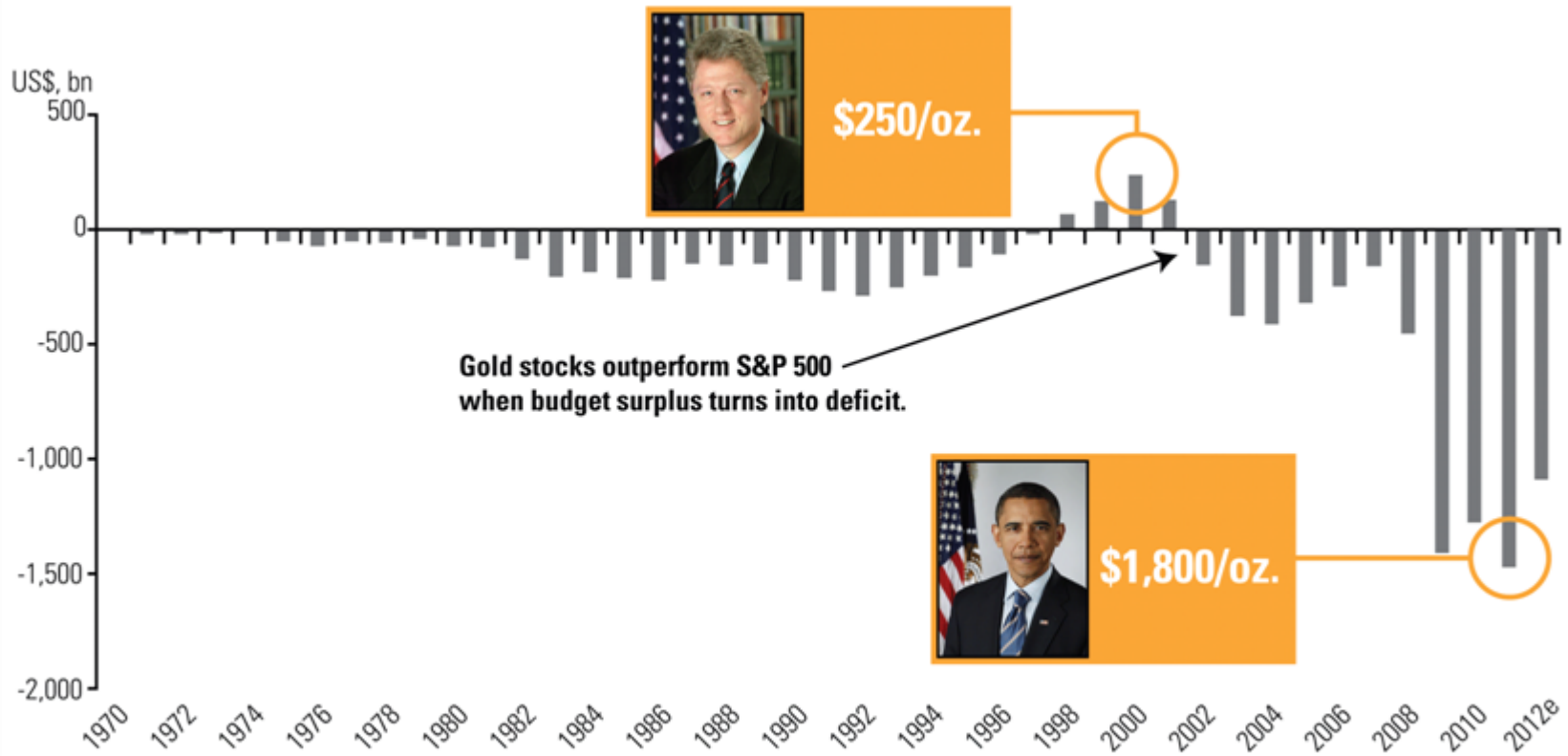


"Love" Trade

It's Not the Political Party, It's the Political Policies

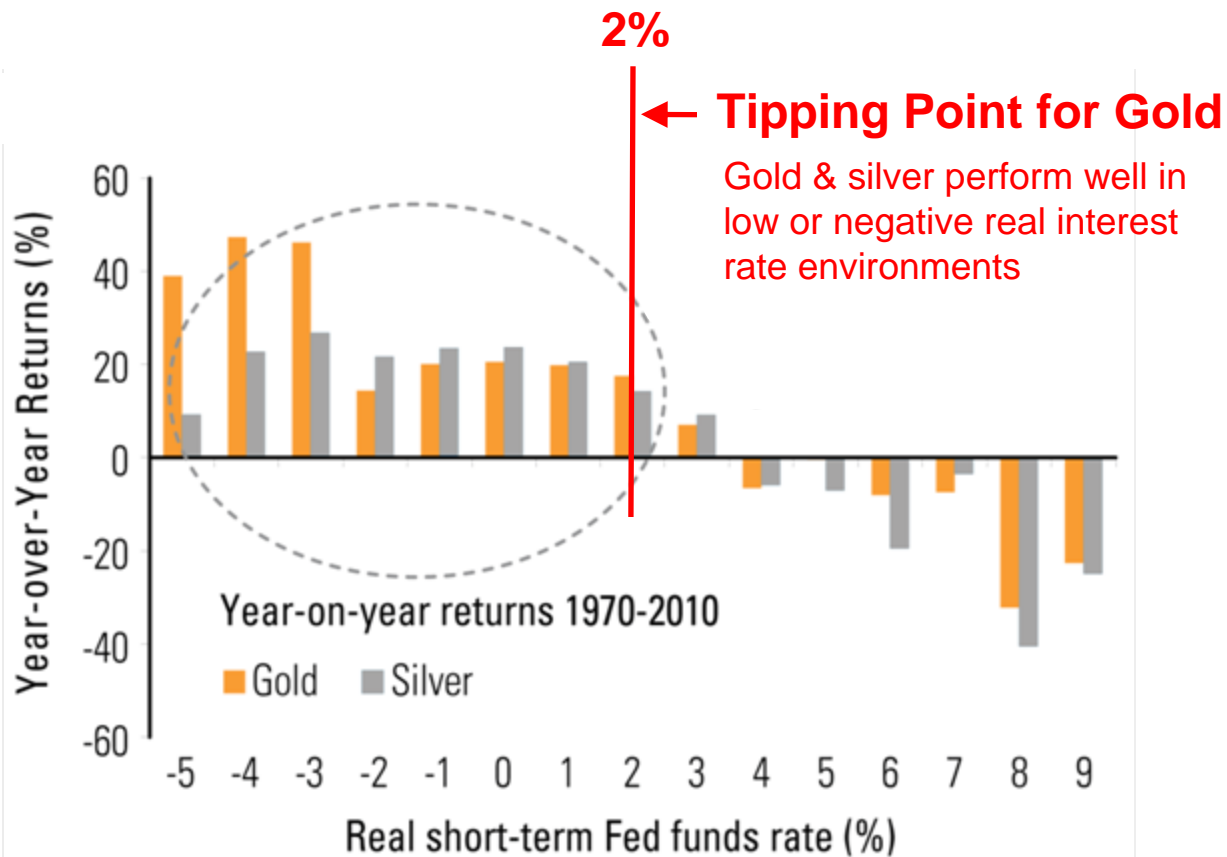


Federal Budget Surplus or Deficit



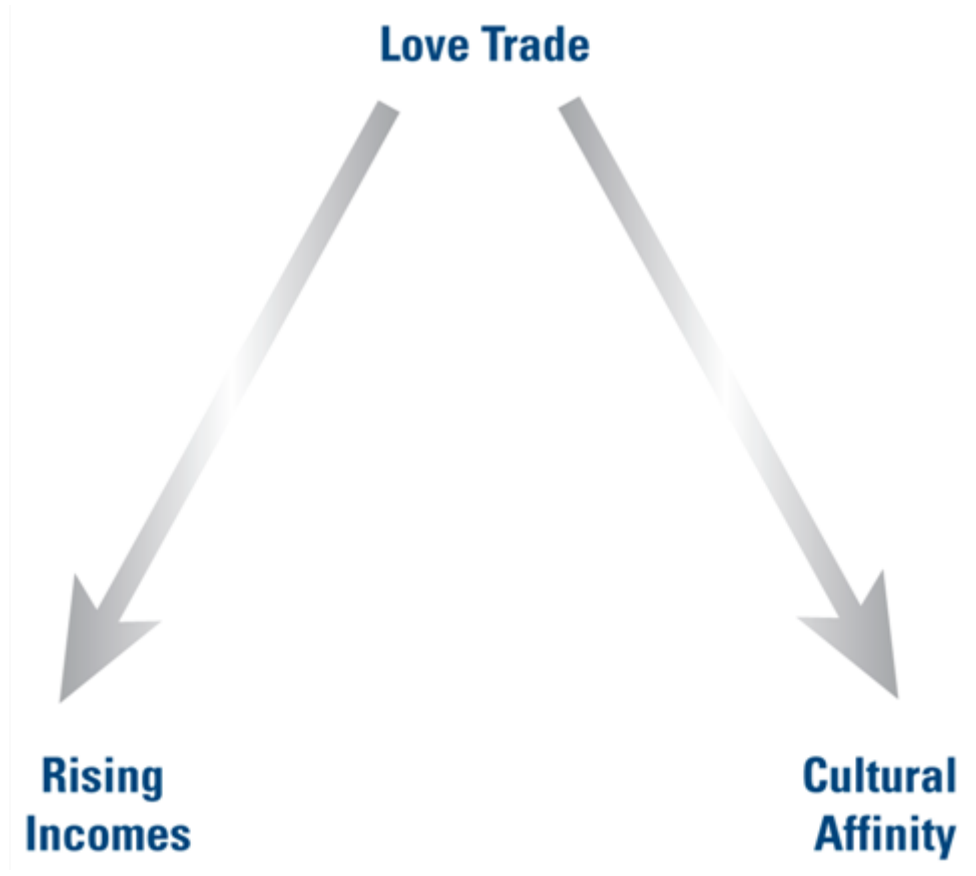
Source: Congressional Budget Office Statistics

Low Real Interest Rates Historically Fuel Gold & Silver



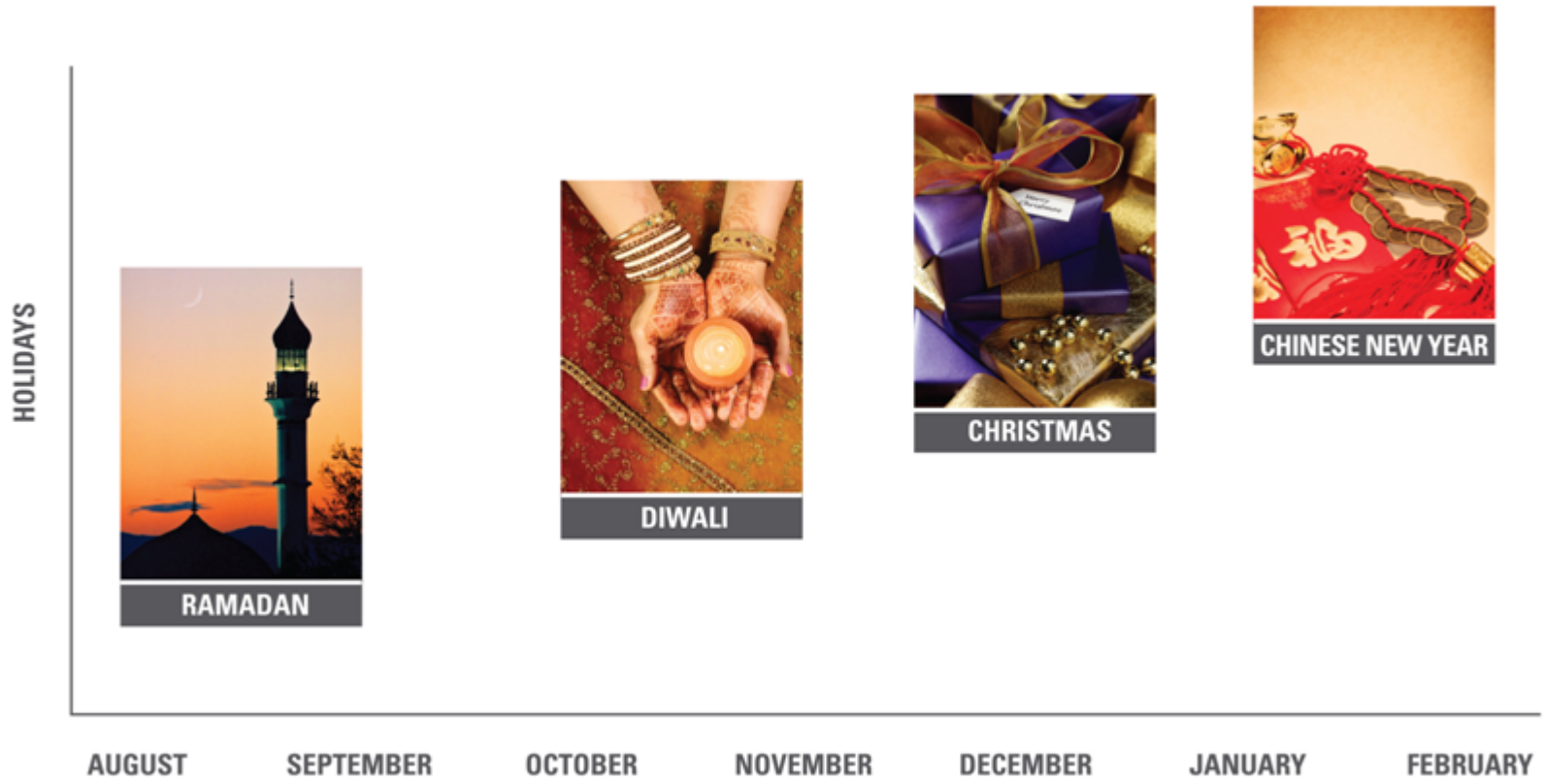
Source: Bloomberg Finance LP, Deutsche Bank

Driver: The Love Trade



Holidays Drive Gold Demand

For the Love of Gold

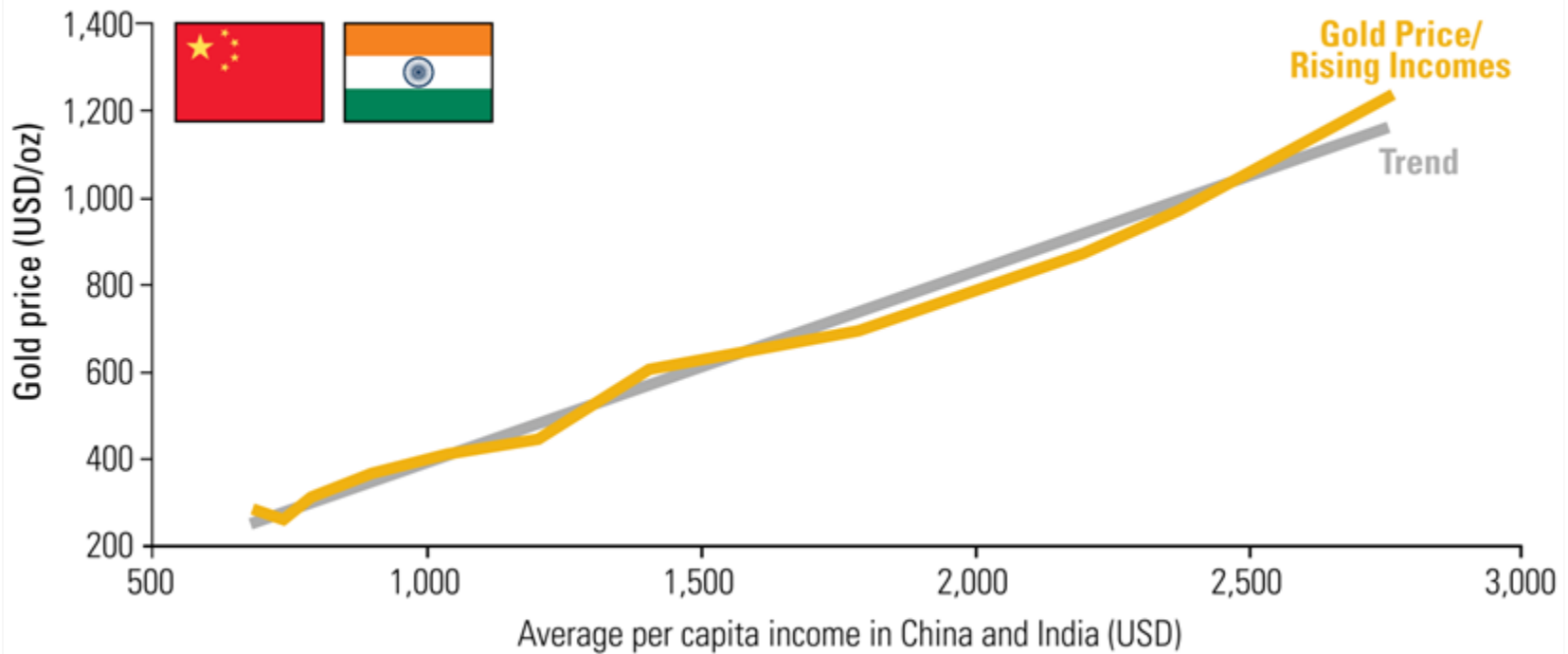


Gold “Love Trade”

Strong Correlation Between Rising Incomes and Gold Price



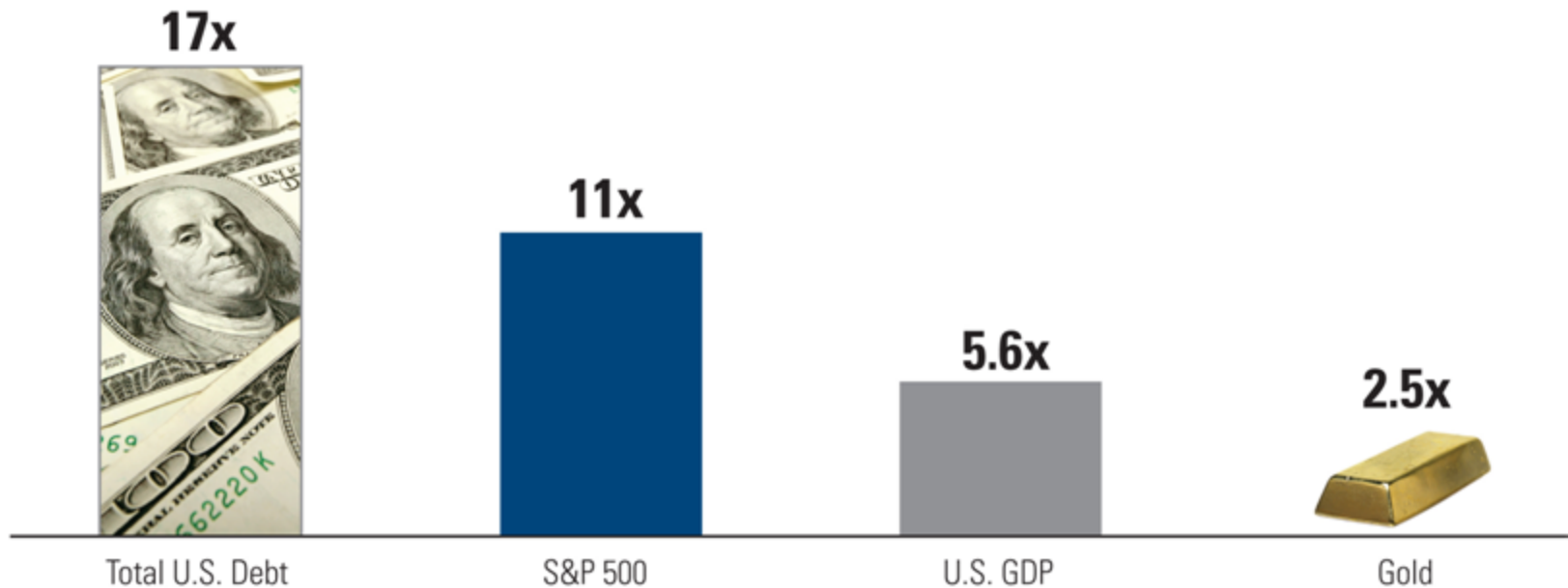
Strong Correlation Between Rising Incomes in China and India and the Gold Price from 2000 to 2010



Sources: Bloomberg, Standard Chartered Research

Gold Undervalued Compared to Rise in Other Areas of U.S. Economy

Gold Undervalued Compared to Rise in Other Areas of U.S. Economy
Today's Level Compared to 1980 Peak



Source: Global Deliberations Newsletter

Declining Value of the U.S. Dollar (USD)

The Decline in the Purchasing Power of a Dollar

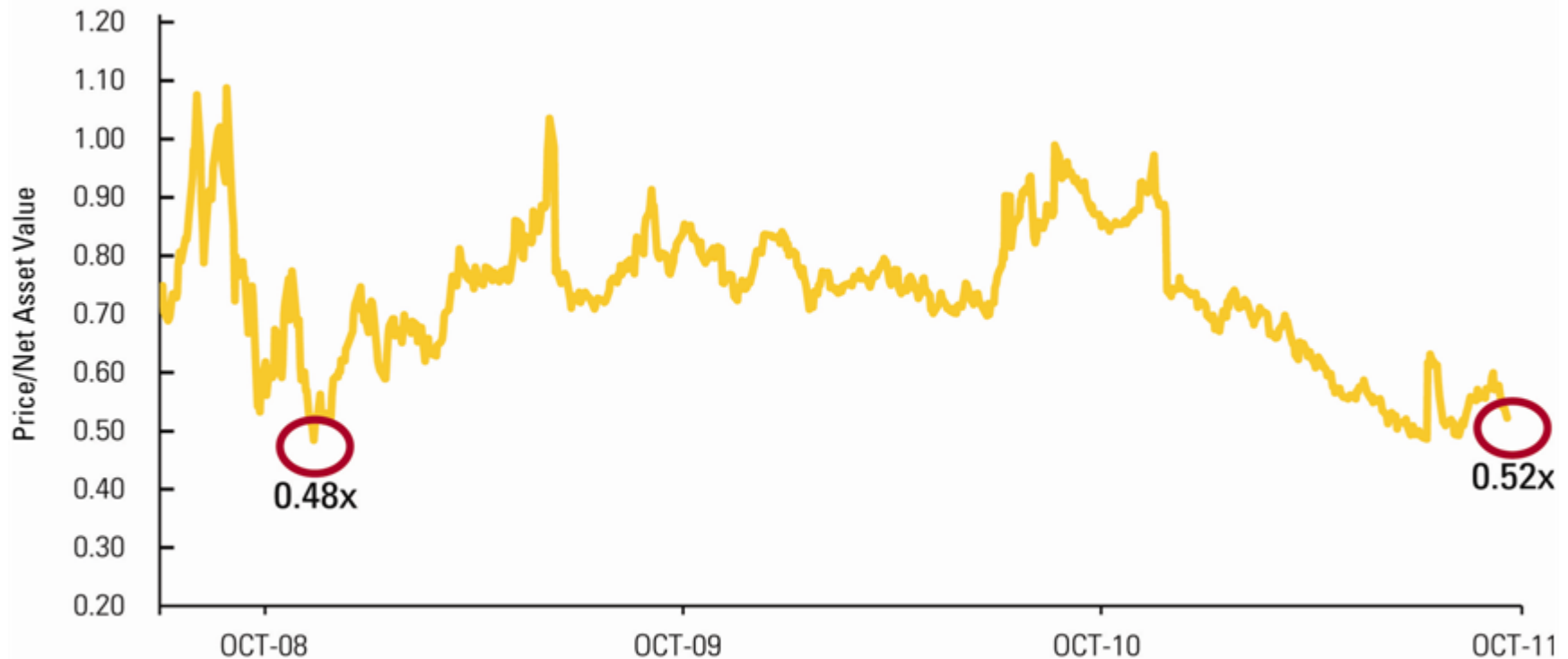


Note: Dollar deflated by CPI. 1971=\$1.00

Source: Bureau of Labor Statistics

Contraction in Relative Valuations — Gold Stocks Price/Net Asset Value

Exploration and Development Gold Companies Trading Near 2008 Levels



Source: TD Securities



Anticipate Before You Participate

Measuring Volatility

	Number of +10% Moves	Number of - 10% Moves	Frequency of ±10% Moves
GROW (U.S. Global Investors)	762	605	52%
NYSE Arca Gold BUGS Index (HUI)	563	284	33%
WTI Crude Oil	465	325	30%
MSCI Emerging Markets (MXEF)	137	170	12%
Gold Bullion	128	52	7%
S&P 500 Index (SPX)	41	93	6%

Calculated over rolling 20-trading day periods. Based on approximately 2,600 total occurrences over the past 10 years as of 9/30/2011.



Trying to Stop a Bull Market Has Risks



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Diversification does not protect an investor from market risks and does not assure a profit. Standard deviation is a measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Standard deviation is also known as historical volatility. M1 Money Supply includes funds that are readily accessible for spending. M2 Money Supply is a broad measure of money supply that includes M1 in addition to all time-related deposits, savings deposits, and non-institutional money-market funds. M3 money supply is the broadest monetary aggregate, including physical currency, demand accounts, savings and money market accounts, certificates of deposit, deposits of eurodollars and repurchase agreements. R-squared is a statistical measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. R-squared values range from 0 to 100. An R-squared of 100 means that all movements of a security are completely explained by movements in the index.

The S&P 500 Stock Index is a widely recognized capitalization-weighted index of 500 common stock prices in U.S. companies. The NYSE Arca Gold BUGS (Basket of Unhedged Gold Stocks) Index (HUI) is a modified equal dollar weighted index of companies involved in gold mining. The HUI Index was designed to provide significant exposure to near term movements in gold prices by including companies that do not hedge their gold production beyond 1.5 years. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Philadelphia Stock Exchange Gold and Silver Index (XAU) is a capitalization-weighted index that includes the leading companies involved in the mining of gold and silver. The S&P/TSX Composite Index is a capitalization-weighted index designed to measure market activity of stocks listed on the TSX. The Nasdaq Composite Index is a capitalization-weighted index of all Nasdaq National Market and SmallCap stocks. The Morgan Stanley Commodity Related Index (CRX) is an equal-dollar weighted index of 20 stocks involved in commodity related industries such as energy, non-ferrous metals, agriculture, and forest products. The index was developed with a base value of 200 as of March 15, 1996. The Russell 2000 Index is a U.S. equity index measuring the performance of the 2,000 smallest companies in the Russell 3000. The Russell 3000 Index consists of the 3,000 largest U.S. companies as determined by total market capitalization.



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