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

FORM 10-K

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the Fiscal Year Ended June 30, 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.
Incorporated in the State of Texas

IRS Employer Identification No. 74-1598370

Principal Executive Offices:
7900 Callaghan Road
San Antonio, Texas 78229
Telephone Number: 210-308-1234

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:
Class A common stock
($0.025 par value per share)

Registered: NASDAQ Capital Market

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ **No** ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.
Yes ☐ **No** ☒

Indicate by check mark whether the Company (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 website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulations 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Small reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
Yes ☐ **No** ☒

The aggregate market value of the 8,169,938 shares of nonvoting class A common stock held by nonaffiliates of the registrant was $25,326,808, based on the last sale price quoted on NASDAQ as of December 31, 2014, the last business day of the registrant’s most recently completed second fiscal quarter. Registrant’s only voting stock is its class C common stock, par value of $0.025 per share, for which there is no active market. The aggregate value of the 4,567 shares of the class C common stock held by nonaffiliates of the registrant on December 31, 2014 (based on the last sale price of the class C common stock in a private transaction) was $1,142. For purposes of this disclosure only, the registrant has assumed that its directors, executive officers, and beneficial owners of 5 percent or more of the registrant’s common stock are affiliates of the registrant.

On September 4, 2015, there were 13,866,421 shares of Registrant’s class A nonvoting common stock issued and 13,264,590 shares of Registrant’s class A nonvoting common stock issued and outstanding, no shares of Registrant’s class B nonvoting common stock outstanding, and 2,069,127 shares of Registrant’s class C voting common stock issued and outstanding.

Documents incorporated by reference: None

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Part I of Annual Report on Form 10-K

Item 1. Business

This Annual Report on Form 10-K contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, U.S. Global Investors, Inc. and its subsidiaries (collectively, "U.S. Global" or the "Company") may make other written and oral communications from time to time that contain such statements. Forward-looking statements include statements as to industry trends, future expectations of the Company, and other matters that do not relate strictly to historical facts and are based on certain assumptions by management. These statements are often identified by the use of words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "should," "estimate," or "continue," and similar expressions or variations. These statements are based on the beliefs and assumptions of Company management based on information currently available to management. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from the forward-looking statements include, among others, the risks described in Part I, Item 1A, Risk Factors, and elsewhere in this report and other documents filed or furnished by U.S. Global from time to time with the U.S. Securities and Exchange Commission ("SEC"). U.S. Global cautions readers to carefully consider such factors. Furthermore, such forward-looking statements speak only as of the date on which such statements are made. Except to the extent required by applicable law, U.S. Global undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

U.S. Global, a Texas corporation organized in 1968, is a registered investment adviser under the Investment Advisers Act of 1940, as amended ("Advisers Act"). The Company, with principal operations located in San Antonio, Texas, manages three business segments:

1. Investment Management Services, through which the Company offers, through U.S. Global Investors Funds ("USGIF" or the "Fund(s)"), offshore clients, and an exchange traded fund ("ETF") client, a range of investment management products and services to meet the needs of individual and institutional investors;
2. Investment Management Services - Canada, through which, as of June 1, 2014, the Company owns a 65% controlling interest in Galileo Global Equity Advisors Inc. ("Galileo"), a privately held Toronto-based asset management firm which offers investment management products and services in Canada; and
3. Corporate Investments, through which 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.

As part of its investment management businesses, the Company provides: (1) investment advisory services; (2) distribution services; and (3) administrative services to the mutual funds advised by the Company. The fees from these services, as well as investment income, are the primary sources of the Company's revenue. Through December 2013, the Company also provided transfer agency services to the mutual funds advised by the Company.

Lines of Business

Investment Management Services

Investment Advisory Services. The Company furnishes an investment program for each of the clients it manages and determines, subject to overall supervision by the applicable board of trustees of the clients, the clients' investments pursuant to an advisory agreement. Consistent with the investment restrictions, objectives and policies of the particular client, the portfolio team for each client determines what investments should be purchased, sold, and held, and makes changes in the portfolio deemed necessary or appropriate. In the advisory agreement, the Company is charged with seeking the best overall terms in executing portfolio transactions and selecting brokers or dealers.

As required by the Investment Company Act of 1940, as amended ("Investment Company Act"), the advisory agreement with USGIF is subject to annual renewal and is terminable upon 60-day notice. This agreement has been renewed through September 2016.

In addition to providing advisory services to USGIF, the Company provides advisory services to two offshore clients and one ETF. A third offshore fund liquidated in November 2013.

Net assets under management on June 30, 2015, and June 30, 2014, are detailed in the following table.

Assets Under Management ("AUM")			
Fund	**Ticker**	**June 30, 2015**	**June 30, 2014**
(dollars in thousands)			
U.S. Global Investors Funds			
Natural Resources			
Global Resources	PSPFX/PIPFX	$ 135,732	$ 349,945
World Precious Minerals	UNWPX/UNWIX	94,897	166,993
Gold and Precious Metals	USERX	64,021	97,339
Total Natural Resources		294,650	614,277
International Equity			
Emerging Europe	EUROX	58,225	102,065
China Region	USCOX	22,000	23,380
Total International Equity		80,225	125,445
Fixed Income			
U.S. Government Securities Ultra-Short Bond	UGSDX	58,332	68,576
Near-Term Tax Free	NEARX	90,251	61,984
Total Fixed Income		148,583	130,560
Domestic Equity			
Holmes Macro Trends	MEGAX	46,368	51,980
All American Equity	GBTFX	21,000	23,666
Total Domestic Equity		67,368	75,646
Total U.S. Global Investors Funds		590,826	945,928
U.S Global Jets ETF	JETS	39,200	—
Offshore Advisory Clients		11,527	20,012
		641,553	965,940
Total Canada AUM (see separate discussion)		150,718	267,210
Total AUM		$ 792,271	$ 1,233,150

Distribution Services. The Company has registered its wholly-owned subsidiary, U.S. Global Brokerage, Inc. ("USGB"), with the Financial Industry Regulatory Authority ("FINRA"), the SEC and appropriate state regulatory authorities as a limited-purpose broker-dealer for the purpose of distributing Fund shares. The distribution agreement with USGIF is subject to annual renewal and is terminable upon 60-day notice. This agreement has been renewed through September 2016.

Shareholder Services. In connection with obtaining and/or providing administrative services to the beneficial owners of USGIF through broker-dealers, banks, trust companies and similar institutions which provide such services, the Company receives shareholder services fees at an annual rate of up to 0.20 percent of the value of shares held in accounts at the institutions, which helps offset related platform costs.

Administrative Services. The Company also manages, supervises and conducts certain other affairs of USGIF, subject to the control of the Funds' Board of Trustees pursuant to an administrative services agreement. It provides office space, facilities and certain business equipment as well as the services of executive and clerical personnel for administering the affairs of the Funds. U.S. Global and its affiliates compensate all personnel, officers, directors and interested trustees of the Funds if such persons are also employees of the Company or its affiliates. Effective December 2013, the Funds' Board of Trustees increased the annual rate from 0.08 percent to 0.10 percent for each investor class and from 0.06 percent to 0.08 percent for each institutional class plus $10,000 per Fund. Effective November 1, 2014, the per fund fee changed to $7,000 per year. The administrative services agreement with USGIF is subject to renewal on an annual basis and is terminable upon 60-day notice. This agreement has been renewed through September 2016.

Transfer Agency and Other Services. Through December 6, 2013, the Company's wholly-owned subsidiary, United Shareholder Services, Inc. ("USSI"), a transfer agent registered under the Securities Exchange Act of 1934 ("Exchange Act"), provided transfer agency, printing, and mailing services to investment company clients.

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 on December 9, 2013. The transfer agency results, together with expenses associated with discontinuing transfer agency operations, are reflected as discontinued operations in the Consolidated Statement of Operations and are, therefore, excluded from continuing operations results.

Investment Management Services - Canada

Assets Under Management ("AUM")			
(dollars in thousands)	**Ticker**	**June 30, 2015**	**June 30, 2014**
Galileo Funds			
Galileo High Income Plus Fund	N/A [1]	$ 63,607	$ 119,329
Galileo Growth and Income Fund	N/A [1]	3,964	7,724
Total Galileo Funds		67,571	127,053
Other Advisory Clients		83,147	140,157
Total Canada AUM		$ 150,718	$ 267,210

1. *The Galileo Funds are Canadian registered mutual funds and are not available in the United States.*

Effective March 31, 2013, the Company, through its wholly-owned subsidiary, U.S. Global Investors (Canada) Limited ("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 brought USCAN's ownership to 65 percent of the issued and outstanding shares of Galileo, which represents controlling interest of Galileo. The non-controlling interest in this subsidiary is included in "non-controlling interest in subsidiaries" in the equity section of the Consolidated Balance Sheets. Frank Holmes, CEO, and Susan McGee, President and General Counsel, serve as directors of Galileo.

Galileo Equity Management Inc. was incorporated under the Business Corporations Act (Ontario) on July 16, 1999. On May 17, 2007, its name changed to Galileo Global Equity Advisors, Inc. Galileo is registered as a portfolio manager and exempt market dealer with the Ontario Securities Commission ("OSC"), the Nova Scotia Securities Commission and the Quebec Securities Commission. Additionally, the company is registered as an exempt market dealer with the New Brunswick and Newfoundland and Labrador Securities Commissions. On July 31, 2012, Galileo was also registered as an investment fund manager with the OSC.

Corporate Investments

Investment Activities. In addition to providing management and advisory services, the Company is actively engaged in trading for its own account. See segment information in the Notes to the Consolidated Financial Statements at Note 17 Financial Information by Business Segment, of this Annual Report in Form 10-K.

Additional Segment Information

See additional financial information about business segments in Part II, Item 8, Financial Statements and Supplementary Data at Note 17 Financial Information by Business Segment, of this Annual Report in Form 10-K.

Employees

As of June 30, 2015, U.S. Global and its wholly-owned subsidiaries employed 40 full-time employees and 2 part-time employees; as of June 30, 2014, it employed 48 full-time employees and 4 part-time employees. The Company considers its relationship with its employees to be good.

Competition

The mutual fund industry is highly competitive. According to the Investment Company Institute, at the end of 2014 there were approximately 9,300 domestically registered open-end investment companies of varying sizes and investment policies, whose shares are being offered to the public worldwide. Generally, there are two types of mutual funds: "load" and "no-load." In addition, there are both load and no-load funds that have adopted Rule 12b-1 plans authorizing the payment of distribution costs of the funds out of fund assets. USGIF is a trust with no-load funds that have adopted 12b-1 plans. Load funds are typically sold through or sponsored by brokerage firms, and a sales commission is charged on the amount of the investment. No-load funds, such as the USGIF, however, may be purchased directly from the particular mutual fund organization or through a distributor, and no sales commissions are charged.

In addition to competition from other mutual fund managers and investment advisers, the Company and the mutual fund industry are in competition with various investment alternatives, offered by insurance companies, banks, securities broker-dealers, other financial institutions, and ETFs. ETFs have had a significant impact on the industry in the past decade, growing from nearly nothing to approximately 1,500 ETFs available at the end of 2014. Many of these institutions are able to engage in more liberal advertising than mutual funds and may offer accounts at competitive interest rates, which may be insured by federally chartered corporations such as the Federal Deposit Insurance Corporation.

A number of mutual fund groups are significantly larger than the funds managed by U.S. Global, offer a greater variety of investment objectives and have more experience and greater resources to promote the sale of investments therein. However, the Company believes it has the resources, products, and personnel to compete with these other mutual funds. In particular, the Company is known for its expertise in the gold mining and exploration, natural resources and emerging markets. Competition for sales of fund shares is influenced by various factors, including investment objectives and performance, advertising and sales promotional efforts, distribution channels, and the types and quality of services offered to fund shareholders.

Success in the investment advisory and mutual fund distribution businesses is substantially dependent on each fund's investment performance, the quality of services provided to shareholders, and the Company's efforts to market the Funds effectively. Sales of Fund shares generate management, distribution and administrative services fees (which are based on the assets of the Funds), and shareholder services fees (which are based on the assets of the Funds held through institutions). Costs of distribution and compliance continue to put pressure on profit margins for the mutual fund industry.

Despite the Company's expertise in gold mining and exploration, natural resources, and emerging markets, the Company faces the same obstacle many advisers face, namely uncovering undervalued investment opportunities as the markets face further uncertainty and increased volatility. In addition, the growing number of alternative investments, especially in specialized areas, has created pressure on the profit margins and increased competition for available investment opportunities.

Supervision and Regulation

The Company, USGB, and the clients the Company manages and administers operate under certain laws, including federal and state securities laws, governing their organization, registration, operation, legal, financial, and tax status. Among the potential penalties for violation of the laws and regulations applicable to the Company and its subsidiaries are fines, imprisonment, injunctions, revocation of registration, and certain additional administrative sanctions. Any determination that the Company or its management has violated applicable laws and regulations could have a material adverse effect on the business of the Company. Moreover, there is no assurance that changes to existing laws, regulations, or rulings promulgated by governmental entities having jurisdiction over the Company and the Funds will not have a material adverse effect on the Company's business. The Company has no control over regulatory rulemaking or the consequences it may have on the mutual fund and investment advisory industry.

Recent and accelerating regulatory pronouncements and oversight have significantly increased the burden of compliance infrastructure with respect to the mutual fund industry and the capital markets. This momentum of new regulations has contributed significantly to the costs of managing and administering mutual funds.

U.S. Global is registered as an investment adviser with the SEC. As a registered investment adviser, it is subject to the requirements of the Advisers Act, and the SEC's regulations thereunder, as well as to examination by the SEC's staff. The Advisers Act imposes substantive regulation on virtually all aspects of the Company's business and relationships with the Company's clients. Applicable rules relate to, among other things, fiduciary duties to clients, transactions with clients, effective compliance programs, conflicts of interest, advertising, recordkeeping, reporting, and disclosure requirements. The Funds and ETF for which the Company acts as the investment adviser are registered with the SEC under the Investment Company Act. The Investment Company Act imposes additional obligations, including detailed operational requirements for both funds and their advisers. Moreover, an investment adviser's contract with a registered fund may be terminated by the fund on not more than 60 days' notice and is subject to annual renewal by the fund's board after an initial two-year term. Both the Advisers Act and the Investment Company Act regulate the "assignment" of advisory contracts by the investment adviser. The SEC is authorized to institute proceedings and impose sanctions for violations of the Investment Advisers Act and the Investment Company Act, ranging from fines and censures to termination of an investment adviser's registration. The failure of the Company, or the Funds and ETF which the Company advises, to comply with the requirements of the SEC could have a material adverse effect on the Company. The Company is also subject to federal and state laws affecting corporate governance, including the Sarbanes-Oxley Act of 2002 ("S-Ox Act"), as well as rules adopted by the SEC.

USGB is subject to regulation by the SEC under the Exchange Act and regulation by FINRA, a self-regulatory organization composed of other registered broker-dealers. U.S. Global and USGB are required to keep and maintain certain reports and records, which must be made available to the SEC and FINRA upon request.

Galileo Global Equity Advisors Inc. ("Galileo") is registered as a portfolio manager and investment fund manager with the Ontario Securities Commission ("OSC"). As a registered portfolio manager, the OSC imposes substantive regulation on virtually all aspects of Galileo's business and relationships with Galileo's clients. Applicable legislation relate to, among other things, fiduciary duties to clients, transactions with clients, effective compliance programs, conflicts of interest, advertising, recordkeeping, reporting, and disclosure requirements. The Canadian funds for which Galileo acts as the investment fund manager are registered with the OSC follow under National Instrument 81-101/102/106. These National Policies impose additional obligations, including detailed operational requirements for both funds and their managers. The OSC is authorized to institute proceedings and impose sanctions for violations of the rules ranging from fines and censures to termination of a portfolio manager and investment fund manager's registration. The failure of Galileo, or the Canadian funds which Galileo advises, to comply with the requirements of the OSC could have a material adverse effect on Galileo.

Relationships with Clients

The businesses of the Company are to a very significant degree dependent on their associations and contractual relationships with USGIF. In the event the advisory or administrative agreements with USGIF are canceled or not renewed pursuant to the terms thereof, the Company would be substantially adversely affected. U.S. Global and USGB consider their relationships with the Funds to be good, and they have no reason to believe that their management and service contracts will not be renewed in the future; however, there is no assurance that USGIF will choose to continue its relationship with the Company or USGB.

In addition, the Company is also dependent on its relationships with its offshore and exchange traded fund clients. Even though the Company views its relationship with its offshore and exchange traded fund clients as stable, the Company could be adversely affected if these relationships ended.

Galileo is also dependent on its relationships with its clients. Even though Galileo views its relationship with its clients as stable, the Company could be adversely affected if these relationships ended.

Available Information

Available Information. The Company's Internet website address is www.usfunds.com. Information contained on the Company's website is not part of this annual report on Form 10-K. The Company's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed with (or furnished to) the SEC are available through a link on the Company's Internet website, free of charge, soon after such material is filed or furnished. (The link to the Company's SEC filings can be found at www.usfunds.com by clicking "About Us," followed by "Investor Relations," followed by "SEC Filings.") The Company routinely posts important information on its website.

The Company also posts its Corporate Governance Guidelines, Code of Business Conduct, Code of Ethics for Principal Executive and Senior Financial Officers and the charters of the audit and compensation committees of its Board of Directors on the Company's website in the "Policies and Procedures" section. The Company's SEC filings and governance documents are available in print to any stockholder that makes a written request to: Investor Relations, U.S. Global Investors, Inc., 7900 Callaghan Road, San Antonio, Texas 78229.

The Company files reports electronically with the SEC via the SEC's Electronic Data Gathering, Analysis and Retrieval system ("EDGAR"), which may be accessed through the Internet. The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC, at www.sec.gov.

The public may read and copy any materials filed by the Company with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Investors and others should note that we announce material financial information to our investors using the website, SEC filings, press releases, public conference calls and webcasts. We also use social media to communicate with our customers and the public about our company. It is possible that the information we post on social media could be deemed to be material information. Therefore, we encourage investors, the media, and others interested in our company to review the information we post on social media channels listed below. This list may be updated from time to time.

https://www.facebook.com/USFunds
https://twitter.com/USFunds
https://twitter.com/USGlobalETFs

Information contained on our website or on social media channels is not deemed part of this report.

Item 1A. Risk Factors

The Company faces a variety of significant and diverse risks, many of which are inherent in the business. Described below are certain risks that could materially affect the Company. Other risks and uncertainties that the Company does not presently consider to be material, or of which the Company is not presently aware, may become important factors that affect it in the future. The occurrence of any of the risks discussed below could materially and adversely affect the business, prospects, financial condition, results of operations, or cash flow.

The investment management business is intensely competitive.

Competition in the investment management business is based on a variety of factors, including:

- Investment performance;
- Investor perception of an investment team's drive, focus, and alignment of interest with them;
- Quality of service provided to, and duration of relationships with, clients and shareholders;
- Business reputation; and
- Level of fees charged for services.

The Company competes with a large number of investment management firms, commercial banks, broker-dealers, insurance companies, and other financial institutions. Competitive risk is heightened by the fact that some competitors may invest according to different investment styles or in alternative asset classes which the markets may perceive as more attractive than the Company's investment approach. If the Company is unable to compete effectively, revenues and earnings may be reduced and the business could be materially affected.

Poor investment performance could lead to a decline in revenues.

Success in the investment management industry is largely dependent on investment performance relative to market conditions and the performance of competing products. Good relative performance generally attracts additional assets under management, resulting in additional revenues. Conversely, poor performance generally results in decreased sales and increased redemptions with a corresponding decrease in revenues. Therefore, poor investment performance relative to the portfolio benchmarks and to competitors could impair the Company's revenues and growth. The equity funds within USGIF have a performance fee whereby the base advisory fee is adjusted upwards or downwards by 0.25 percent if 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.

The Company's clients can terminate their agreements with the Company on short notice, which may lead to unexpected declines in revenue and profitability.

The Company's investment advisory agreements are generally terminable on short notice and subject to annual renewal. If the Company's investment advisory agreements are terminated, which may occur in a short time frame, the Company may experience a decline in revenues and profitability.

Difficult market conditions can adversely affect the Company by reducing the market value of the assets we manage or causing shareholders to make significant redemptions.

Changes in economic or market conditions may adversely affect the profitability, performance of and demand for the Company's investment products and services. Under the Company's advisory fee arrangements, the fees received are primarily based on the market value of assets under management. Accordingly, a decline in the price of securities held in the Funds would be expected to cause revenues and net income to decline, which would result in lower advisory fees, or cause increased shareholder redemptions in favor of investments they perceive as offering greater opportunity or lower risk, which redemptions would also result in lower advisory fees. The ability of the Company to compete and grow is dependent on the relative attractiveness of the types of investment products the Company offers and its investment performance and strategies under prevailing market conditions.

Market-specific risks may negatively impact the Company's earnings.

The Company manages certain funds in the emerging market and natural resources sectors, which are highly cyclical. The investments in the Funds are subject to significant loss due to political, economic and diplomatic developments, currency fluctuations, social instability, and changes in governmental policies. Foreign trading markets, particularly in some emerging market countries, are often smaller, less liquid, less regulated and significantly more volatile than the U.S. and other established markets.

The market price and trading volume of the Company's class A common stock may be volatile, which could result in rapid and substantial losses for the Company's stockholders.

The market price of the Company's class A common stock may be volatile and the trading volume may fluctuate, causing significant price variations to occur. If the market price of the Company's class A common stock declines significantly, stockholders may be unable to sell their shares at or above their purchase price. The Company cannot assure that the market price of its class A common stock will not fluctuate or decline significantly in the future. Some of the factors that could negatively affect the price of the Company's class A common stock, or result in fluctuations in price or trading volume, include:

- Decreases in assets under management;
- Variations in quarterly and annual operating results;
- Publication of research reports about the Company or the investment management industry;
- Departures of key personnel;
- Adverse market reactions to any indebtedness the Company may incur, acquisitions or disposals the Company may make, or securities the Company may issue in the future;
- Changes in market valuations of similar companies;
- Changes or proposed changes in laws or regulations, or differing interpretations thereof, affecting the business, or enforcement of these laws and regulations, or announcements relating to these matters;
- Adverse publicity about the asset management industry, generally, or individual scandals, specifically; and
- General market and economic conditions.

The market price of the Company's class A common stock could decline due to the large number of shares of the Company's class C common stock eligible for future sale upon conversion to class A shares.

The market price of the Company's class A common stock could decline as a result of sales of a large number of shares of class A common stock eligible for future sale upon the conversion of class C shares, or the perception that such sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for the Company to raise additional capital by selling equity securities in the future, at a time and price the Company deems appropriate.

Failure to comply with government regulations could result in fines, which could cause the Company's earnings and stock price to decline.

The Company and its subsidiaries are subject to a variety of federal securities laws and agencies, including, but not limited to, the Advisers Act, the Investment Company Act, the S-Ox Act, the Gramm-Leach-Bliley Act of 1999, the Bank Secrecy Act of 1970, as amended, the USA PATRIOT Act of 2001, the SEC, FINRA, and NASDAQ. Moreover, financial reporting requirements and the processes, controls, and procedures that have been put in place to address them, are comprehensive and complex. While management has focused attention and resources on compliance policies and procedures, non-compliance with applicable laws or regulations could result in fines, sanctions or censures which could affect the Company's reputation, and thus its revenues and earnings.

Furthermore, Galileo is subject to the rules and regulations of the OSC, and failure of the company or the funds it advises to comply with the requirements of the OSC could have a material adverse affect on the company.

Our business is subject to substantial risk from litigation, regulatory investigations and potential securities laws liability.

Many aspects of U.S. Global's business involve substantial risks of litigation, regulatory investigations and/or arbitration. The Company is exposed to liability under federal and state securities laws, other federal and state laws and court decisions, as well as rules and regulations promulgated by the SEC, FINRA and other regulatory bodies. U.S. Global, its subsidiaries, and/or officers could be named as parties in legal actions, regulatory investigations and proceedings. An adverse resolution of any lawsuit, legal or regulatory proceeding or claim against the Company could result in substantial costs or reputational harm to the Company, and have a material adverse effect on the Company's business, financial condition or results of operations, which, in turn, may negatively affect the market price of the Company's common stock and U.S. Global's ability to pay dividends. In addition to these financial costs and risks, the defense of litigation or arbitration may divert resources and management's attention from operations.

Galileo is also subject to risks of litigation, regulatory investigations and/or arbitration. Galileo is exposed to liability under provincial laws and court decisions, as well as rules and regulations promulgated by the OSC.

Higher insurance premiums and related insurance coverage risks could increase costs and reduce profitability.

While U.S. Global carries insurance in amounts and under terms that it believes are appropriate, the Company cannot assure that its insurance will cover most liabilities and losses to which it may be exposed, or that our insurance policies will continue to be available at acceptable terms and fees. U.S. Global is subject to regulatory and governmental inquiries and civil litigation. An adverse outcome of any such proceeding could involve substantial financial penalties. From time to time, various claims against us arise in the ordinary course of business, including employment-related claims. There has been increased incidence of litigation and regulatory investigations in the financial services industry in recent years, including customer claims and class action suits alleging substantial monetary damages. Certain insurance coverage may not be available or may be prohibitively expensive in future periods. As U.S. Global's insurance policies come up for renewal, the Company may need to assume higher deductibles or co-insurance liabilities, or pay higher premiums, which would increase the Company's expenses and reduce net income.

Increased regulatory and legislative actions and reforms could increase costs and negatively impact the Company's profitability and future financial results.

During the past decade, federal securities laws have been substantially augmented and made significantly more complex by the S-Ox Act and the USA PATRIOT Act of 2001. With new laws and changes in interpretations and enforcement of existing requirements, the associated time the Company must dedicate to, and related costs the Company must incur in, meeting the regulatory complexities of the business have increased. In order to comply with these new requirements, the Company has had to expend additional time and resources, including substantial efforts to conduct evaluations required to ensure compliance with the S-Ox Act.

The Company is subject to financial services laws, regulations, corporate governance requirements, administrative actions and policies. During 2009 and 2010, as many emergency government programs slowed or wound down, global regulatory and legislative focus generally moved to a second phase of broader reform and a restructuring of financial institution regulation. On July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (**"**Dodd-Frank Act**"**), which fundamentally changed the U.S. financial regulatory landscape. The full scope of the regulatory changes imposed by the Dodd-Frank Act will only be determined once extensive rules and regulations have been proposed and become effective, which may result in significant changes in the manner in which the Company's operations are regulated.

Further, adverse results of regulatory investigations of mutual fund, investment advisory, and financial services firms could tarnish the reputation of the financial services industry generally, and mutual funds and investment advisers more specifically, causing investors to avoid further fund investments or redeem their balances. Redemptions would decrease the Company's assets under management, which would reduce its advisory revenues and net income.

The Company intends to pay regular dividends to its stockholders, but the ability to do so is subject to the discretion of the Board of Directors.

The Company intends to pay cash dividends on a monthly basis, but the Board of Directors, at its discretion, may decrease the level or frequency of dividends or discontinue payment of dividends entirely based on earnings, operations, capital requirements, general financial condition of the Company, and general business conditions.

One person beneficially owns substantially all of our voting stock and controls the outcome of all matters requiring a vote of stockholders, which may influence the value of our publicly traded non-voting stock.

Frank Holmes, CEO, is the beneficial owner of over 99 percent of the class C voting convertible common stock and controls the outcome of all issues requiring a vote of stockholders. All of our publicly traded stock is nonvoting stock. Consequently, except to the extent provided by law, stockholders other than Frank Holmes have no vote with respect to the election of directors or any other matter requiring a vote of stockholders. This lack of voting rights may adversely affect the market value of the publicly traded class A nonvoting common stock.

The loss of key personnel could negatively affect the Company's financial performance.

The success of the Company depends on key personnel, including the portfolio managers, analysts, and executive officers. Competition for qualified, motivated, and skilled personnel in the asset management industry remains significant. As the business grows, the Company will likely need to increase the number of employees. Moreover, in order to retain certain key personnel, the Company may be required to increase compensation to such individuals, resulting in additional expense. The loss of key personnel or the Company's failure to attract replacement personnel could negatively affect its financial performance.

The Company could be subject to losses if it fails to properly safeguard sensitive and confidential information.

As part of the Company's normal operations, it maintains and transmits confidential information about the Company and the Funds' clients as well as proprietary information relating to its business operations. These systems could be victimized by unauthorized users or corrupted by computer viruses or other malicious software code, or authorized persons could inadvertently or intentionally release confidential or proprietary information. Such a breach could subject the Company to liability for a failure to safeguard client data, result in the termination of relationships with our existing customers, require significant capital and operating expenditures to investigate and remediate the breach and subject the Company to regulatory action.

We rely upon certain critical information systems for the operation of our business, and the failure of any critical information system, including a cyber-security breach, may result in harm to our business.

We are heavily dependent on technology infrastructure and rely upon certain critical information systems for the effective operation of our business. These information systems include data network and telecommunications, internet access and our websites, and various computer hardware equipment and software applications. These information systems are subject to damage or interruption from a number of potential sources including natural disasters, software viruses or other malware, power failures, cyber-attacks and other events to the extent that these information systems are under our control. We have implemented measures, such as virus protection software, intrusion detection systems and emergency recovery processes to address the outlined risks. However, security measures for information systems cannot be guaranteed to be failsafe. Any compromise of our data security or our inability to use or access these information systems at critical points in time could unfavorably impact the timely and efficient operation of our business and subject us to additional costs and liabilities, which could adversely affect our results of operations. Finally, federal legislation relating to cyber-security threats could impose additional requirements on our operations.

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

The Company presently owns and occupies an office building as its headquarters in San Antonio, Texas. The office building is approximately 46,000 square feet on approximately 2.5 acres of land. Galileo leases office space in Toronto, Canada.

Item 3. Legal Proceedings

There are no material legal proceedings in which the Company is involved.

Item 4. Mine Safety Disclosures

Not applicable.

Part II of Annual Report on Form 10-K

Item 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

Market Information

U.S. Global Investors, Inc. ("U.S. Global" or the "Company") has three classes of common equity: class A, class B, and class C common stock, par value $0.025 per share.

The Company's class A common stock is traded over-the-counter and is quoted daily under NASDAQ's Capital Markets. Trades are reported under the symbol "GROW."

There is no established public trading market for the Company's class B and class C common stock.

The Company's class A and class B common stock have no voting privileges.

The following table sets forth the range of high and low sales prices of "GROW" from NASDAQ for the fiscal years ended June 30, 2015, and June 30, 2014. The quotations represent prices between dealers and do not include any retail markup, markdown, or commission.

	Sales Price			
	2015		2014	
	High ($)	Low ($)	High ($)	Low ($)
First quarter (9/30)	4.00	3.26	3.40	2.10
Second quarter (12/31)	3.60	2.57	2.93	2.37
Third quarter (3/31)	3.51	2.74	4.05	2.45
Fourth quarter (6/30)	3.40	2.72	3.80	3.20

Holders

On September 4, 2015, there were approximately 159 holders of record of class A common stock, no holders of record of class B common stock, and 34 holders of record of class C common stock.

Dividends

The Company has paid $0.005 per share per month in fiscal year 2015 and 2014. A monthly dividend of $0.005 has been authorized from July 2015 through September 2015 and a monthly dividend of $0.0025 has been authorized from October 2015 through December 2015, and will be reviewed by the Board quarterly. 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.

Securities authorized for issuance under equity compensation plans

Information relating to equity compensation plans under which our stock is authorized for issuance is set forth in Item 12 of Part III of this Form 10-K under the heading "Equity Compensation Plan Information."

Purchases of equity securities by the issuer

Effective January 1, 2013, the Board of Directors approved a share repurchase program authorizing the Company to purchase up to $2.75 million of its outstanding class A 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. On December 12, 2013, and December 10, 2014, the Board of Directors renewed the share repurchase program for up to $2.75 million of its outstanding class A common stock through calendar year 2015.

For the quarter ended June 30, 2015, the Company had purchased a total of 9,001 class A shares using cash of $25,000. The Company may repurchase class A stock from employees; however, none were repurchased from employees during the quarter ended June 30, 2015. The Company did not repurchase any classes B or C common stock during the quarter ended June 30, 2015.

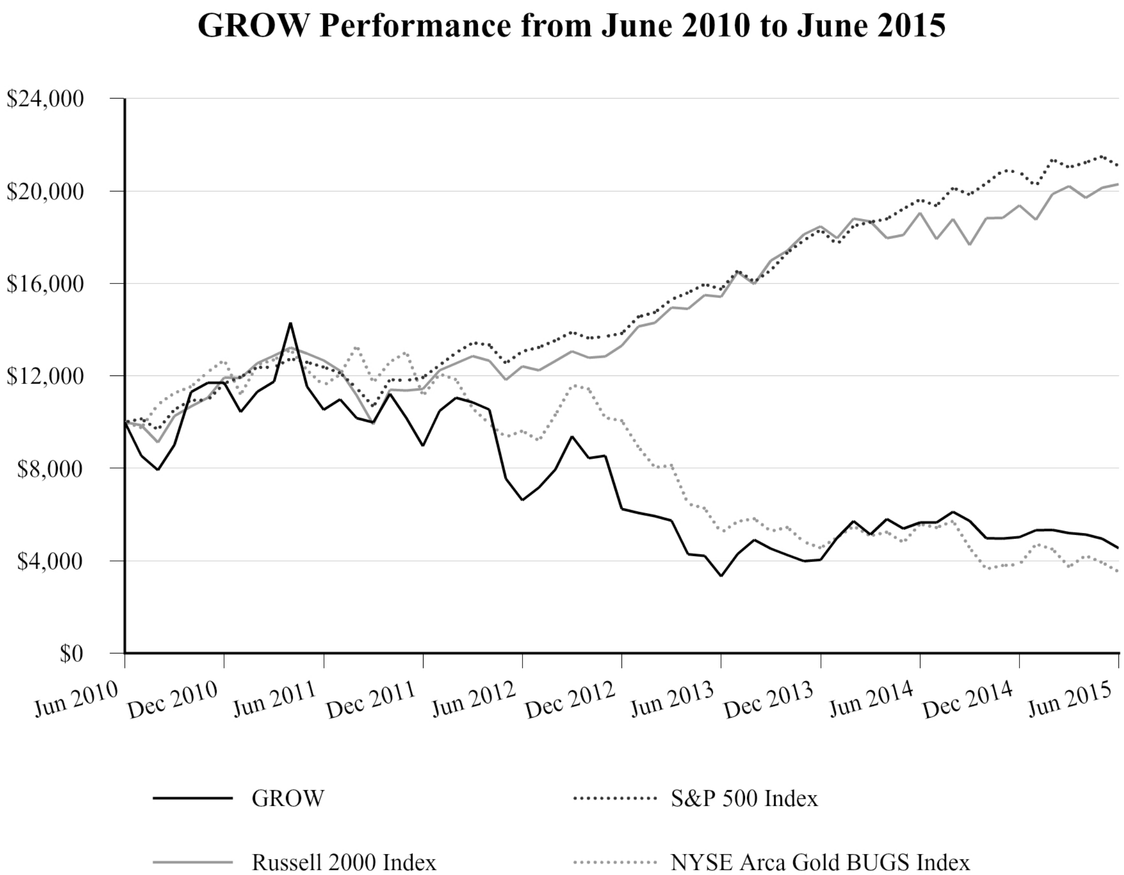
(dollars in thousands, except price data)

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
04-01-15 to 04-30-15	—	—	n/a	—	2,689
05-01-15 to 05-31-15	400	1	2.83	400	2,688
06-01-15 to 06-30-15	8,601	24	2.82	8,601	2,664
Total	9,001	$ 25	$ 2.82	9,001	

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, renewed on December 12, 2013, and December 10, 2014, and will continue through calendar year 2015. The total dollar amount of shares that may be repurchased in 2015 under the renewed program is $2.75 million.*

Company Performance Presentation

The following graph compares the cumulative total return for the Company's class A common stock (GROW) to the cumulative total return for the S&P 500 Index, the Russell 2000 Index, and the NYSE Arca Gold BUGS Index for the Company's last five fiscal years. The graph assumes an investment of $10,000 in the class A common stock and in each index as of June 30, 2010, and that all dividends are reinvested. The historical information included in this graph is not necessarily indicative of future performance and the Company does not make or endorse any predictions as to future stock performance.



	Fiscal Year-End Date											
	2010		2011		2012		2013		2014		2015	
U.S. Global Investors, Inc. class A (GROW)	$	10,000	$	10,529	$	6,622	$	3,323	$	5,655	$	4,550
S&P 500 Index	$	10,000	$	12,385	$	13,060	$	15,750	$	19,626	$	21,082
Russell 2000 Index	$	10,000	$	12,676	$	12,413	$	15,417	$	19,062	$	20,298
NYSE Arca Gold BUGS Index	$	10,000	$	11,579	$	9,620	$	5,219	$	5,592	$	3,525

Item 6. Selected Financial Data

The following selected financial data is qualified by reference to, and should be read in conjunction with, the Company's Consolidated Financial Statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations of this Annual Report in Form 10-K. The selected financial data as of June 30, 2011, through June 30, 2015, and the years then ended, is derived from the Company's audited Consolidated Financial Statements.

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 on December 9, 2013. The transfer agency results, together with expenses associated with discontinuing transfer agency operations, are reflected as discontinued operations in the Consolidated Statement of Operations and are, therefore, excluded from continuing operations results.

(dollars in thousands, except operating data and per share data)	Year Ended June 30,				
Selected Financial Data	**2015**	**2014**	**2013**	**2012**	**2011**
Operating revenues	$ 9,371	$ 11,439	$ 17,318	$ 22,374	$ 39,118
Operating expenses	12,959	14,841	17,509	19,535	27,890
Operating income (loss)	(3,588)	(3,402)	(191)	2,839	11,228
Other income (loss)	434	2,165	262	(177)	1,008
Income (loss) from continuing operations before income taxes	(3,154)	(1,237)	71	2,662	12,236
Income tax expense (benefit)	822	(517)	100	1,024	4,268
Income (loss) from continuing operations	(3,976)	(720)	(29)	1,638	7,968
Loss from discontinued operations	—	(243)	(165)	(108)	(136)
Net income (loss)	(3,976)	(963)	(194)	1,530	7,832
Less net income attributable to non-controlling interest	54	7	—	—	—
Net income (loss) attributable to U.S. Global Investors, Inc.	$ (4,030)	$ (970)	$ (194)	$ 1,530	$ 7,832
Earnings Per Share Attributable to U.S. Global Investors, Inc. - Basic					
Income (loss) from continuing operations	$ (0.26)	$ (0.04)	$ 0.00	$ 0.11	$ 0.52
Loss from discontinued operations	0.00	(0.02)	(0.01)	(0.01)	(0.01)
Net income (loss) attributable to U.S. Global Investors, Inc.	$ (0.26)	$ (0.06)	$ (0.01)	$ 0.10	$ 0.51
Dividends per common share	$ 0.06	$ 0.06	$ 0.17	$ 0.24	$ 0.24
Balance Sheet					
Working capital	$ 19,767	$ 24,673	$ 22,958	$ 25,711	$ 32,366
Total assets	30,770	37,846	38,683	41,756	45,967
Total U.S. Global Investors, Inc. Shareholders' Equity	28,569	35,070	36,849	38,710	41,057
Cash Flow					
Net cash provided by (used in) operating activities	$ (672)	$ (15,189)	$ 461	$ 1,817	$ 7,719
Net cash provided by (used in) investing activities	(390)	4,050	(368)	(4,894)	(846)
Net cash used in financing activities	(1,122)	(1,061)	(2,621)	(3,518)	(3,503)
Operating Data (in millions)					
Average assets under management	$ 931	$ 1,078	$ 1,552	$ 2,055	$ 2,819

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion reviews and analyzes the consolidated results of operations of U.S. Global Investors, Inc. and its subsidiaries (collectively, "U.S. Global" or the "Company") for the past three fiscal years and other factors that may affect future financial performance. This discussion should be read in conjunction with the Consolidated Financial Statements, Notes to the Consolidated Financial Statements and Selected Financial Data of this Annual Report in Form 10-K.

Recent Trends in Financial Markets
During the fiscal year ended June 30, 2015, global markets faced a number of challenges, including Russia's invasion of Ukraine, the Greek debt crisis, falling commodity prices, tepid manufacturing activity and an economic slowdown in China, the world's second-largest economy. In March 2015, the European Central Bank ("ECB") initiated a long-awaited quantitative easing ("QE") program, after Japan began its own in 2013.

The Federal Reserve ("Fed") completed its QE program in October 2014 with the belief that the economy had improved enough since the recession to weather a reduction of the monetary stimulus. However, this coincided with a peak in U.S. industrial production. Months of speculation as to when the Fed might begin the process of normalizing interest rates spooked some investors, even as dividends from S&P 500 Index companies jumped 15 percent in the first quarter of 2015 and stock buyback programs were expected to reach an all-time high of $1.2 trillion by the end of the year.

Gold prices have fallen from their peak in September 2011 when real interest rates were a negative three percent for a 10-year U.S. Treasury, versus a positive two percent at the end of June 2015. The fear of rising real interest rates, inflation minus the consumer price index ("CPI"), also put pressure on the price of gold, as the metal, which doesn't pay a dividend, becomes less attractive to some investors when real rates are higher. Also putting pressure on gold and other commodities was the strong U.S. dollar, which began to rise in July 2014 on improved economic and employment trends. The dollar hit a high of 100 in March 2015 against a basket of currencies, its highest level since April 2003. There is a strong inverse relationship between the dollar and commodity prices.

During this period, the gold bear market was extended to four years, the second-longest such market in 40 years, with some investors wondering if the yellow metal had lost its "safe haven" status. In the past, gold prices have often responded positively to financial and economic crises, but they budged little in response to the Shanghai stock market crash in June 2015 or to Greece and Puerto Rico's ongoing debt troubles. Despite losing 1.7 percent, the yellow metal was the second-best-performing global currency in 2014, following the U.S. dollar.

The U.S. leads the world in technology, including fracking, which greatly expands U.S. production to become a global leader again. The success of American ingenuity has both positive and negative consequences. It's great for consumers at the gas pump as well as airlines but bad for drillers and producers.

Starting in July 2014, the price of crude oil fell dramatically as the shale revolution and unconventional extraction methods, including fracking, allowed American producers to increase output and saturate the marketplace with crude. Meanwhile, member of the Organization of the Petroleum Exporting Countries ("OPEC") agreed in November 2014 to maintain the production level of 30 million barrels per day, in the interest of "restoring market equilibrium." While low oil prices have been a detriment to net exporting countries such as Russia and Venezuela, they have been a boon to net importing countries, specifically in Asia: China, India, Thailand and others. Industries and sectors that benefited from the oil slump included transportation, travel and leisure and automobile manufacturing.

Mutual funds in general continued to see outflows as mutual funds were relatively out of favor compared to other investment alternatives, including exchange-traded funds ("ETFs"), whose asset flows increased during the period.

Assets under management ("AUM") declined during the period along with falling emerging markets and resources. To manage expenses, the Company maintains a flexible structure for one of its largest costs, compensation expense, by setting relatively lower base salaries with bonuses that are tied to average AUM and fund performance. Thus, our expense model somewhat expands and contracts with asset swings and performance.

Business Segments

The Company, with principal operations located in San Antonio, Texas, manages three business segments:

1. Investment Management Services, through which the Company offers, through U.S. Global Investors Funds ("USGIF" or the "Fund(s)"), offshore clients and an exchange traded fund ("ETF"), a range of investment management products and services to meet the needs of individual and institutional investors;
2. Investment Management Services - Canada, through which, as of June 1, 2014, the Company owns a 65% controlling interest in Galileo Global Equity Advisors Inc. ("Galileo"), a privately held Toronto-based asset management firm which offers investment management products and services in Canada; and
3. Corporate Investments, through which 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.

Assets Under Management ("AUM")

(dollars in thousands)		June 30, 2015	June 30, 2014
Investment Management Services	USGIF	$ 590,826	$ 945,928
	U.S Global Jets ETF	39,200	—
	Offshore Advisory Clients	11,527	20,012
	Total AUM	641,553	965,940
Investment Management Services - Canada			
	Canadian Funds	67,571	127,053
	Other Advisory Clients	83,147	140,157
	Total AUM	150,718	267,210
Total AUM		$ 792,271	$ 1,233,150

On June 30, 2015, total assets under management as of period end were $792 million versus $1.23 billion on June 30, 2014, a decrease of 36 percent. The decrease was primarily due to market depreciation and redemptions in USGIF, offshore funds and Galileo funds, somewhat offset by the addition of the ETF.

During fiscal year 2015, average assets under management were $931 million versus $1.08 billion in fiscal year 2014, a decrease of 14 percent. The decrease was primarily due to net shareholder redemptions and market depreciation.

The following is a brief discussion of the Company's three business segments.

Investment Management Services

In fiscal year 2015, the Company generated substantially all of its operating revenues from managing and servicing the Funds and offshore 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 funds managed by the Company within USGIF can be found on the Company's website, www.usfunds.com, including performance information for each fund for various time periods, assets under management as of the most recent month end, and inception date of each fund.

The mutual fund shareholders in USGIF are not required to give advance notice prior to redemption of shares in the funds; however, the USGIF 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 charge no redemption fee. Detailed information about redemption fees can be found in the Funds' prospectus, which is available on the Company's website, www.usfunds.com.

Beginning in April 2015, the Company provides advisory services for an ETF and receives monthly advisory fees, based on the net asset values of the fund. In fiscal year 2015, the Company recorded advisory fees from the ETF client totaling $26,000. Information on the ETF can be found at www.usglobaletfs.com, including the prospectus, performance and holdings.

The Company provides advisory services for two offshore clients (a third offshore fund liquidated in November 2013) and receives monthly advisory fees, based on the net asset values of the clients and performance fees based on the overall increase in net asset values, if any. In fiscal year 2015, the Company recorded advisory and performance fees from the offshore clients totaling $130,000 and $0, respectively, and $190,000 and $4,000, respectively, in fiscal year 2014. The performance fees for these clients are calculated and recorded in accordance with the terms of the advisory agreements. These fees may fluctuate significantly from year to year based on factors that may be out of the Company's control. Frank Holmes, CEO, serves as a director of the two offshore clients.

The following tables summarize the changes in assets under management for USGIF for fiscal years 2015, 2014 and 2013:

	2015		
(dollars in thousands)	**Equity**	**Fixed Income**	**Total**
Beginning Balance	$ 815,368	$ 130,560	$ 945,928
Market appreciation/(depreciation)	(256,504)	761	(255,743)
Dividends and distributions	(10,590)	(1,666)	(12,256)
Net shareholder purchases/(redemptions)	(106,031)	18,928	(87,103)
Ending Balance	$ 442,243	$ 148,583	$ 590,826
Average investment management fee	0.95%	—%	0.76%
Average net assets	$ 581,188	$ 146,027	$ 727,215

	2014		
(dollars in thousands)	**Equity**	**Money Market and Fixed Income**	**Total**
Beginning Balance	$ 857,302	$ 283,144	$ 1,140,446
Market appreciation	132,774	2,806	135,580
Dividends and distributions	(20,287)	(1,695)	(21,982)
Net shareholder redemptions	(154,421)	(153,695)	(308,116)
Ending Balance	$ 815,368	$ 130,560	$ 945,928
Average investment management fee	0.97%	—%	0.79%
Average net assets	$ 841,492	$ 195,050	$ 1,036,542

	2013		
(dollars in thousands)	**Equity**	**Money Market and Fixed Income**	**Total**
Beginning Balance	$ 1,289,160	$ 302,770	$ 1,591,930
Market depreciation	(146,115)	(87)	(146,202)
Dividends and distributions	(14,981)	(1,675)	(16,656)
Net shareholder redemptions	(270,762)	(17,864)	(288,626)
Ending Balance	$ 857,302	$ 283,144	$ 1,140,446
Average investment management fee	0.98%	—%	0.79%
Average net assets	$ 1,229,373	$ 293,027	$ 1,522,400

As shown above, both average and period-end assets under management decreased in fiscal year 2015 compared to fiscal year 2014 and in fiscal year 2014 compared to fiscal year 2013. The decrease in assets under management in fiscal year 2015 was driven by market depreciation and redemptions, primarily in the natural resources funds, and redemptions in the international equity funds. The decrease in assets under management in fiscal year 2014 was driven by redemptions, primarily in the money market and natural resources funds, offset by market appreciation, primarily in the natural resources funds. In fiscal 2014, the Company liquidated one of its money market funds and converted the other money market fund to an ultra-short bond fund, which contributed to the redemptions in these funds.

A significant portion of the dividends and distributions shown above are reinvested and included in net shareholder purchases/(redemptions).

The average annualized investment management fee rate (total advisory fees, excluding performance fees, as a percentage of average assets under management) was 76 basis points fiscal year 2015, and 79 basis points in fiscal year 2014 and fiscal year 2013. The average investment management fee for equity funds in fiscal year 2015, 2014, and 2013 was 95, 97 and 98 basis points, respectively. The average investment management fee for the money market and fixed income funds was nil or close to nil for fiscal years 2015, 2014, and 2013. This is due to voluntary fee waivers on these funds as discussed in Note 6 Investment Management and Other Fees of the Consolidated Financial Statements of this Annual Report in Form 10-K.

Investment Management Services - Canada

Effective March 31, 2013, the Company, through its wholly-owned subsidiary, U.S. Global Investors (Canada) Limited ("USCAN"), purchased 50 percent of the issued and outstanding shares of Galileo Global Equity Advisors Inc. ("Galileo"), 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 issued and outstanding shares of Galileo, which represents controlling interest of Galileo. Through Galileo, the Company expects to increase its presence in Canada. The non-controlling interest in this subsidiary is included in "non-controlling interest in subsidiaries" in the equity section of the Consolidated Balance Sheets. Frank Holmes, CEO, and Susan McGee, President and General Counsel, serve as directors of Galileo.

Corporate Investments

Management believes it can more effectively manage the Company's cash position by maintaining certain types of investments utilized in cash management and continues to believe that such activities are in the best interest of the Company.

The following summarizes the market value, cost, and unrealized gain or loss on investments recorded at fair value as of June 30, 2015, and June 30, 2014.

Securities	Market Value	Cost	Unrealized Gain (Loss)	Unrealized gains on available-for-sale securities, net of tax
(dollars in thousands)				
Trading [1]	$ 15,640	$ 16,491	$ (851)	N/A
Available-for-sale [2]	4,263	4,602	(339)	$ (339)
Total at June 30, 2015	$ 19,903	$ 21,093	$ (1,190)	
Trading [1]	$ 17,817	$ 18,067	$ (250)	N/A
Available-for-sale [2]	6,196	4,851	1,345	$ 888
Total at June 30, 2014	$ 24,013	$ 22,918	$ 1,095	

1. *Unrealized and realized gains and losses on trading securities are included in earnings in the Consolidated Statements of Operations.*
2. *Unrealized gains and losses on available-for-sale securities are excluded from earnings and recorded in other comprehensive income (loss) as a separate component of shareholders' equity until realized.*

In addition, as of June 30, 2015, and 2014 the Company held approximately $2.3 million and $1.4 million, respectively, in other investments held at cost.

As of June 30, 2015, and 2014, the Company held approximately $5.1 million and $6.1 million, respectively, in investments other than the clients the Company advises. Investments in securities classified as trading are reflected as current assets on the Consolidated Balance Sheets at their fair market value. Unrealized 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 gains and losses on available-for-sale securities are excluded from earnings and reported in other comprehensive income (loss) as a separate component of shareholders' equity until realized.

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.

Investment income can be volatile and may vary depending on market fluctuations, the Company's ability to participate in investment opportunities, and timing of transactions. A significant portion of the unrealized gains and losses is concentrated in a small number of issuers. For fiscal years 2015, 2014, and 2013, the Company had net recognized gains (losses) on sales or other-than-temporary impairment of securities of $313,000; $878,000; and $(26,000); respectively. Due to market volatility, the Company expects that gains or losses will continue to fluctuate in the future.

Consolidated Results of Operations

The following is a discussion of the consolidated results of operations of the Company and a detailed discussion of the Company's revenues and expenses.

	Year Ended June 30,		
(dollars in thousands, except per share data)	**2015**	**2014**	**2013**
Net income (loss)			
Loss from continuing operations	$ (3,976)	$ (720)	$ (29)
Less: Income attributable to non-controlling interest in subsidiary	54	7	—
Loss from continuing operations attributable to U.S. Global Investors, Inc.	(4,030)	(727)	(29)
Loss from discontinued operations attributable to U.S. Global Investors, Inc.	—	(243)	(165)
Net loss attributable to U.S. Global Investors, Inc.	$ (4,030)	$ (970)	$ (194)
Weighted average number of outstanding shares			
Basic	15,399,831	15,459,022	15,482,612
Effect of dilutive securities			
Employee stock options	—	—	—
Diluted	15,399,831	15,459,022	15,482,612
Earnings (loss) per share attributable to U.S. Global Investors, Inc.			
Basic			
Loss from continuing operations	$ (0.26)	$ (0.04)	$ 0.00
Loss from discontinued operations	0.00	(0.02)	(0.01)
Net loss attributable to U.S. Global Investors, Inc.	$ (0.26)	$ (0.06)	$ (0.01)
Diluted			
Loss from continuing operations	$ (0.26)	$ (0.04)	$ 0.00
Loss from discontinued operations	0.00	(0.02)	(0.01)
Net loss attributable to U.S. Global Investors, Inc.	$ (0.26)	$ (0.06)	$ (0.01)

Year Ended June 30, 2015 Compared with Year Ended June 30, 2014

The Company posted a net loss attributable to U.S. Global Investors, Inc. of $4,030,000 ($0.26 loss per share) for the year ended June 30, 2015, compared with a net loss attributable to U.S. Global Investors, Inc. of $970,000 ($0.06 loss per share) for the year ended June 30, 2014. This decrease in profitability is primarily attributable to the following factors:

Operating Revenues

Total consolidated operating revenues for the year ended June 30, 2015, decreased $2.1 million, or 18.1 percent, compared with the year ended June 30, 2014. This decrease was primarily attributable to the following:

- Advisory fees decreased by $1.1 million, or 13.9 percent as the result of lower assets under management and increased performance fee adjustments. Investment advisory fees are comprised of two components: a base management fee and a performance fee. The performance fee 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 approximately $893,000 primarily as a result of lower USGIF assets under management due to market depreciation in the natural resources funds and shareholder redemptions in the natural resources and international equity funds. Included in the net $893,000 decrease was an increase in Canadian-based advisory fees of $1.8 million due to consolidating twelve months of Galileo revenue in fiscal year 2015 versus consolidating only one month in fiscal year 2014.
    - Performance fee adjustments paid out in the current period increased $185,000 versus the corresponding period in the prior year.
- Distribution fees decreased by $566,000, or 28.7 percent, as a result of lower average net assets under management upon which these fees are based.
- Shareholder services fees decreased by $301,000, or 32.3 percent, as a result of a decline in net assets held through institutions.
- Administrative services fees decreased by $123,000, or 15.9 percent, as a result of lower average net assets under management upon which these fees are based.

Operating Expenses

Total consolidated operating expenses for the year ended June 30, 2015, decreased by $1.9 million, or 12.7 percent, compared with the prior year and was primarily attributable to the following:

- Employee compensation and benefits decreased by $916,000, or 13.5 percent, primarily as a result of fewer employees and lower performance-based bonuses.
- Platform fees increased by $153,000, or 8.0 percent, due to consolidation of Galileo fees for twelve months in fiscal year 2015 versus one month in fiscal year 2014, but the increase in platform fees was somewhat offset by lower assets held through broker-dealer platforms.
- Advertising decreased $204,000, or 33.2 percent, as a result of decreased marketing and sales costs.
- General and administrative expenses decreased $986,000, or 18.7 percent, primarily due to higher fund reimbursements and fund restructuring costs in the prior year, but offset somewhat by the consolidation of twelve months of Galileo expenses in fiscal year 2015, versus one month of Galileo expenses in fiscal year 2014.

Other Income

Total consolidated other income for the year ended June 30, 2015, decreased $1.7 million, or 80.0 percent, compared with the year ended June 30, 2014. This decrease was primarily attributable to unrealized losses on trading securities in fiscal 2015 versus unrealized gains in fiscal 2014. The Company also recognized a gain in conjunction with the acquisition of Galileo and had more realized gains on sales of available-for-sale securities in fiscal 2014 versus fiscal 2015.

Discontinued Operations

There was no loss attributed to discontinued operation in the year ended June 30, 2015. Total loss, net of tax, on discontinued operations for the year ended June 30, 2014, was $243,000. This prior year loss reflects residual costs from winding down operations after the transfer agent transitioned to a third party in December 2013.

Year Ended June 30, 2014 Compared with Year Ended June 30, 2013

The Company posted a net loss attributable to U.S. Global Investors, Inc. of $970,000 ($0.06 loss per share) for the year ended June 30, 2014, compared with net loss attributable to U.S. Global Investors, Inc. of $194,000 ($0.01 loss per share) for the year ended June 30, 2013. This decrease in profitability is primarily attributable to the following factors:

Operating Revenues

Total consolidated operating revenues for the year ended June 30, 2014, decreased $5.9 million, or 33.9 percent, compared with the year ended June 30, 2013. This decreased was primarily attributable to the following:

- Advisory fees decreased by $4.4 million, or 36.3 percent as the result of lower assets under management and increased performance fees adjustment. Advisory fees are comprised of two components: a base management fee and a performance fee. The performance fee 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 $3.9 million as a result of lower assets under management due to market depreciation and shareholder redemptions in the natural resources and money markets funds.
  - Performance fee adjustments paid out in the current period increased $682,000 versus the corresponding period in the prior year.
- Distribution fees decreased by $843,000, or 29.9 percent, as a result of lower average net assets under management upon which these fees are based.
- Shareholder services fees decreased by $452,000, or 32.7 percent, as a result of a decline in net assets held through institutions.
- Administrative services fees decreased by $155,000, or 16.7 percent, as a result of lower average net assets under management upon which these fees are based, offset by the fee change implemented in December 2013.

Operating Expenses

Total consolidated operating expenses for the year ended June 30, 2014, decreased by $2.7 million, or 15.2 percent, compared with the prior year and was primarily attributable to the following:

- Employee compensation and benefits decreased by $1.5 million, or 18.4 percent, primarily as a result of lower performance-based bonuses and fewer employees.
- Platform fees decreased by $760,000, or 28.5 percent, primarily due to lower assets held through broker-dealer platforms.
- Advertising decreased $247,000, or 28.7 percent, as a result of decreased marketing and sales costs.
- General and administrative expenses decreased $110,000, or 2.0 percent, representing a decrease of approximately $635,000 primarily due to lower fund and operation expenses offset by one-time costs of approximately $525,000, including legal and proxy filing and solicitation costs, related to strategic fund changes in the fall of 2013.

Other Income

Total consolidated other income for the year ended June 30, 2014, increased $1.9 million, or 726.3 percent, compared with the year ended June 30, 2013. This increase was primarily attributable to realized gains on sale of available-for-sale securities, unrealized gains on trading securities, increased dividend and interest income and gains recognized in conjunction with the acquisition of Galileo.

Discontinued Operations

Total loss, net of tax, on discontinued operations for the year ended June 30, 2014, increased by $78,000, or 47.3 percent, from $165,000 for fiscal year 2013 to $243,000 for fiscal year 2014. The prior year loss reflects a period in which the transfer agent was still in full operations while the current year reflects residual costs from winding down operations after the transfer agent transitioned to a third party in December 2013.

Operating Revenues and Other Income

(dollars in thousands)	2015	2014	% Change	2014	2013	% Change
Investment advisory fees:						
Natural resources funds	$ 2,866	$ 5,019	(42.9)%	$ 5,019	$ 9,302	(46.0)%
International equity funds	1,144	1,666	(31.3)%	1,666	2,170	(23.2)%
Domestic equity funds	509	640	(20.5)%	640	399	60.4 %
Fixed income funds	—	7	(100.0)%	7	—	N/A
Total investment advisory fees - USGIF	4,519	7,332	(38.4)%	7,332	11,871	(38.2)%
Galileo advisory fees	2,007	234	757.7 %	234	—	N/A
Offshore advisory fees	130	194	(33.0)%	194	318	(39.0)%
ETF advisory fees	26	—	N/A	—	—	N/A
Total advisory fees	6,682	7,760	(13.9)%	7,760	12,189	(36.3)%
Distribution fees	1,408	1,974	(28.7)%	1,974	2,817	(29.9)%
Shareholder services fees	630	931	(32.3)%	931	1,383	(32.7)%
Administrative services fees	651	774	(15.9)%	774	929	(16.7)%
Total Operating Revenue	$ 9,371	$ 11,439	(18.1)%	$ 11,439	$ 17,318	(33.9)%
Other Income (Loss)						
Investment income (loss)	$ 434	$ 2,145	(79.8)%	$ 2,145	$ 208	931.3 %
Equity in earnings of Galileo	—	20	(100.0)%	20	54	(63.0)%
Total Other Income (Loss)	$ 434	$ 2,165	(80.0)%	$ 2,165	$ 262	726.3 %

Advisory Fees. Advisory fees, the largest component of the Company's revenues, are derived from four sources: USGIF advisory fees, Galileo advisory fees, offshore advisory fees and exchange traded fund advisory fees. In fiscal year 2015, these sources accounted for 67.6 percent, 30.0 percent, 2.0 percent and 0.4 percent, respectively, of the Company's total investment advisory fees.

Investment advisory fees from USGIF are calculated as a percentage of average net assets, ranging from 0.375 percent to 1.375 percent, and are paid monthly. These advisory fees decreased by approximately $2.8 million, or 38.4 percent, in fiscal year 2015 compared to fiscal year 2014, primarily as a result of decreased assets under management driven by market depreciation and redemptions, primarily in the natural resources funds and redemptions in the international equity market funds.

Investment advisory fees are affected by changes in assets under management, which include:
- market appreciation or depreciation;
- the addition of new client accounts;
- client contributions of additional assets to existing accounts;
- withdrawals of assets from and termination of client accounts;
- exchanges of assets between accounts or products with different fee structures; and
- the amount of fees voluntarily reimbursed.

As discussed above, the fees on the equity funds within USGIF consist of a base advisory fee that is adjusted upward or downward based on performance. For the year ended June 30, 2015, 2014 and 2013, the Company adjusted its base advisory fees downward by $1 million, $815,000, and $133,000, respectively.

The Company also serves as investment advisor to an ETF, U.S. Global Jets ETF, that commenced operations in April 2015. The Company receives a unitary management fee of 0.60 percent of average net assets and has agreed to bear all expenses of the ETF.

Distribution Fees. The Funds pay U.S. Global Brokerage, Inc. ("USGB") a distribution fee at an annual rate of 0.25 percent of the average daily net assets of the investor class of each of the equity funds. Distribution fees decreased by $566,000 and $843,000 in fiscal years 2015 and 2014, respectively, due to lower average net assets under management upon which these fees are based.

Shareholder Services Fees. In connection with obtaining and/or providing administrative services to the beneficial owners of USGIF through broker-dealers, banks, trust companies and similar institutions which provide such services, the Company receives shareholder services fees at an annual rate of up to 0.20 percent of the value of shares held in accounts at the institutions, which helps offset related platform costs. Shareholder services fees decreased by $301,000 and $452,000 in fiscal years 2015 and 2014, respectively, due to a decline in net assets held through institutions.

Administrative Services Fees. The Funds pay the Company compensation based on average daily net assets for administrative services provided by the Company to the Funds. Effective December 2013, the Funds' Board of Trustees increased the rate from 0.08 percent to 0.10 percent for each investor class and from 0.06 percent to 0.08 percent for each institutional class plus $10,000 per Fund. Effective November 1, 2014, the per fund fee changed to $7,000 per year. Administrative services fees decreased by $123,000 and $155,000 in fiscal years 2015 and 2014, respectively, due to lower average net assets under management upon which these fees are based.

Investment Income (Loss). 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.

This source of revenue is dependent on market fluctuations and does not remain at a consistent level. Timing of transactions and the Company's ability to participate in investment opportunities largely affect this source of revenue.

Investment income decreased by $1.7 million in fiscal year 2015 primarily due to unrealized losses on trading securities in fiscal 2015 versus unrealized gains in fiscal 2014. The Company also recognized a gain in conjunction with the acquisition of Galileo and had more realized gains on sale of available-for-sale securities in fiscal 2014 versus fiscal 2015. Investment income increased by $1.9 million in fiscal year 2014 due to realized gains on sales of available-for-sale securities, unrealized gains on trading securities, increased dividend and interest income and gains recognized in conjunction with the acquisition of Galileo.This decrease was primarily attributable to unrealized losses on trading securities in fiscal 2015 versus unrealized gains in fiscal 2014.

Included in investment income were other-than-temporary impairments of $247,000; $3,000; and $47,000 in fiscal years 2015, 2014, and 2013, respectively. The impairment in fiscal year 2015 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 $5,000. Two other securities, which have resumed interest payments, were written down to the net present value of estimated cash flows. These securities had a cost basis of $310,000 and $1,102,000, respectively, and were written down to $234,000 and $970,000, respectively. 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.

Equity Investment in Galileo. In fiscal year 2013, the Company made an investment in Galileo Global Equity Advisors Inc. that was accounted for under the equity method. Effective June 1, 2014, the Company acquired an additional 15 percent interest, bringing its ownership to 65 percent of the issued and outstanding shares, which represents a controlling interest. From March 31, 2013, to June 1, 2014, the Company accounted for its interest in Galileo under the equity method with its share of Galileo's profit or loss recognized in earnings, including $20,000 in other income in fiscal year 2014. Effective June 1, 2014, the Company accounted for the Galileo acquisition as a business combination. For additional details, please see Note 3 Business Combination to the Consolidated Financial Statements of this Annual Report in Form 10-K.

Operating Expenses

(dollars in thousands)	2015	2014	% Change	2014	2013	% Change
Employee compensation and benefits	$ 5,890	$ 6,806	(13.5)%	$ 6,806	$ 8,345	(18.4)%
General and administrative	4,275	5,261	(18.7)%	5,261	5,371	(2.0)%
Platform fees	2,056	1,903	8.0 %	1,903	2,663	(28.5)%
Advertising	411	615	(33.2)%	615	862	(28.7)%
Depreciation and amortization	327	256	27.7 %	256	268	(4.5)%
Total operating expenses	$ 12,959	$ 14,841	(12.7)%	$ 14,841	$ 17,509	(15.2)%

Employee Compensation and Benefits. Employee compensation and benefits decreased $916,000, or 13.5 percent, in fiscal year 2015 and decreased $1,539,000, or 18.4 percent, in fiscal year 2014 as a result of lower performance-based bonuses and fewer employees.

General and Administrative. General and administrative expenses decreased $986,000 in fiscal year 2015 compared to fiscal year 2014, primarily due to higher fund reimbursements and fund restructuring cost in the prior year, offset somewhat by the consolidation of twelve months of Galileo expenses in fiscal year 2015 versus one month of Galileo expenses in fiscal year 2014. General and administrative expenses were relatively flat in fiscal year 2014 compared to fiscal year 2013. The change in fiscal year 2014 represents a decrease of approximately $635,000 primarily due to lower fund and operational expenses offset by one-time costs of approximately $525,000, including legal and proxy filing and solicitation costs related to strategic fund changes in the fall of 2013.

Platform Fees. Broker-dealers typically charge an asset-based fee for assets held through their platforms. Platform fees increased $153,000, or 8.0 percent, in fiscal year 2015 due to consolidation of Galileo fees for twelve months in fiscal year 2015 versus one month in fiscal year 2014, but were offset by lower assets held through broker-dealer platforms in fiscal year 2015. Platform fees decreased $760,000, or 28.5 percent, in fiscal year 2014 due to decreases in assets held through the broker-dealer platforms. The incremental assets received through the broker-dealer platforms are not as profitable as those received from direct shareholder accounts because of platform fees paid to various broker-dealers for the assets held through the platforms.

Advertising. Advertising decreased by $204,000, or 33.2 percent, in fiscal year 2015 and decreased by $247,000, or 28.7 percent, in fiscal year 2014 as a result of reduced marketing and sales costs.

Income Taxes

The Company and its non-Canadian subsidiaries file a consolidated 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 basis of assets and liabilities for financial and tax purposes resulting from the use of the liability method of accounting for income taxes.

A valuation allowance is provided when it is more likely than not that some portion of the deferred tax amount will not be realized. A valuation allowance of $2,073,000 related to the net operating loss carryforward, other carryovers and book/tax differences in the balance sheet is included in deferred taxes at June 30, 2015. A valuation allowance of $35,000 related to the charitable contribution carryover is included in deferred taxes at June 30, 2014.

Off Balance Sheet Arrangements

The Company does not have any off balance sheet arrangements.

Contractual Obligations

A summary of contractual obligations of the Company as of June 30, 2015, is as follows:

	Payments due by period				
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**More than 5 years**
(dollars in thousands)					
Operating lease obligations	$ 507	$ 237	$ 270	$ —	$ —
Contractual obligations	351	254	97	—	—
Total	$ 858	$ 491	$ 367	$ —	$ —

Operating leases consist of office equipment leased from several vendors and office facilities in Canada. Contractual obligations consist of agreements for services used in daily operations. Other contractual obligations not included in this table consist of agreements to waive or reduce fees and/or pay expenses on certain funds. Future obligations under these agreements are dependent upon future levels of fund assets.

The Board of Directors has authorized a monthly dividend of $0.005 per share from July 2015 through September 2015 and a monthly dividend of $0.0025 from October 2015 through December 2015, at which time the Board of Directors will consider continuation of the dividend. 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 to be paid to class A and class C shareholders from July 2015 to December 2015 will be approximately $345,000.

Liquidity and Capital Resources

At June 30, 2015, the Company had net working capital (current assets minus current liabilities) of approximately $19.8 million and a current ratio (current assets divided by current liabilities) of 13.1 to 1. With approximately $3.5 million in cash and cash equivalents and $19.9 million in securities recorded at fair value, which together comprise approximately 76 percent of total assets, the Company has adequate liquidity to meet its current obligations. Total shareholders' equity attributable to U.S. Global Investors, Inc. was approximately $28.6 million. Approximately $3.6 million in cash and investments in USCAN and Galileo are included in the amounts above. USGI would be required to accrue and pay taxes to repatriate (i.e., bring back into the U.S.) these funds, and there is no current intention to repatriate.

The Company has no long-term debt; thus, the Company's only material commitment going forward is for operating expenses. The Company also has access to a $1 million credit facility, which can be utilized for working capital purposes. The Company's available working capital and projected cash flow are expected to be sufficient to cover current expenses.

Investment advisory pursuant to the Investment Company Act of 1940 and related affiliated contracts in the U.S., by law, may not exceed one year in length and, therefore, must be renewed at least annually after an initial two-year term. The investment advisory and related contracts between the Company or its subsidiaries and USGIF expire in September 2016. The investment advisory contract between the Company and the ETF client is in its initial two-year term and will not expire until 2017.

With respect to the Company's two offshore advisory clients, the contracts between the Company and the clients expire periodically and management anticipates that its offshore clients will renew the contracts.

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

Critical Accounting Estimates

The discussion and analysis of financial condition and results of operations are based on the Company's financial statements, which have been prepared in accordance with generally accepted accounting principles in the U.S. ("GAAP"). The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, and expenses. Management reviews these estimates on an ongoing basis. Estimates are based on experience and on various other assumptions that the Company believes to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. While recent accounting policies are described in more detail in Note 2 Significant Accounting Policies to the Consolidated Financial Statements of this Annual Report in Form 10-K, the Company believes the accounting policies that require management to make assumptions and estimates involving significant judgment are those relating to valuation of investments, income taxes, and valuation of stock-based compensation.

Principles of Consolidation. 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"), U.S. Global Investors (Bermuda) Limited ("USBERM", U.S. Global Brokerage, Inc. ("USGB"), U.S. Global Investors (Canada) Limited ("USCAN") and U.S. Global Indices, LLC.

As previously discussed, effective June 1, 2014, the Company, through USCAN, completed its purchase of an additional 15 percent interest in Galileo, which brings USCAN's ownership to 65 percent of the issued and outstanding shares of Galileo and represents controlling interest of Galileo. Galileo is consolidated with USCAN and the non-controlling interest in this subsidiary is included in "non-controlling interest in subsidiary" in the equity section of the Consolidated Balance Sheets. After the purchase of the additional interest, Galileo changed its fiscal year end from December 31 to June 30, effective June 30, 2014, to correspond to the Company's year end. This change was treated as a change in accounting principle.

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 lacks 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 funds it advises. The Company has determined that these entities qualify for the Investment Company deferral in the Accounting Standards Codification ("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 6 Investment Management and Other Fees to the Consolidated Financial Statements of this Annual Report in Form 10-K 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.

Business Combinations. Business combinations are accounted for under the acquisition method of accounting. Results of operations of an acquired business are included from the date of acquisition. Management estimates the fair value of the acquired assets, including identifiable intangible assets, assumed liabilities, and non-controlling interest in the acquiree based on their estimated fair values as of the date of acquisition. Any excess fair value of the acquired net assets over the acquisition date fair value of the consideration transferred, if any, is recorded as "goodwill" on the Consolidated Balance Sheets. Any excess acquisition date fair value of the consideration transferred over fair value of the acquired net assets is recorded as a gain on the Consolidated Statements of Operations.

Investments. The Company classifies its investments based on intent at the time of purchase and reevaluates such designation as of each reporting period date. 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.

Trading Securities. Securities that are purchased and held principally for the purpose of selling in the near term are classified as trading securities and are reported at fair value. Unrealized holding gains and losses on these securities are included in earnings.

Held-to-Maturity Securities. Investments in debt securities that are purchased with the intent and ability to hold until maturity are classified as held-to-maturity and measured at amortized cost. The Company currently has no investments classified as held-to-maturity.

Available-for-sale Securities. Investments that are neither trading securities nor held-to-maturity securities and for which the Company does not have significant influence are classified as available-for-sale securities and reported at fair value. Unrealized holding gains and losses on these available-for-sale securities are excluded from earnings, reported net of tax as a separate component of shareholders' equity, and recorded in earnings on the date of sale.

The Company evaluates its available-for-sale investments for other-than-temporary decline in value on a periodic basis. This may exist when the fair value of an investment security has been below the current value for an extended period of time. When a security in the Company's investment portfolio has an unrealized loss in fair value that is deemed to be other than temporary, the Company reduces the book value of such security to its current fair value, recognizing the credit related decline as a realized loss in the Consolidated Statements of Operations and a revised GAAP cost basis for the security is established. For available-for-sale securities with declines in value deemed other than temporary, the unrealized loss recorded net of tax in accumulated other comprehensive income (loss) is realized as a charge to net income.

Other Investments. 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 equity 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 an equity security is determined to be other-than-temporary, the impairment is recognized in earnings.

Equity Method Investments. Investments classified as equity method consist of investments in companies in which the Company is able to exercise significant influence but not control. Under the equity method of accounting, the Company's proportional share of investee's underlying net income or loss is recorded as a component of Other Income and increases or decreases to the carrying value of the investee. Distributions received from the investment reduce the Company's carrying value of the investee. These investments are evaluated for impairment if events or circumstances arise that indicates that the carrying amount of such assets may not be recoverable.

Fair Value of Financial Instruments. The financial instruments of the Company are reported on the Consolidated Balance Sheets at market or fair values or at carrying amounts that approximate fair values.

Intangible Asset. An intangible asset, consisting of a non-compete agreement, acquired in connection with the acquisition of Galileo shares effective June 1, 2014, is recorded at fair value determined using a discounted cash flow model as of the date of acquisition. The discounted cash flow model included various factors to project future cash flows expected to be generated from the asset, including: (1) an estimated rate of change for underlying managed assets; (2) expected revenue per managed assets; (3) incremental operating expenses; and (4) a discount rate. Management estimates a rate of change for underlying managed assets based on an estimated net redemption or sales rate. Expected revenue per managed assets and incremental operating expenses of the acquired assets are generally based on contract terms.

The Company has determined that the non-compete agreement has a finite useful life. The Company amortizes this finite-lived identifiable intangible asset on a straight-line basis over its estimated useful life. Management periodically evaluates the remaining useful lives and carrying values of intangible assets to determine whether events and circumstances indicate that a change in the useful life or impairment in value may have occurred. Indicators of impairment monitored by management include a decline in the level of managed assets, changes to contractual provisions underlying the intangible assets and reductions in underlying operating cash flows. Should there be an indication of a change in the useful life or impairment in value of the finite-lived intangible asset, the Company compares the carrying value of the asset and its related useful life to the projected discounted cash flows expected to be generated from the underlying managed assets over its remaining useful life to determine whether impairment has occurred. If the carrying value of the asset exceeds the discounted cash flows, the asset is written down to its fair value determined using discounted cash flows.

Non-Controlling Interests. The Company reports “non-controlling interest in subsidiary” as equity, separate from parent’s equity, on the Consolidated Balance Sheets. In addition, the Company’s Consolidated Statements of Operations includes “net income (loss) attributable to non-controlling interest.”

Income Taxes. The Company’s annual effective income tax rate is based on the mix of income and losses in its U.S. and non-U.S. entities which are part of the Company’s Consolidated Financial Statements, statutory tax rates, and tax-planning opportunities available to the Company in the various jurisdictions in which it operates. Significant judgment is required in evaluating the Company’s tax positions.

Tax law requires certain items to be included in the tax return at different times from when these items are reflected in the Company’s Consolidated Statements of Operations. As a result, the effective tax rate reflected in the Consolidated Financial Statements is different from the tax rate reported on the Company’s consolidated tax return. Some of these differences are permanent, such as expenses that are not deductible in the tax return, and some differences reverse over time, such as depreciation expense. These timing differences create deferred tax assets and liabilities. Deferred tax assets and liabilities are determined based on temporary differences between the financial reporting and the tax basis of assets and liabilities and are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment dates. In addition, excess tax benefits associated with stock option exercises also create a difference between the tax rate used in the consolidated tax return and the effective tax rate in the Company’s Consolidated Statements of Operations.

The Company assesses uncertain tax positions in accordance with ASC 740 *Income Taxes*. Judgment is used to identify, recognize, and measure the amounts to be recorded in the financial statements related to tax positions taken or expected to be taken in a tax return. A liability is recognized to represent the potential future obligation to the taxing authority for the benefit taken in the tax return. These liabilities are adjusted, including any impact of the related interest and penalties, in light of changing facts and circumstances such as the progress of a tax audit. A number of years may elapse before a particular matter for which a reserve has been established is audited and finally resolved. The number of years with open tax audits varies depending on the tax jurisdiction.

Judgment is used in classifying unrecognized tax benefits as either current or noncurrent liabilities in the Company’s Consolidated Balance Sheets. Settlement of any particular issue would usually require the use of cash. A liability associated with unrecognized tax benefits will generally be classified as a noncurrent liability because there will usually be a period of several years between the filing of the tax return and the final resolution of an uncertain tax position with the taxing authority. Favorable resolutions of tax matters for which reserves have been established are recognized as a reduction to income tax expense when the amounts involved become known.

The Company assesses whether a valuation allowance should be established against its deferred income tax assets based on consideration of available evidence, both positive and negative, using a more likely than not standard. This assessment considers, among other matters, the nature, frequency and severity of recent losses, forecast of future profitability, the duration of statutory carry back and carry forward periods, the Company’s experience with tax attributes expiring unused, and tax planning alternatives.

Assessing the future tax consequences of events that have been recognized in the Company’s Consolidated Financial Statements or tax returns requires judgment. Variations in the actual outcome of these future tax consequences could materially impact the Company’s financial position, results of operations or cash flows.

Stock-Based Compensation. Stock-based compensation expense is measured at the grant date based on the fair value of the award, and the cost is recognized as expense ratably over the award's vesting period. No options were granted in fiscal years 2015, 2014 or 2013.

The Company believes that the estimates related to stock-based compensation expense are critical accounting estimates because the assumptions used could significantly impact the timing and amount of stock-based compensation expense recorded in the Company's Consolidated Financial Statements.

Foreign Exchange. The balance sheets of certain foreign subsidiaries of the Company and certain foreign-denominated investment products are translated at the current exchange rate as of the end of the accounting period and the related income or loss is translated at the average exchange rate in effect during the period. Net exchange gains and losses resulting from these translations are excluded from income and are recorded in "accumulated other comprehensive income (loss)" on the Consolidated Balance Sheets. Investment transactions denominated in foreign currencies are converted to U.S. dollars using the exchange rate on the date of the transaction and any related gain or loss is included in "investment income (loss)" on the Consolidated Statements of Operations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market Risk Disclosures

The Company's Consolidated Balance Sheets includes assets whose fair value is subject to market risk. 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 June 30, 2015, and shows the effects of a hypothetical 25 percent increase and a 25 percent decrease in market prices.

(dollars in thousands)	Fair Value	Hypothetical Percentage Change	Estimated Fair Value After Hypothetical Price Change	Increase (Decrease) in Shareholders' Equity, Net of Tax
Trading securities [1]	$ 15,640	25% increase	$ 19,550	$ 3,910
		25% decrease	11,730	(3,910)
Available-for-sale [2]	4,263	25% increase	5,329	1,066
		25% decrease	3,197	(1,066)

1. *Unrealized and realized gains and losses on trading securities are included in earnings in the Consolidated Statements of Operations.*
2. *Unrealized holding gains and losses on available-for-sale securities are excluded from earnings and recorded in other comprehensive income (loss) 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 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements

Board of Directors and Stockholders
U.S. Global Investors, Inc.
San Antonio, Texas

We have audited the accompanying Consolidated Balance Sheets of U.S. Global Investors, Inc. (the "Company") as of June 30, 2015 and 2014 and the related Consolidated Statements of Operations, Comprehensive Income (Loss), Shareholders' Equity, and Cash Flows for each of the three years in the period ended June 30, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of U.S. Global Investors, Inc. at June 30, 2015 and 2014, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2015**,** in conformity with accounting principles generally accepted in the United States of America.

/s/ BDO USA, LLP
BDO USA, LLP
Dallas, Texas
September 16, 2015

U.S. GLOBAL INVESTORS, INC.
CONSOLIDATED BALANCE SHEETS

Assets	June 30, 2015	June 30, 2014
(dollars in thousands)		
Current Assets		
Cash and cash equivalents	$ 3,507	$ 5,910
Trading securities, at fair value	15,640	17,817
Receivables	1,837	2,513
Prepaid expenses	410	525
Deferred tax asset	—	51
Total Current Assets	21,394	26,816
Net Property and Equipment	2,736	3,024
Other Assets		
Deferred tax asset, long-term	—	298
Investment securities available-for-sale, at fair value	4,263	6,196
Other investments	2,303	1,413
Intangible assets, net	41	86
Other assets, long term	33	13
Total Other Assets	6,640	8,006
Total Assets	$ 30,770	$ 37,846
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	$ 119	$ 219
Accrued compensation and related costs	456	581
Dividends payable	231	232
Other accrued expenses	821	1,064
Total liabilities held related to discontinued operations	—	47
Total Current Liabilities	1,627	2,143
Commitments and Contingencies (Note 19)		
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 June 30, 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 June 30, 2015, and June 30, 2014, respectively	52	52
Additional paid-in-capital	15,694	15,669
Treasury stock, class A shares at cost; 555,786 and 501,518 shares at June 30, 2015, and June 30, 2014, respectively	(1,464)	(1,280)
Accumulated other comprehensive income (loss), net of tax	(483)	906
Retained earnings	14,423	19,376
Total U.S. Global Investors, Inc. Shareholders' Equity	28,569	35,070
Non-Controlling Interest in Subsidiary	574	633
Total Shareholders' Equity	29,143	35,703
Total Liabilities and Shareholders' Equity	$ 30,770	$ 37,846

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

U.S. GLOBAL INVESTORS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended June 30,		
(dollars in thousands, except per share data)	2015	2014	2013
Operating Revenues			
Advisory fees	$ 6,682	$ 7,760	$ 12,189
Distribution fees	1,408	1,974	2,817
Shareholder services fees	630	931	1,383
Administrative services fees	651	774	929
	9,371	11,439	17,318
Operating Expenses			
Employee compensation and benefits	5,890	6,806	8,345
General and administrative	4,275	5,261	5,371
Platform fees	2,056	1,903	2,663
Advertising	411	615	862
Depreciation and amortization	327	256	268
	12,959	14,841	17,509
Operating Loss	(3,588)	(3,402)	(191)
Other Income			
Investment income	434	2,145	208
Equity in earnings of Galileo	—	20	54
Total Other Income	434	2,165	262
Income (Loss) from Continuing Operations Before Income Taxes	(3,154)	(1,237)	71
Provision for Federal Income Taxes			
Tax expense (benefit)	822	(517)	100
Loss from Continuing Operations	(3,976)	(720)	(29)
Discontinued Operations			
Loss from operations of discontinued transfer agent	—	(368)	(250)
Tax benefit	—	(125)	(85)
Loss from Discontinued Operations	—	(243)	(165)
Net Loss	(3,976)	(963)	(194)
Less: Net Income Attributable to Non-Controlling Interest	54	7	—
Net Loss Attributable to U.S. Global Investors, Inc.	$ (4,030)	$ (970)	$ (194)
Earnings Per Share Attributable to U.S. Global Investors, Inc.			
Basic			
Loss from continuing operations	$ (0.26)	$ (0.04)	$ 0.00
Loss from discontinued operations	0.00	(0.02)	(0.01)
Net loss	$ (0.26)	$ (0.06)	$ (0.01)
Diluted			
Loss from continuing operations	$ (0.26)	$ (0.04)	$ 0.00
Loss from discontinued operations	0.00	(0.02)	(0.01)
Net loss	$ (0.26)	$ (0.06)	$ (0.01)
Basic weighted average number of common shares outstanding	15,399,831	15,459,022	15,482,612
Diluted weighted average number of common shares outstanding	15,399,831	15,459,022	15,482,612

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

U.S. GLOBAL INVESTORS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Year Ended June 30,		
(dollars in thousands)	2015	2014	2013
Net Loss Attributable to U.S. Global Investors, Inc.	$ (4,030)	$ (970)	$ (194)
Other Comprehensive Income (Loss), Net of Tax:			
Unrealized gains (losses) on available-for-sale securities arising during period	(1,000)	923	350
Less: reclassification adjustment for gains included in net income	(227)	(687)	(164)
Net change from available-for-sale investments, net of tax	(1,227)	236	186
Foreign currency translation adjustments	(248)	27	—
Other Comprehensive Income (Loss)	(1,475)	263	186
Comprehensive Loss	(5,505)	(707)	(8)
Less: Comprehensive Income Attributable to Non-Controlling Interest	(86)	9	—
Comprehensive Loss Attributable to U.S. Global Investors, Inc.	$ (5,419)	$ (716)	$ (8)

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

U.S. GLOBAL INVESTORS, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(dollars in thousands)	Common Stock (class A)	Common Stock (class C)	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Non-Controlling Interest	Total
Balance at June 30, 2012 (13,862,505 shares of class A; 2,073,043 shares of class C)	$ 347	$ 52	$ 15,548	$ (1,107)	$ 466	$ 23,404	$ —	$ 38,710
Purchases of 55,052 shares of common stock (class A)	—	—	—	(174)	—	—	—	(174)
Issuance of stock under ESPP of 48,679 shares of common stock (class A)	—	—	69	116	—	—	—	185
Conversion of 2,516 shares of class C common stock for class A common stock	—	—	—	—	—	—	—	—
Dividends declared	—	—	—	—	—	(1,937)	—	(1,937)
Stock bonuses	—	—	28	36	—	—	—	64
Stock-based compensation expense	—	—	9	—	—	—	—	9
Other comprehensive income, net of tax	—	—	—	—	186	—	—	186
Net loss	—	—	—	—	—	(194)	—	(194)
Balance at June 30, 2013 (13,865,021 shares of class A; 2,070,527 shares of class C)	347	52	15,654	(1,129)	652	21,273	—	36,849
Purchases of 93,351 shares of common stock (class A)	—	—	—	(289)	—	—	—	(289)
Issuance of stock under ESPP of 52,191 shares of common stock (class A)	—	—	27	129	—	—	—	156
Conversion of 1,340 shares of class C common stock for class A common stock	—	—	—	—	—	—	—	—
Dividends declared	—	—	—	—	—	(927)	—	(927)
Stock bonuses	—	—	2	9	—	—	—	11
Stock-based compensation expense	—	—	(14)	—	—	—	—	(14)
Galileo acquisition - non-controlling interest							617	617
Other comprehensive income, net of tax	—	—	—	—	254	—	9	263
Net loss	—	—	—	—	—	(970)	7	(963)
Balance at June 30, 2014 (13,866,361 shares of class A; 2,069,187 shares of class C)	347	52	15,669	(1,280)	906	19,376	633	35,703
Purchases of 95,251 shares of common stock (class A)	—	—	—	(292)	—	—	—	(292)
Issuance of stock under ESPP of 37,383 shares of common stock (class A)	—	—	23	98	—	—	—	121
Conversion of 60 shares of class C common stock for class A common stock	—	—	—	—	—	—	—	—
Dividends declared	—	—	—	—	—	(923)	—	(923)
Stock bonuses	—	—	2	10	—	—	—	12
Distribution to non-controlling interests in subsidiary	—	—	—	—	—	—	(27)	(27)
Other comprehensive income, net of tax	—	—	—	—	(1,389)	—	(86)	(1,475)
Net loss	—	—	—	—	—	(4,030)	54	(3,976)
Balance at June 30, 2015 (13,866,421 shares of class A; 2,069,127 shares of class C)	$ 347	$ 52	$ 15,694	$ (1,464)	$ (483)	$ 14,423	$ 574	$ 29,143

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

U.S. GLOBAL INVESTORS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended June 30,		
(dollars in thousands)	**2015**	**2014**	**2013**
Cash Flows from Operating Activities:			
Net loss	$ (3,976)	$ (963)	$ (194)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	327	259	275
Net recognized loss on disposal of property and equipment	26	26	—
Net recognized loss (gain) on securities	(313)	(878)	26
Gain on acquisition of Galileo	—	(290)	—
Net income from equity method investment	—	(20)	(54)
Provision for deferred taxes	807	387	9
Stock bonuses	12	11	64
Stock-based compensation expense	—	1	9
Changes in operating assets and liabilities:			
Accounts receivable	655	(634)	617
Prepaid expenses	86	109	1
Trading securities	2,176	(13,222)	213
Accounts payable and accrued expenses	(472)	25	(505)
Total adjustments	3,304	(14,226)	655
Net cash provided by (used in) operating activities	(672)	(15,189)	461
Cash Flows from Investing Activities:			
Purchase of property and equipment	(40)	(30)	(39)
Purchase of Galileo shares	—	—	(600)
Cash acquired in excess of payment to acquire Galileo shares	—	1,236	—
Purchase of available-for-sale securities	(186)	(1,317)	(473)
Purchase of other investments	(1,000)	(1,187)	—
Proceeds on sale of available-for-sale securities	795	5,305	744
Proceeds from other investment	5	—	—
Return of capital on investments	36	43	—
Net cash provided by (used in) investing activities	(390)	4,050	(368)
Cash Flows from Financing Activities:			
Issuance of common stock	121	156	185
Repurchases of common stock	(292)	(289)	(174)
Distributions to non-controlling interests in subsidiary	(27)	—	—
Dividends paid	(924)	(928)	(2,632)
Net cash used in financing activities	(1,122)	(1,061)	(2,621)
Effect of exchange rate changes on cash and cash equivalents	(219)	25	—
Net decrease in cash and cash equivalents	(2,403)	(12,175)	(2,528)
Beginning cash and cash equivalents	5,910	18,085	20,613
Ending cash and cash equivalents	$ 3,507	$ 5,910	$ 18,085
Supplemental Disclosures of Cash Flow Information			
Cash paid for income taxes	$ 8	$ —	$ 118

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

Notes to Consolidated Financial Statements

NOTE 1. ORGANIZATION

U.S. Global Investors, Inc. (the "Company" or "U.S. Global") serves as investment adviser to U.S. Global Investors funds ("USGIF" or the "Fund(s)"), a Delaware statutory trust that is a no-load, open-end investment company offering shares in numerous mutual funds to the investing public. The Company also provides administrative services and distribution to USGIF and through December 6, 2013, provided transfer agency functions. For these services, the Company receives fees from USGIF. The Company also provides advisory services to offshore clients and an SEC registered exchange traded fund ("ETF"). Effective June 1, 2014, the Company holds a controlling interest in Galileo Global Equity Advisors Inc. ("Galileo"), a privately held Toronto-based asset management firm. See Note 2 Significant Accounting Policies and Note 3 Business Combination for additional information on the acquisition of controlling interest of Galileo.

U.S. Global formed the following companies to provide transfer agent and distribution services to USGIF: United Shareholder Services, Inc. ("USSI") and U.S. Global Brokerage, Inc. ("USGB").

The Company formed three subsidiaries utilized primarily for corporate investment purposes: U.S. Global Investors (Guernsey) Limited ("USGG"), incorporated in Guernsey (on August 3, 2013, USGG was dissolved); U.S. Global Investors (Bermuda) Limited ("USBERM"), incorporated in Bermuda; and U.S. Global Investors (Canada) Limited ("USCAN"), formed in March 2013. In July 2013, the Company created U.S. Global Indices, LLC, a Texas limited liability company, of which the Company is the sole member, to provide indexing services to exchange-traded funds managed by the Company.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: USSI, USGB, USGG, USBERM, USCAN and U.S. Global Indices, LLC.

In addition, 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. This additional investment brings USCAN's ownership to 65 percent of the issued and outstanding shares of Galileo and represents a controlling interest of Galileo. With the additional investment, the Company expects to increase its presence in Canada. Galileo is consolidated with USCAN and the non-controlling interest in this subsidiary is included in "non-controlling interest in subsidiary" in the equity section of the Consolidated Balance Sheets. See Note 3 Business Combination for additional information. After the purchase of the additional interest, Galileo changed its fiscal year end from December 31 to June 30, effective June 30, 2014, to correspond to the Company's year end. This change was treated as a change in accounting principle.

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 lacks 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 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 6 Investment Management and Other Fees 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.

Business Combinations. Business combinations are accounted for under the acquisition method of accounting. Results of operations of an acquired business are included from the date of acquisition. Management estimates the fair value of the acquired assets, including identifiable intangible assets, assumed liabilities, and non-controlling interest in the acquiree based on their estimated fair values as of the date of acquisition. Any excess acquisition date fair value of the consideration transferred over fair value of the acquired net assets, if any, is recorded as "goodwill" on the Consolidated Balance Sheets. Any excess fair value of the acquired net assets over the acquisition date fair value of the consideration transferred is recorded as a gain on the Consolidated Statements of Operations.

Cash and Cash Equivalents. Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

Investments. The Company classifies its investments based on intent at the time of purchase and reevaluates such designation as of each reporting period date. 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.

Trading Securities. Securities that are purchased and held principally for the purpose of selling in the near term are classified as trading securities and reported at fair value. Unrealized gains and losses on these securities are included in Investment income (loss).

Held-to-Maturity Securities. Investments in debt securities that are purchased with the intent and ability to hold until maturity are classified as held-to-maturity and measured at amortized cost. The Company currently has no investments in held-to-maturity securities.

Available-for-sale Securities. Investments that are neither trading securities nor held-to-maturity securities and for which the Company does not have significant influence are classified as available-for-sale securities and reported at fair value. Unrealized gains and losses on these available-for-sale securities are excluded from earnings, reported net of tax as a separate component of shareholders' equity, and recorded in earnings on the date of sale.

The Company evaluates its available-for-sale investments for other-than-temporary decline in value on a periodic basis. This may exist when the fair value of an investment security has been below the current value for an extended period of time. When a security in the Company's investment portfolio has an unrealized loss in fair value that is deemed to be other than temporary, the Company reduces the book value of such security to its current fair value, recognizing the credit related decline as a realized loss in the Consolidated Statements of Operations and a revised GAAP cost basis for the security is established. For available-for-sale securities with declines in value deemed other than temporary, the unrealized loss recorded net of tax in accumulated other comprehensive income (loss) is realized as a charge to net income.

Other Investments. 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 equity 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.

Equity Method Investments. Investments classified as equity method consist of investments in companies in which the Company is able to exercise significant influence but not control. Under the equity method of accounting, the Company's proportional share of investee's underlying net income or loss is recorded as a component of "other income" with a corresponding increase or decrease to the carrying value of the investment. Distributions received from the investee reduce the Company's carrying value of the investment. These investments are evaluated for impairment if events or circumstances arise that indicate that the carrying amount of such assets may not be recoverable. No impairment was recognized for the Company's equity method investment during the years presented. No investments were held at June 30, 2015 or 2014 that are accounted for using the equity method. See Note 3 Business Combination for further information.

Fair Value of Financial Instruments. The financial instruments of the Company are reported on the Consolidated Balance Sheets at market or fair values or at carrying amounts that approximate fair values.

Receivables. Receivables consist primarily of monthly advisory and other fees owed to the Company by USGIF as well as receivables related to ETF and offshore investment advisory fees. Receivables also include advisory fees owed to Galileo by the funds and clients it manages. Management considers various factors including current sales amounts, historical charge-offs and specific accounts identified as high risk. Uncollectible accounts receivable, if any, are charged against the allowance for doubtful accounts when all reasonable efforts to collect the amounts due have been exhausted. The Company had no allowance for doubtful accounts as of June 30, 2015, and 2014.

Property and Equipment. Fixed assets are recorded at cost. Except for Galileo, depreciation for fixed assets is recorded using the straight-line method over the estimated useful life of each asset as follows: furniture and equipment are depreciated over 3 to 10 years, and the building and related improvements are depreciated over 14 to 40 years. Galileo fixed assets, consisting of furniture, equipment and leasehold improvements, are depreciated over 2 to 5 years.

Impairment of Long-Lived Assets. The Company reviews property and equipment and other long-lived assets for impairment whenever events or changes in business circumstances indicate the net book values of the assets may not be recoverable. Impairment is indicated when the assets' net book value is less than fair value of the asset. If this occurs, an impairment loss is recognized for the difference between the fair value and net book value. Factors that indicate potential impairment include: a significant decrease in the market value of the asset or a significant change in the asset's physical condition or use. No impairments of long-lived assets were recorded during the years included in these financial statements.

Intangible Asset. An intangible asset, consisting of a non-compete agreement, acquired in connection with the acquisition of Galileo shares effective June 1, 2014, is recorded at fair value determined using a discounted cash flow model as of the date of acquisition. The discounted cash flow model included various factors to project future cash flows expected to be generated from the asset, including: (1) an estimated rate of change for underlying managed assets; (2) expected revenue per managed assets; (3) incremental operating expenses; and (4) a discount rate. Management estimates a rate of change for underlying managed assets based on an estimated net redemption or sales rate. Expected revenue per managed assets and incremental operating expenses of the acquired assets are generally based on contract terms.

The Company has determined that the non-compete agreement has a finite useful life. The Company will amortize this finite-lived identifiable intangible asset on a straight-line basis over its estimated useful life, currently expected to be approximately 2 years. Management periodically evaluates the remaining useful lives and carrying values of intangible assets to determine whether events and circumstances indicate that a change in the useful life or impairment in value may have occurred. Indicators of impairment monitored by management include a decline in the level of managed assets, changes to contractual provisions underlying the intangible assets and reductions in underlying operating cash flows. Should there be an indication of a change in the useful life or impairment in value of the finite-lived intangible asset, the Company compares the carrying value of the asset and its related useful life to the projected discounted cash flows expected to be generated from the underlying managed assets over its remaining useful life to determine whether impairment has occurred. If the carrying value of the asset exceeds the discounted cash flows, the asset is written down to its fair value determined using discounted cash flows.

Non-Controlling Interests. The Company reports "non-controlling interest in subsidiary" as equity, separate from parent's equity, on the Consolidated Balance Sheets. In addition, the Company's Consolidated Statements of Operations includes "net income (loss) attributable to non-controlling interest."

Treasury Stock. Treasury stock purchases are accounted for under the cost method. The subsequent issuances of these shares are accounted for based on their weighted-average cost basis.

Stock-Based Compensation. Stock-based compensation expense is measured at the grant date based on the fair value of the award, and the cost is recognized as expense ratably over the award's vesting period.

Income Taxes. The Company and its non-Canadian subsidiaries file a consolidated 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 liability method requires that deferred tax assets be reduced by a valuation allowance in cases where it is more likely than not that the deferred tax assets will not be realized.

The Company accounts for income taxes in accordance with ASC 740, *Income Taxes.* The Company's policy is to recognize interest and penalties related to uncertain tax positions in income tax expense. As of June 30, 2015, the Company did not have any accrued interest or penalties related to uncertain tax positions. The tax years from 2011 through 2014 remain open to examination by the U.S. Federal tax jurisdictions to which the Company is subject. The tax years from 2008 through 2014 remain open to examination by the non-U.S. Federal tax jurisdictions to which the Company is subject.

Revenue Recognition. The Company earns substantially all of its revenues from advisory, distribution services, and administrative fees that are calculated as a percentage of assets under management and are recorded as revenue as services are performed. Offshore advisory client contracts provide for monthly management fees, in addition to performance fees. The advisory contract for the equity funds within USGIF provides for a performance fee on the base advisory fee that are calculated and recorded monthly. Shareholder services fees are based on the assets of the funds held through institutions. Revenue shown on the Consolidated Statements of Operations is net of fee waivers.

Dividends and Interest. Dividends are recorded on the ex-dividend date, and interest income is recorded on an accrual basis. Both dividends and interest income are included in investment income.

Advertising Costs. The Company expenses advertising costs as they are incurred. Certain sales materials, which are considered tangible assets, are capitalized and then expensed during the period in which they are distributed. Net advertising expenditures were $411,000; $615,000; and $862,000 during fiscal years 2015, 2014, and 2013, respectively.

Foreign Exchange. The balance sheets of certain foreign subsidiaries of the Company and certain foreign-denominated investment products are translated at the current exchange rate as of the end of the accounting period and the related income or loss is translated at the average exchange rate in effect during the period. Net exchange gains and losses resulting from these translations are excluded from income and are recorded in "accumulated other comprehensive income (loss)" on the Consolidated Balance Sheets. Investment transactions denominated in foreign currencies are converted to U.S. dollars using the exchange rate on the date of the transaction and any related gain or loss is included in "investment income (loss)" on the Consolidated Statements of Operations.

Use of Estimates. The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires the Company to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from these estimates.

Earnings Per Share. The Company computes and presents earnings per share attributable to U.S. Global Investors, Inc. in accordance with ASC 260, *Earnings Per Share*. Basic earnings per share ("EPS") excludes dilution and is computed by dividing net income (loss) attributable to U.S. Global Investors, Inc. 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 Company has two classes of common stock with outstanding shares. Both classes share equally in dividend and liquidation preferences.

Accumulated Other Comprehensive Income (Loss). Accumulated other comprehensive income (loss) ("AOCI"), net of tax is reported in the Consolidated Balance Sheets and the Consolidated Statements of Shareholders' Equity and includes the unrealized gains and losses on securities classified as available-for-sale and foreign currency translation adjustments.

Recent Accounting Pronouncements

In April 2014, the FASB issued Accounting Standard Update ("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 core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP.

The standard is effective for annual periods beginning after December 15, 2017, 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). We are currently evaluating the impact of our pending adoption of ASU 2014-09 on our consolidated financial statements and have not yet determined the method by which we will adopt the standard in 2018.

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.

In May 2015, the FASB issued ASU 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (" ASU 2015-07"). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the NAV per share practical expedient. The update is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2015, and early adoption is permitted. The update requires the retrospective adoption approach. The Company is currently evaluating the potential impact of this standard on its consolidated financial statements.

NOTE 3. 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 brought USCAN's ownership to 65 percent of the issued and outstanding shares of Galileo, which represents a controlling interest of Galileo. Through Galileo, the Company expects to increase its presence in Canada. The non-controlling interest in this subsidiary is included in "non-controlling interest in subsidiaries" in the equity section of the Consolidated Balance Sheets. Frank Holmes, CEO, and Susan McGee, President and General Counsel, serve as directors of Galileo.

From March 31, 2013, to June 1, 2014, the Company accounted for its interest in Galileo under the equity method with its share of Galileo's profit or loss recognized in earnings. $20,000 and $54,000 was included in other income in fiscal year 2014 and 2013, respectively.

The Company accounted for the June 1, 2014, Galileo share purchase using the acquisition method of accounting, which requires, among other things, that the fair values of assets acquired, including an intangible asset, and liabilities assumed, along with the fair value of the non-controlling interest in the subsidiary, be recognized on the Consolidated Balance Sheets as of the acquisition date.

Business combinations achieved in stages also must value prior investments at fair value. A $161,000 increase in fair value of the Company's initial investment was recognized as a gain and included in investment income in fiscal year 2014.

The Company recognized a gain of $129,000 on the June 1, 2014, purchase since the fair value of the net assets acquired was greater than the fair value of consideration given. This gain was also included in investment income in fiscal 2014.

The Consolidated Balance Sheet as of June 30, 2014, reflects the purchase price allocations based on an assessment of the fair value of the assets acquired, liabilities assumed and non-controlling interest in subsidiary. The table below presents the purchase price allocation as of the June 1, 2014, acquisition date:

(dollars in thousands)		
Fair value of acquisition components		
Current assets	$	1,788
Property and equipment		149
Intangible asset re: non-compete agreement		90
Other noncurrent assets		13
Current liabilities		(278)
Non-controlling interest in subsidiary		(617)
Gain on purchase of 15%		(129)
	$	1,016
Fair value of consideration as of June 1, 2014		
Fair value of March 31, 2013 initial investment for 50% of stock	$	836
June 1, 2014 acquisition for 15% of stock for cash		180
	$	1,016

The following unaudited pro forma condensed consolidated results of operations for the years ended 2014 and 2013 are presented as if the Galileo acquisition had been completed on July 1, 2012. The unaudited pro forma results do not include any adjustments to eliminate the impact of cost savings or other synergies that may result from the acquisition. In addition, the unaudited pro forma results of operations do not purport to be indicative of the actual results that would have been achieved by the combined company for the periods presented or that may be achieved by the combined company in the future.

The information below reflects certain nonrecurring adjustments to remove the Company's equity in earnings of Galileo and include amortization of the intangible asset.

	Year Ended June 30,			
(dollars in thousands)	2014		2013	
Operating revenues	$	13,771	$	20,234
Net loss		(856)		(13)
Net loss attributable to U.S. Global Investors, Inc.		(916)		(99)
Net Loss per Share				
Loss from continuing operations - basic	$	(0.04)	$	0.00
Loss from continuing operations - diluted		(0.04)		0.00

Post-Acquisition Financial Information

The following amounts associated with the acquisition of Galileo, subsequent to the June 1, 2014, effective date, are included in the Consolidated Statements of Operations:

(dollars in thousands)	Year Ended June 30, 2014	
Total revenues	$	234
Net income		18
Net income attributable to U.S. Global Investors, Inc.		12
Costs associated with the acquisition [1]		33

1. *Costs associated with the Galileo acquisition are included in general and administrative expenses in the Consolidated Statements of Operations.*

NOTE 4. 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 a third-party transfer agent on December 9, 2013.

The transfer agency results, together with expenses associated with discontinuing transfer agency operations, are reflected as "discontinued operations" in the Consolidated Statements of Operations and are therefore, excluded from continuing operations results. These expenses include approximately $65,000 of expenses related to leased equipment that will not be utilized. Comparative periods shown in the Consolidated Financial Statements have been adjusted to conform to this presentation.

As of June 30, 2015, remaining liabilities related to the transfer agency business were immaterial.

The components of loss from discontinued operations were as follows:

	Year Ended June 30,		
(dollars in thousands)	**2015**	**2014**	**2013**
Operating revenue	$ —	$ 529	$ 1,348
Operating expenses	—	897	1,598
Loss from discontinued operations before income taxes	—	(368)	(250)
Income tax benefit	—	(125)	(85)
Loss from discontinued operations, net of tax	$ —	$ (243)	$ (165)

NOTE 5. INVESTMENTS

As of June 30, 2015, the Company held investments with a fair value of $19.9 million and a cost basis of $21.1 million. The market value of these investments is approximately 64.7 percent of the Company's total assets. In addition, the Company held other investments of $2.3 million accounted for under the cost method of accounting.

Investments in securities classified as trading are reflected as current assets on the Consolidated Balance Sheets at their fair market value. Unrealized 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 but have readily determinable fair values, are reflected as non-current assets on the Consolidated Balance Sheets at their fair value. Unrealized gains and losses on available-for-sale securities are excluded from earnings and reported in other comprehensive income (loss) 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 equity 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 an equity security is determined to be other-than-temporary, the impairment is recognized in earnings.

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 Level 1 trading mutual fund investment. The amount held in the fund by the Company as of the conversion date was $14.1 million.

The following details the components of the Company's investments recorded at fair value as of June 30, 2015, and 2014:

	June 30, 2015			
(dollars in thousands)	Cost	Gains	(Losses)	Fair Value
Trading securities [1]				
Offshore fund	$ 1,184	$ —	$ (703)	$ 481
Mutual funds - Fixed income	14,691	68	(5)	14,754
Mutual funds - Domestic equity	535	—	(130)	405
Other	81	—	(81)	—
Total trading securities	$ 16,491	$ 68	$ (919)	$ 15,640
Available-for-sale securities [2]				
Common stock - Domestic	$ 535	$ 316	$ (9)	$ 842
Common stock - International	695	309	(39)	965
Corporate debt	1,433	—	(817)	616
Mutual funds - Fixed income	1,227	9	(22)	1,214
Mutual funds - Domestic equity	543	—	(80)	463
Other	169	1	(7)	163
Total available-for-sale securities [3]	$ 4,602	$ 635	$ (974)	$ 4,263

	June 30, 2014			
(dollars in thousands)	Cost	Gains	(Losses)	Fair Value
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 (loss) 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 June 30, 2015, are $(339) and $(339), respectively, and as of June 30, 2014, are $1,345 and $888, respectively.*

The following summarizes investment income (loss) reflected in earnings for the periods presented:

(dollars in thousands)	Year Ended June 30,		
Investment Income (Loss)	**2015**	**2014**	**2013**
Realized losses on sales of trading securities	$ (1)	$ (163)	$ (245)
Realized gains on sales of available-for-sale securities	591	1,044	266
Realized losses on sales of securities classified as other investments	(30)	—	—
Unrealized gains (losses) on trading securities	(601)	450	45
Realized gain on Galileo acquisition	—	290	—
Realized foreign currency gains	71	1	1
Other-than-temporary declines in available-for-sale securities	(247)	(3)	(47)
Dividend and interest income	651	526	188
Total Investment Income (Loss)	$ 434	$ 2,145	$ 208

Included in investment income were other-than-temporary impairments of $247,000; $3,000; and $47,000 in fiscal years 2015, 2014, and 2013, respectively. The impairment in fiscal year 2015 resulted from the issuers of these corporate notes defaulting on scheduled payments. One security with a cost basis of $44,000 was written down to its fair value of $5,000. Two other securities, for which the common issuer has resumed interest payments, were written down to the net present value of estimated cash flows. These securities had a cost basis of $310,000 and $1,102,000, respectively, and were written down to $234,000 and $970,000, respectively. 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.

Unrealized Losses

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:

	June 30, 2015					
	Less Than 12 Months		12 Months or Greater		Total	
(dollars in thousands)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Available-for-sale securities						
Common stock - Domestic	$ 77	$ (7)	$ 107	$ (2)	$ 184	$ (9)
Common stock - International	114	(23)	39	(16)	153	(39)
Corporate debt	386	(817)	—	—	386	(817)
Mutual funds - Fixed income	67	(7)	139	(15)	206	(22)
Mutual funds - Domestic equity	463	(80)	—	—	463	(80)
Other	112	(7)	—	—	112	(7)
Total available-for-sale securities	$ 1,219	$ (941)	$ 285	$ (33)	$ 1,504	$ (974)

	June 30, 2014					
	Less Than 12 Months		12 Months or Greater		Total	
(dollars in thousands)	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)

Fair Value Hierarchy

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. Additionally, companies are required to provide enhanced disclosures regarding instruments in the Level 3 category (which have inputs to the valuation techniques that are unobservable and require significant management judgment), including a reconciliation of the beginning and ending values separately for each major category of assets or liabilities.

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 included 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 periodically 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. 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.

The following presents fair value measurements, as of each balance sheet date, for the major categories of U.S. Global's investments measured at fair value on a recurring basis:

(dollars in thousands)	June 30, 2015 Fair Value Measurement using Quoted Prices (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Trading securities				
Offshore fund	$ —	$ 481	$ —	$ 481
Mutual funds - Fixed income	14,754	—	—	14,754
Mutual funds - Domestic equity	405	—	—	405
Other	—	—	—	—
Total trading securities	15,159	481	—	15,640
Available-for-sale securities				
Common stock - Domestic	842	—	—	842
Common stock - International	965	—	—	965
Corporate debt	—	77	539	616
Mutual funds - Fixed income	1,214	—	—	1,214
Mutual funds - Domestic equity	463	—	—	463
Other	163	—	—	163
Total available-for-sale securities	3,647	77	539	4,263
Total	$ 18,806	$ 558	$ 539	$ 19,903

(dollars in thousands)	June 30, 2014 Fair Value Measurement using Quoted Prices (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
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	$ 21,672	$ 2,091	$ 250	$ 24,013

As of June 30, 2015, approximately 94 percent of the Company's financial assets measured at fair value are derived from Level 1 inputs, three percent 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 are derived from Level 2 inputs and the remaining one percent are Level 3 inputs. 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 $481,000 and $998,000 as of June 30, 2015, and 2014, respectively, 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, classified as available-for-sale, of $77,000 and $1.1 million as of June 30, 2015, and June 30, 2014, respectively, categorized as Level 2 which the Company valued in accordance with the evaluated price supplied by an independent 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 June 30, 2015, Level 3 corporate debt is valued at cost, which approximates fair value as a result of the Company's review of similarly structured issuances in comparable jurisdictions or valued based on traded issuances from the issuer.

During the year ended June 30, 2014, approximately $385,000 in investments in private and venture capital securities were transferred out of available-for-sale Level 3 assets and classified as other investments. During the year ended June 30, 2015, approximately $343,000 in investments in available-for-sale corporate debt securities were transferred from level 2 into Level 3.

The following table is a reconciliation of investments recorded at fair value for which unobservable inputs (Level 3) were used in determining fair value during the years ended June 30, 2015, and 2014:

	Changes in Level 3 Assets Measured at Fair Value on a Recurring Basis			
	Year Ended June 30,			
	2015	2014		
(dollars in thousands)	Corporate Debt	Common Stock - International	Corporate Debt	Other
Beginning Balance	$ 250	$ 95	$ —	$ 163
Return of capital	(25)	—	—	(43)
Total gains or losses (realized/unrealized)				
Included in earnings (investment income)	(133)	—	—	—
Included in other comprehensive income (loss)	104	5	—	5
Purchases	—	—	250	160
Sales	—	—	—	—
Transfers into Level 3	343	—	—	—
Transfers out of Level 3	—	(100)	—	(285)
Ending Balance	$ 539	$ —	$ 250	$ —

NOTE 6. INVESTMENT MANAGEMENT AND OTHER FEES

The Company serves as investment adviser to USGIF and receives a fee based on a specified percentage of net assets under management.

The advisory agreement for the equity funds within USGIF provides for a base advisory fee that is adjusted upwards or downwards by 0.25 percent if 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 years ended June 30, 2015, 2014, and 2013, the Company realized a decrease in its base advisory fee of $1,000,000; $815,000; and $133,000; respectively.

The following changes were made during fiscal year 2014 to the mutual funds the Company manages: (1) the Global Emerging Markets Fund liquidated on October 31, 2013, (2) the MegaTrends 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 U.S. Government Securities Savings Fund changed from a money market fund to the U.S. Government Securities 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 were $1.3 million; $2.4 million; and $3.3 million for the years ended June 30, 2015, 2014, and 2013, respectively. Management cannot predict the impact of future waivers due to the number of variables and the range of potential outcomes.

Prior to the U.S. Treasury Securities Cash Fund liquidation and the Government Fund conversion, the Company voluntarily agreed to waive fees and/or reimburse these funds 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 include fees waived and/or expenses reimbursed for these funds as a result of this agreement totaling $583,000 and $1.2 million for the year ended June 30, 2014, and June 30, 2013, respectively.

The Company may recapture any fees waived and/or expenses reimbursed to maintain Minimum Yield within three years after the end of the funds' fiscal year of such waiver and/or reimbursement to the extent that such recapture would not cause the funds' yield to fall below the Minimum Yield. 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 U.S. Treasury Securities Cash Fund also had waivers subject to future recapture; however, because the fund was liquidated in December 2013, there will be no recapture.

In addition, effective December 2013, the Funds' Board of Trustees increased the administrative services fees paid to the Company 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. Effective November 1, 2014, the per fund fee changed to $7,000 per year.

In connection with obtaining and/or providing administrative services to the beneficial owners of USGIF through broker-dealers, banks, trust companies and similar institutions which provide such services, the Company receives shareholder services fees at an annual rate of up to 0.20 percent of the value of shares held in accounts at the institutions. The Company also receives distribution fees from USGIF based on average net assets.

The Company also serves as investment advisor to an ETF, U. S. Global Jets ETF, that commenced operations in April 2015. The Company receives a unitary management fee of 0.60 percent of average net assets and has agreed to bear all expenses of the ETF.

The Company provided advisory services to offshore clients and received a monthly advisory fee based on the net asset values of the clients and performance fees based on the overall increase in net asset values, if any. One of the offshore funds liquidated in November 2013. The contracts between the Company and the offshore clients expire periodically, and management anticipates that its remaining offshore clients will renew the contracts. The Company recorded advisory and performance fees from these clients totaling $130,000 and $0 for the year ended June 30, 2015; $190,000 and $4,000 for the year ended June 30, 2014; and $299,000 and $19,000 for the year ended June 30, 2013, respectively.

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 to USGIF until conversion to a third party 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. The transfer agency fees are included in "discontinued operations" in the Consolidated Statements of Operations.

NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment are composed of the following:

	June 30,	
(dollars in thousands)	**2015**	**2014**
Building and land	$ 4,608	$ 4,608
Furniture, equipment, and other	2,412	2,795
	7,020	7,403
Accumulated depreciation	(4,284)	(4,379)
Net property and equipment	$ 2,736	$ 3,024

Depreciation expense totaled $282,000; $255,000; and $275,000 in fiscal years 2015, 2014, and 2013, respectively.

NOTE 8. INTANGIBLE ASSETS

Intangible assets consist of the following:

(dollars in thousands)	June 30, 2015	June 30, 2014
Intangible asset - Non-compete agreement		
Gross carrying amount	$ 90	$ 90
Accumulated amortization	(49)	(4)
Net carrying amount	$ 41	$ 86

The non-compete agreement included as an intangible asset was acquired effective June 1, 2014, in connection with the acquisition of Galileo. This finite-lived identifiable intangible asset is amortized on a straight-line basis over its estimated useful life. As of June 30, 2015, the remaining weighted-average estimated useful life is approximately 0.9 years.

Amortization expense totaled $45,000 and $4,000 for the year ended June 30, 2015, and June 30, 2014, respectively. There was no amortization expense for the year ended 2013. Amortization expense is included in depreciation and amortization on the Consolidated Statements of Operations.

Estimated aggregate annual amortization expense for the intangible asset in each of the five succeeding fiscal years assuming no new acquisitions or impairments is as follows:

(dollars in thousands)	Amortization Expense
2016	$ 41
2017	—
2018	—
2019	—
2020	—

NOTE 9. OTHER ACCRUED EXPENSES

Other accrued expenses consist of the following:

(dollars in thousands)	June 30, 2015	June 30, 2014
Legal, professional and consulting fees	$ 270	$ 325
Vendors payable	333	246
Investments payable	—	187
Platform fees	101	170
Taxes payable	117	131
Other	—	5
Other accrued expenses	$ 821	$ 1,064

NOTE 10. BORROWINGS

As of June 30, 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 was renewed effective May 14, 2015, and requires the Company to maintain certain quarterly financial covenants to access the line of credit. The amended credit agreement will expire on May 31, 2016, and the Company intends to renew annually. The Company has been in compliance with all financial covenants during the fiscal year. As of June 30, 2015, the credit facility remains unutilized by the Company.

NOTE 11. LEASE COMMITMENTS

The Company has operating leases for office equipment that expire between fiscal years 2016 and 2018 and for office facilities in Canada that expire in 2018. Lease expenses totaled $514,000; $494,000; and $491,000; in fiscal years 2015, 2014, and 2013, respectively. Minimum non-cancelable lease payments required under operating leases for future periods, are as follows:

(dollars in thousands) **Fiscal Year**		**Amount**
2016	$	237
2017		169
2018		101
2019		—
2020		—
Total	$	507

NOTE 12. BENEFIT PLANS

The Company offers a savings and investment plan qualified under Section 401(k) of the Internal Revenue Code covering substantially all employees. In connection with this 401(k) plan, participants can voluntarily contribute a portion of their compensation, up to certain limitations, to this plan, and the Company will match 100 percent of participants' contributions up to the first 3 percent of compensation and 50 percent of the next 2 percent of compensation. The Company has recorded expenses related to the 401(k) plan for contributions of $131,000; $175,000; and $220,000 for fiscal years 2015, 2014, and 2013, respectively.

The 401(k) plan allows for a discretionary profit sharing contribution by the Company, as authorized by the Board of Directors. The Company made no profit sharing contribution in fiscal years 2015, 2014, or 2013.

The Company offers employees, including its executive officers, an opportunity to participate in savings programs using mutual funds managed by the Company. Employees may contribute to an IRA, and the Company matches these contributions on a limited basis. Similarly, certain employees may contribute to the Near-Term Tax Free Fund, and the Company will match these contributions on a limited basis. A similar savings plan utilizing Uniform Gifts to Minors Act ("UGMA") accounts is offered to employees to save for their minor relatives. The Company match, reflected in base salary expense, aggregated in all programs to $51,000; $58,000; and $79,000 in fiscal years 2015, 2014, and 2013, respectively.

The Company has an Employee Stock Purchase Plan, subject to a current registration statement, whereby eligible employees can purchase treasury shares at market price, and the Company will match their contributions up to 3 percent of gross salary. During fiscal years 2015, 2014, and 2013, employees purchased 37,383; 52,191; and 48,679, respectively, shares of treasury stock from the Company.

Additionally, the Company self-funds its employee health care plan. The Company has obtained reinsurance with both a specific and an aggregate stop-loss in the event of catastrophic claims. The Company has accrued an amount representing the Company's estimate of claims incurred but not paid at June 30, 2015.

NOTE 13. SHAREHOLDERS' EQUITY

Dividends

A monthly dividend of $0.005 is authorized from July 2015 through September 2015 and a monthly dividend of $0.0025 is authorized from October 2015 through December 2015, and will be considered for continuation at that time by the Board of Directors. 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. On a per share basis, the holders of the class C common stock and the nonvoting class A common stock participate equally in dividends as declared by the Company's Board of Directors.

Share Repurchase Plan

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 through 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. As of June 30, 2015, there remains approximately $2.66 million available for repurchase under this authorization.

During fiscal years 2015, 2014, and 2013, the Company repurchased 95,251; 93,351; and 55,052, respectively, of its class A shares on the open market using cash of $292,000; $289,000; and $174,000, respectively. To date, the Company has repurchased a total of 243,654 class A shares under the repurchase program using cash of $755,000.

Other Activity

The Company did not grant any shares of class A common stock to employees during fiscal year 2015, 2014 or 2013. Grants vest immediately after issuance.

The Company granted 3,600; 3,600; and 3,600 shares of class A common stock at a weighted average fair value of $3.24, $3.07, and $4.16 to its non-employee directors in fiscal years 2015, 2014, and 2013, respectively. Grants vest immediately after issuance.

Shareholders of class C shares are allowed to convert to class A. During fiscal years 2015, 2014, and 2013, 60; 1,340; and 2,516 shares, respectively, were converted from class C to class A. Conversions are one class A share for one class C share and are recorded at par value. There are no restrictions or requirements to convert.

Stock-based compensation

In November 1989, the Board of Directors adopted the 1989 Non-Qualified Stock Option Plan ("1989 Plan"), amended in December 1991, which provides for the granting of options to purchase 1,600,000 shares of the Company's class A common stock to directors, officers and employees of the Company and its subsidiaries. Options issued under the 1989 Plan vest six months from the grant date or 20 percent on the first, second, third, fourth, and fifth anniversaries of the grant date. Options issued under the 1989 Plan expire ten years after issuance. As of June 30, 2015, there were no options outstanding under the 1989 Plan.

In April 1997, the Board of Directors adopted the 1997 Non-Qualified Stock Option Plan ("1997 Plan"), which provides for the granting of stock appreciation rights (SARs) and/or options to purchase 400,000 shares of the Company's class A common stock to directors, officers, and employees of the Company and its subsidiaries. Options issued under the 1997 Plan expire ten years after issuance. No options were granted in fiscal years 2015, 2014, or 2013.

The estimated fair value of options granted is amortized to expense over the options' vesting period. The fair value of these options is estimated at the date of the grant using a Black-Scholes option pricing model.

Stock option transactions under the various employee stock option plans for the past three fiscal years are summarized below:

(dollars in thousands, except price data)	Shares	Weighted Average Exercise Price		Weighted Average Remaining Contractual Life in Years	Aggregate Intrinsic Value (net of tax)	
Outstanding June 30, 2012	29,000	$	17.03			
Granted	—		n/a			
Exercised	—		n/a			
Forfeited	—		n/a			
Outstanding June 30, 2013	29,000	$	17.03			
Granted	—		n/a			
Exercised	—		n/a			
Forfeited	7,000	$	11.74			
Outstanding June 30, 2014	22,000	$	18.72			
Granted	—		n/a			
Exercised	—		n/a			
Forfeited	—		n/a			
Outstanding June 30, 2015	22,000	$	18.72	2.44	$	165

As of June 30, 2015, 2014, and 2013, exercisable employee stock options totaled 22,000; 22,000; and 25,000 shares and had weighted average exercise prices of $18.72, $18.72, and $18.71 per share, respectively.

Class A common stock options outstanding and exercisable under the employee stock option plans at June 30, 2015, were as follows:

	Options Outstanding					Options Exercisable		
	Date of Option Grant	Number Outstanding	Remaining Life in Years	Weighted Average Exercise Price ($)		Number Exercisable	Weighted Average Option Price ($)	
1997 Plan Class A	10/3/2007	20,000	2.25	$	19.36	20,000	$	19.36
	10/7/2009	2,000	4.27	$	12.31	2,000	$	12.31
		22,000	2.44	$	18.72	22,000	$	18.72

NOTE 14. INCOME TAXES

The Company and its non-Canadian subsidiaries file a consolidated 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. At June 30, 2015, the current deferred tax asset primarily consists of temporary differences in the deductibility of prepaid expenses, accrued liabilities and unrealized gains 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. The Company has not recognized deferred income taxes on undistributed earnings of USCAN and Galileo since such earnings are considered to be reinvested indefinitely.

For federal income tax purposes at June 30, 2015, the Company has capital loss carryovers of approximately $24,000 expiring in fiscal year 2020. The Company also has charitable contribution carryovers totaling approximately $121,000 with $68,000 expiring in fiscal year 2018, $34,000 expiring in fiscal year 2019, and $19,000 expiring in fiscal year 2020. The Company has federal net operating loss carryovers of $3.0 million expiring in fiscal year 2035. For Canadian income tax purposes, Galileo has cumulative eligible capital carryovers of $287,000 with no expiration and net operating loss carryovers of $85,000, $156,000, and $58,000 expiring in fiscal 2025 , 2027 and 2030, respectively. 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 June 30, 2015, 2014, and 2013 a valuation allowance of $2,073,000, $35,000, and $27,000, respectively, was included related to net operating loss carryover, other carryovers and book/tax differences in the balance sheet.

The Company's components of income (loss) before tax by jurisdiction is as follows:

	Year Ended June 30,		
(dollars in thousands)	2015	2014	2013
United States	$ (3,400)	$ (1,934)	$ (234)
Canada	246	329	55
Total	$ (3,154)	$ (1,605)	$ (179)

The reconciliation of income tax computed for continuing operations at the statutory rates to income tax expense is:

	Year Ended June 30,					
(dollars in thousands)	2015	% of Pretax	2014	% of Pretax	2013	% of Pretax
Tax expense (benefit) at statutory rate - continuing operations	$ (1,072)	34.0 %	$ (421)	34.0 %	$ 24	34.0 %
Valuation allowance	1,857	(58.9)%	35	(2.8)%	27	38.0 %
Nondeductible membership dues	23	(0.7)%	25	(2.0)%	27	38.0 %
Nondeductible meals and entertainment	15	(0.5)%	25	(2.0)%	44	62.0 %
Non-deductible insurance	8	(0.3)%	8	(0.6)%	8	11.3 %
Nondeductible gain on business combination	—	— %	(99)	8.0 %	—	— %
Non-taxable dividend income	(25)	0.8 %	(33)	2.7 %	(35)	(49.3)%
Other	16	(0.5)%	(57)	4.5 %	5	7.0 %
Total tax expense (benefit) - continuing operations	$ 822	(26.1)%	$ (517)	41.8 %	$ 100	141.0 %

Components of total tax expense (benefit) are as follows:

	Year Ended June 30,		
(dollars in thousands)	2015	2014	2013
Continuing Operations			
Current tax expense (benefit) - U.S. Federal	$ (21)	$ (904)	$ 91
Current tax expense (benefit) - Non-U.S.	36	—	—
Deferred tax expense (benefit) - U.S. Federal	807	387	9
Total tax expense (benefit) - continuing operations	$ 822	$ (517)	$ 100
Discontinued Operations			
Current tax expense (benefit) - U.S. Federal	—	(125)	(85)
Total tax expense (benefit)	$ 822	$ (642)	$ 15

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company's deferred assets and liabilities using the effective statutory tax rate are as follows:

	Year Ended June 30,	
(dollars in thousands)	2015	2014
Book/tax differences in the balance sheet		
Trading securities	$ 289	$ 84
Prepaid expenses	(115)	(142)
Accumulated depreciation	129	120
Available-for-sale securities	366	(176)
Accrued expenses	125	108
Stock-based compensation expense	103	103
Tax Carryovers		
Net operating loss carryover	1,051	—
Cumulative eligible capital carryover	76	—
Capital loss carryover	8	252
Charitable contributions carryover	41	35
Valuation Allowance	(2,073)	(35)
Net deferred tax asset	$ —	$ 349

NOTE 15. EARNINGS PER SHARE

The following table sets forth the computation for basic and diluted earnings per share (EPS):

	Year Ended June 30,		
(dollars in thousands, except per share data)	2015	2014	2013
Net income (loss)			
Loss from continuing operations	$ (3,976)	$ (720)	$ (29)
Less: Income attributable to non-controlling interest in subsidiary	54	7	—
Loss from continuing operations attributable to U.S. Global Investors, Inc.	(4,030)	(727)	(29)
Loss from discontinued operations attributable to U.S. Global Investors, Inc.	—	(243)	(165)
Net loss attributable to U.S. Global Investors, Inc.	$ (4,030)	$ (970)	$ (194)
Weighted average number of outstanding shares			
Basic	15,399,831	15,459,022	15,482,612
Effect of dilutive securities			
Employee stock options	—	—	—
Diluted	15,399,831	15,459,022	15,482,612
Earnings (loss) per share attributable to U.S. Global Investors, Inc.			
Basic			
Loss from continuing operations	$ (0.26)	$ (0.04)	$ 0.00
Loss from discontinued operations	0.00	(0.02)	(0.01)
Net loss attributable to U.S. Global Investors, Inc.	$ (0.26)	$ (0.06)	$ (0.01)
Diluted			
Loss from continuing operations	$ (0.26)	$ (0.04)	$ 0.00
Loss from discontinued operations	0.00	(0.02)	(0.01)
Net loss attributable to U.S. Global Investors, Inc.	$ (0.26)	$ (0.06)	$ (0.01)

The diluted EPS calculation excludes the effect of stock options when their exercise prices exceed the average market price for the period. For the years ended June 30, 2015, 2014, and 2013, employee stock options for 22,000; 22,000; and 29,000 shares were excluded from diluted EPS.

During fiscal years 2015, 2014, and 2013, the Company repurchased class A shares on the open market. Repurchased shares are classified as treasury shares and are deducted from outstanding shares in the earnings per share calculation.

NOTE 16. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table presents changes in accumulated other comprehensive income (loss) by component:

(dollars in thousands)	Unrealized gains (losses) on available-for-sale investments [1]	Foreign currency translation adjustment	Total
Balance at June 30, 2012	$ 466	$ —	$ 466
Other comprehensive loss before reclassifications	530	—	530
Tax effect	(180)	—	(180)
Amount reclassified from AOCI	(248)	—	(248)
Tax effect	84	—	84
Net other comprehensive loss for 2013	186	—	186
Balance at June 30, 2013	652	—	652
Other comprehensive income before reclassifications	1,399	18	1,417
Tax effect	(476)	—	(476)
Amount reclassified from AOCI	(1,041)	—	(1,041)
Tax effect	354	—	354
Net other comprehensive income for 2014	236	18	254
Balance at June 30, 2014	888	18	906
Other comprehensive income before reclassifications	(1,341)	(162)	(1,503)
Tax effect	341	—	341
Amount reclassified from AOCI	(344)	—	(344)
Tax effect	117	—	117
Net other comprehensive income for 2015	(1,227)	(162)	(1,389)
Balance at June 30, 2015	$ (339)	$ (144)	$ (483)

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 17. FINANCIAL INFORMATION BY BUSINESS SEGMENT

The Company manages the following business segments:

1. Investment Management Services, by which the Company offers, through USGIF, offshore clients, and an ETF client a range of investment management products and services to meet the needs of individual and institutional investors;
2. Investment Management Services - Canada, through which, as of June 1, 2014, the Company owns 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; and
3. Corporate Investments, through which 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 schedule details total revenues and income by business segment:

(dollars in thousands)	Investment Management Services	Investment Management Services - Canada	Corporate Investments	Consolidated
Year ended June 30, 2015				
Net operating revenues	$ 7,364 [1]	$ 2,007 [2]	$ —	$ 9,371
Net other income	$ —	$ —	$ 434	$ 434
Income (loss) from continuing operations before income taxes	$ (3,555)	$ 9	$ 392	$ (3,154)
Loss from discontinued operations	$ —	$ —	$ —	$ —
Depreciation and amortization	$ 253	$ 74	$ —	$ 327
Capital expenditures	$ 40	$ —	$ —	$ 40
Gross identifiable assets at June 30, 2015	$ 6,519	$ 1,841	$ 22,410	$ 30,770
Deferred tax asset				$ —
Consolidated total assets at June 30, 2015				$ 30,770
Year ended June 30, 2014				
Net operating revenues	$ 11,205 [1]	$ 234 [2]	$ —	$ 11,439
Net other income	$ —	$ —	$ 2,165	$ 2,165
Income (loss) from continuing operations before income taxes	$ (3,426)	$ 31	$ 2,158	$ (1,237)
Loss from discontinued operations	$ (243)	$ —	$ —	$ (243)
Depreciation and amortization	$ 252	$ 7	$ —	259
Capital expenditures	$ 30	$ —	$ —	$ 30
Year ended June 30, 2013				
Net operating revenues	$ 17,318 [1]	$ — [2]	$ —	$ 17,318
Net other income	$ —	$ —	$ 262	$ 262
Income (loss) from continuing operations before income taxes	$ (178)	$ —	$ 249	$ 71
Loss from discontinued operations	$ (165)	$ —	$ —	$ (165)
Depreciation and amortization	$ 275	$ —	$ —	275
Capital expenditures	$ 39	$ —	$ —	$ 39

1 *Includes operating revenues from USGIF of $7,208, $11,011 and $17,000 in fiscal years 2015, 2014, and 2013, respectively.*

2 *Includes operating revenues from Galileo Funds of $1,638, $184 and $0; and other advisory clients of $354, $48 and $0 in fiscal years 2015, 2014, and 2013, respectively.*

NOTE 18. RELATED PARTY TRANSACTIONS

On June 30, 2015, and 2014, the Company had $17.1 million and $19.4 million, respectively, at fair value invested in USGIF and offshore clients the Company advises. These amounts were included in the Consolidated Balance Sheet as “trading securities” and “available-for-sale securities” in fiscal year 2015, and in “cash and cash equivalents,” “trading securities” and “available-for-sale securities” in fiscal year 2014. The Company recorded $157,000; $132,000; and $114,000 in dividend income and $(846,000); $(143,000); and $(147,000) in net unrealized gains (losses) on its investments in the Funds and offshore clients for fiscal years 2015, 2014, and 2013, respectively.

The Company earned advisory, administrative, distribution and shareholder services fees, as applicable, from the various funds for which it and its subsidiaries act as investment adviser, as disclosed in Note 4. Receivables include amount due from the funds for those fees and out-of-pocket expenses, net of amounts payable to the funds, for expense reimbursements. As of June 30, 2015, and 2014, the Company had $701,000 and $1.3 million, respectively, of receivables from mutual funds included in the Consolidated Balance Sheets within “receivables.”

Frank Holmes, a director and Chief Executive Officer of the Company, is a trustee of USGIF. Mr. Holmes is a director of each offshore fund and is also a director of Meridian Fund Managers Ltd., the manager of the offshore funds.

The Company has an available-for-sale investment in Charlemagne Capital Limited with a fair value of approximately $864,000 and $1,314,000 at June 30, 2015 and 2014, respectively. Charlemagne Capital (IOM) Limited, a wholly owned subsidiary of Charlemagne Capital Limited, was the non-discretionary subadviser to the Emerging Europe Fund, a fund within USGIF, through July 31, 2014.

NOTE 19. 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 of Directors has authorized a monthly dividend of $0.005 per share from July 2015 through September 2015 and a monthly dividend of $0.0025 from October 2015 through December 2015, at which time it will be considered for continuation by the Board of Directors. 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 to be paid to class A and class C shareholders from July 2015 to December 2015 will be approximately $345,000.

NOTE 20. SELECTED QUARTERLY FINANCIAL DATA (Unaudited)

Note that quarterly per share amounts may not add to the annual total due to rounding.

	Quarters				
Fiscal 2015	**1st**	**2nd**	**3rd**	**4th**	**Total**
(dollars in thousands except per share data)					
Operating revenues	$ 3,297	$ 2,371	$ 1,831	$ 1,872	$ 9,371
Loss from continuing operations before income taxes	(96)	(838)	(969)	(1,251)	(3,154)
Tax expense (benefit)	(7)	3	25	801	822
Loss from continuing operations	(89)	(841)	(994)	(2,052)	(3,976)
Net loss	(89)	(841)	(994)	(2,052)	(3,976)
Net income attributable to non-controlling interest	39	1	13	1	54
Net loss attributable to U.S. Global Investors, Inc.	(128)	(842)	(1,007)	(2,053)	(4,030)
Comprehensive loss	(593)	(1,586)	(1,225)	(2,101)	(5,505)
Comprehensive loss attributable to U.S. Global Investors, Inc.	(604)	(1,562)	(1,177)	(2,076)	(5,419)
Earnings (loss) per share attributable to U.S. Global Investors, Inc.:					
Basic					
Loss from continuing operations	$ (0.01)	$ (0.05)	$ (0.07)	$ (0.13)	$ (0.26)
Loss from discontinued operations	0.00	0.00	0.00	0.00	0.00
Net loss attributable to U.S. Global Investors, Inc.	$ (0.01)	$ (0.05)	$ (0.07)	$ (0.13)	$ (0.26)
Diluted					
Loss from continuing operations	$ (0.01)	$ (0.05)	$ (0.07)	$ (0.13)	$ (0.26)
Loss from discontinued operations	0.00	0.00	0.00	0.00	0.00
Net loss attributable to U.S. Global Investors, Inc.	$ (0.01)	$ (0.05)	$ (0.07)	$ (0.13)	$ (0.26)

	Quarters				
Fiscal 2014	**1st**	**2nd**	**3rd**	**4th**	**Total**
(dollars in thousands except per share data)					
Operating revenues	$ 3,052	$ 2,740	$ 2,742	$ 2,905	$ 11,439
Income (loss) from continuing operations before income taxes	(23)	(1,424)	(12)	222	(1,237)
Tax expense (benefit)	(14)	(466)	14	(51)	(517)
Income (loss) from continuing operations	(9)	(958)	(26)	273	(720)
Loss on discontinued operations	(28)	(207)	(2)	(6)	(243)
Net income (loss)	(37)	(1,165)	(28)	267	(963)
Net income attributable to non-controlling interest	—	—	—	7	7
Net income (loss) attributable to U.S. Global Investors, Inc.	(37)	(1,165)	(28)	260	(970)
Comprehensive income (loss)	(236)	(1,052)	151	430	(707)
Comprehensive income (loss) attributable to U.S. Global Investors, Inc.	(236)	(1,052)	151	421	(716)
Earnings (loss) per share attributable to U.S. Global Investors, Inc.:					
Basic					
Income (loss) from continuing operations	$ 0.00	$ (0.06)	$ 0.00	$ 0.02	$ (0.04)
Loss from discontinued operations	0.00	(0.02)	0.00	0.00	(0.02)
Net income (loss) attributable to U.S. Global Investors, Inc.	$ 0.00	$ (0.08)	$ 0.00	$ 0.02	$ (0.06)
Diluted					
Income (loss) from continuing operations	$ 0.00	$ (0.06)	$ 0.00	$ 0.02	$ (0.04)
Loss from discontinued operations	0.00	(0.02)	0.00	0.00	(0.02)
Net income (loss) attributable to U.S. Global Investors, Inc.	$ 0.00	$ (0.08)	$ 0.00	$ 0.02	$ (0.06)

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no changes in or disagreements with accountants on accounting and financial disclosure during the two most recent fiscal years.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. An evaluation was conducted under the supervision and with the participation of the Company's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of June 30, 2015. Based on that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were effective as of June 30, 2015, to ensure that information required to be disclosed in the reports that it files or submits under the Exchange Act is: (1) recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms; and (2) accumulated and communicated to management, including the principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting. The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined by Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed 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.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of its internal control over financial reporting as of June 30, 2015. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework (2013). Based on the Company's assessment, management believes that, as of June 30, 2015, the Company's management has maintained effective internal control over financial reporting.

Changes in Internal Control over Financial Reporting. There have not been any changes in the Company's internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) during the fourth quarter ended June 30, 2015, that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

Inherent Limitation of the Effectiveness of Internal Control. A control system, no matter how well conceived, implemented and operated, can provide only reasonable, not absolute, assurance that the objectives of the internal control system are met. Because of such inherent limitations, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company or any division of a company have been detected.

Item 9B. Other Information

In light of Frank Holmes' ownership of 99.78 percent of the class C voting shares, the Company is eligible to rely on the exemption from certain of the NASDAQ corporate governance listing requirements relating to the independence of the Board of Directors and certain committees that is afforded to controlled companies. Under NASDAQ rules, a controlled company is a company of which more than 50 percent of the voting power for the election of directors is held by an individual, a group or another company.

Part III of Annual Report on Form 10-K

Item 10. Directors, Executive Officers and Corporate Governance

The directors and executive officers of U.S. Global Investors, Inc. ("U.S. Global" or the "Company") are as follows:

Name	Age	Position
Frank E. Holmes	60	Director of the Company and Chief Executive Officer of the Company since October 1989, and Chief Investment Officer since June 1999. Since October 1989, Mr. Holmes has served and continues to serve in various positions with the Company, its subsidiaries, and the investment companies it sponsors. Mr. Holmes has served as Trustee of U.S. Global Investors Funds since August 1989. Mr. Holmes has also served as Director of Meridian Fund Managers Ltd. since November 2003, Director of Meridian Global Gold & Resources Fund Ltd. since December 2003, Director of Meridian Global Energy & Resources Fund Ltd. since April 2006, Director of Meridian Global Dividend Income Fund from April 2011 to March 2014.
Jerold H. Rubinstein	77	Chairman of the Board of Directors since February 2006 and Director of the Company since October 1989. Director, Chairman of the Board and CEO of Stratus Media Group, Inc. from April 2011 to July 2014. Director, Chief Executive Officer, and Chairman of the Board for ProElite, Inc. from June 2012 to July 2014. Director, Chairman of the Board and Chairman of the Audit Committee of RestorGenex Corporation during the period April 2011 to July 2014. Director and Chairman of the Audit Committee of SpendSmart Payments Co. since October 2013. Founder and Chief Executive Officer of Music Imaging & Media, Inc. from July 2002 to January 2010. Director and Chairman of the Audit Committee of CKE Restaurants from June 2006 to July 2010.
Roy D. Terracina	68	Director of the Company since December 1994 and Vice Chairman of the Board of Directors since May 1997. Owner of Sunshine Ventures, Inc., a company formed to hold investments, since January 1994. Chairman of the Board of Our Lady of the Lake University since September 2006.
Thomas F. Lydon, Jr.	55	Director of the Company since June 1997. Chairman of the Board and President of Global Trends Investments since April 1996. Trustee of Rydex/SGI from June 2005 to February 2012. Trustee of Guggenheim Investments since February 2012.
Susan B. McGee	56	President of the Company since February 1998, General Counsel since March 1997. Since September 1992, Ms. McGee has served and continues to serve in various positions with the Company, its subsidiaries, and the investment companies it sponsors.
Lisa C. Callicotte	42	Chief Financial Officer of the Company since July 12, 2013. Controller of the Company from July 2009 until July 2013. Since July 2009, Ms. Callicotte has served and continues to serve in various positions with the Company, its subsidiaries, and the investment companies it sponsors.

None of the directors or executive officers of the Company has a family relationship with any of the other directors or executive officers.

The members of the Board of Directors are elected for one-year terms or until their successors are elected and qualified. The Board of Directors appoints the executive officers of the Company.

Director Independence. The Company's Board of Directors is currently composed of four members. The Board of Directors has determined that three of the four members meet the definition of an independent director set forth in NASDAQ Rule 5605(a)(2), with the exception being Frank Holmes, who is the Chief Executive Officer and Chief Investment Officer of the Company. In assessing the independence of directors, the Board of Directors considered the business relationships between the Company and its directors or their affiliated businesses, including businesses owned and operated by family members, other than ordinary investment relationships. Furthermore, the Board of Directors has determined that none of the members of the two standing committees of the Board of Directors in existence during the 2015 fiscal year has any material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company) and that each such member is "independent" within the meaning of the independence standards applicable to each such committee.

The Board of Directors held six meetings over the past fiscal year. Each incumbent director attended at least 75 percent of the board meetings during the last fiscal year. Directors are encouraged to attend the Annual Meeting of Shareholders. Three of the four directors attended the 2014 Annual Meeting. The standing committees of the Board of Directors currently consist of the Audit Committee and the Compensation Committee. The membership and responsibilities of those committees are described below:

Independent Directors	*Audit Committee*	*Compensation Committee*
Roy D. Terracina	Chairman	Member
Thomas F. Lydon, Jr.	Member	Chairman
Jerold H. Rubinstein	Member	Member

Audit Committee. The Company has a separately designated Audit Committee, established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Audit Committee assists the Board of Directors in monitoring the integrity of the financial statements of the Company; the independent auditor's qualifications and independence; the performance of the Company's internal audit function and independent auditors; complaints relating to the Company's accounting, internal accounting controls and audit matters; and the Company's accounting and financial reporting processes and audits of the Company's financial statements. The Board of Directors has determined that Director Roy Terracina qualifies as an "audit committee financial expert" as defined in Item 401(e) of Regulation S-K under the Exchange Act. Mr. Terracina's pertinent experience, qualifications, attributes, and skills include: a bachelor's degree and a master's degree in finance, financial experience as a treasurer of a publicly traded company, managerial experience attained as the owner of a company responsible as a major supplier of baked and packaged goods primarily through the Department of Defense, the knowledge and experience he has attained from service on other boards and the knowledge and experience he has attained from his service on U.S. Global's Board of Directors. The Audit Committee met seven times during the past fiscal year. Each incumbent committee member attended at least 75 percent of the committee meetings during the last fiscal year.

Report of the Audit Committee. Management is responsible for U.S. Global's internal controls and financial reporting process. BDO USA, LLP, U.S. Global's independent registered public accounting firm for the fiscal year ended June 30, 2015, is responsible for performing an independent audit of U.S. Global's consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board ("PCAOB") and to issue its report thereon. The Audit Committee monitors and oversees these processes. The Audit Committee approves the selection and appointment of U.S. Global's independent registered public accounting firm and recommends the ratification of such selection and appointment to U.S. Global's Board of Directors.

The Audit Committee has reviewed and discussed U.S. Global's audited financial statements with management and BDO USA, LLP. The committee has discussed with BDO USA, LLP the matters required to be discussed by the PCAOB auditing standards which relates to the conduct of our audit, including our auditors' judgment about the quality of the accounting principles applied in our fiscal year 2015 audited consolidated financial statements. The Audit Committee has received the written disclosures and the letter from BDO USA, LLP required by applicable requirements of the PCAOB regarding the independent accountant's communications with the committee concerning independence and has discussed with BDO USA, LLP that firm's independence.

Based on the foregoing review and discussions and such other matters the Audit Committee considered relevant and appropriate, the committee recommended to the Board of Directors that the audited financial statements of U.S. Global be included in its Annual Report on Form 10-K for the year ended June 30, 2015.

Compensation Committee. The Compensation Committee assists the Board of Directors in carrying out its responsibilities with respect to employee qualified benefit plans and employee programs, executive compensation programs, stock option plans and director compensation programs. The Compensation Committee has broad responsibility for assuring that the Company's executive officers, including the Company's Chief Executive Officer, are effectively compensated in terms of salaries, supplemental compensation and benefits that are internally equitable and externally competitive. Additional responsibilities include the review and approval of corporate goals and objectives relevant to the Chief Executive Officer. The Compensation Committee reviews all components of compensation, including salaries, cash incentive plans, long-term incentive plans and various employee benefit matters. The Compensation Committee met two times during the past fiscal year. Each incumbent committee member attended at least 75 percent of the committee meetings during the last fiscal year.

Compensation Committee Interlocks and Insider Participation. During fiscal year 2015, the Compensation Committee consisted of Roy D. Terracina, Thomas F. Lydon, Jr., and Jerold H. Rubinstein. All members of the Compensation Committee were independent directors, and no member was an employee or former employee. During fiscal year 2015, none of the Company's executive officers served on the compensation committee (or its equivalent) or board of directors of another entity whose executive officer served on the Company's Compensation Committee.

Nomination of Directors. Although the Company does not have a standing nominating committee, the Company's Corporate Governance Guidelines effectively provide guidance on selection and nomination process whenever a vacancy occurs on the Board of Directors. Due to the longevity of service of the current Board of Directors, those Directors have not participated in consideration of director nominees.

The Company believes generally that its Board of Directors as a whole should encompass a range of talent and expertise enabling it to provide sound guidance with respect to the Company's operations and interests. Whenever a vacancy occurs on the Board of Directors, the board members are responsible for identifying one or more candidates to fill that vacancy, investigating each candidate and evaluating their suitability for service on the board. The following attributes or qualifications will be considered by the Board of Directors in evaluating a person's candidacy:

- Management and leadership experience;
- Skilled and diverse background; and
- Integrity and professionalism.

The board members are authorized to use any methods it deems appropriate for identifying candidates for board membership. In addition, candidates recommended by the Company's stockholders are considered in the same manner as other candidates.

The Company's policy is to have at least a majority of directors qualify as "independent" under the NASDAQ Listing Rules and the Company's Corporate Governance Guidelines, which are available at the Company's website at www.usfunds.com.

Code of Ethics for Principal Executive and Senior Financial Officers

The Company has adopted a Code of Ethics for Principal Executive and Senior Financial Officers that applies to the Company's principal executive officer and principal financial officer. This code charges these individuals with responsibilities regarding honest and ethical conduct, the preparation and quality of the disclosures in documents and reports the Company files with the SEC, and compliance with applicable laws, rules, and regulations.

Compliance with Section 16(a) of the 1934 Act

Section 16(a) of the 1934 Act requires directors and officers of the Company and persons who own more than 10 percent of the Company's class A common stock to file with the SEC initial reports of ownership and reports of changes in ownership of the stock. Directors, officers and more than 10 percent shareholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on the Company's review of the copies of such reports received by the Company and on written representations by the Company's officers and directors regarding their compliance with the applicable reporting requirements under Section 16(a) of the Exchange Act, the Company believes that, with respect to the fiscal year ended June 30, 2015, its officers and directors, and all of the persons known to it to own more than 10 percent of its common stock, filed all required reports on a timely basis with the exception of one report for which a Form 4 relating to one transaction was not filed on behalf of Frank Holmes; however a Form 5 was filed.

Item 11. Executive Compensation

Compensation Discussion and Analysis

Overview

The following section provides a discussion and analysis of the basis for the compensation awarded to the CEO, the CFO, and our other most highly compensated executive officer of the Company ("Named Executive Officers" or "NEOs"), as well as our directors in fiscal year 2015. We provide investment advisory and other services to our clients. Our long-term success depends on our ability to provide superior investment returns and outstanding client service. As such, one of our greatest assets is the collective skill, experience and efforts of our employees. To achieve success, we must be able to attract, retain and motivate professionals within all levels of our Company who are committed to our core values.

We place great significance on our values of performance, teamwork, initiative, responsiveness, focused work ethic, and intellectual curiosity. We believe that adherence to these core values will contribute to the long-term success of the Company and our shareholders.

We compete for talent with a large number of investment management and financial services companies, many of which have significantly larger market capitalization than we do. Our relatively small size within the industry, geographic location, and lean executive management team provide unique challenges.

Setting Executive Compensation

The Compensation Committee of our Board of Directors is responsible for reviewing and approving corporate goals and objectives relevant to the CEO, Frank Holmes; evaluating the CEO's performance in light of those goals and objectives; and determining and approving the CEO's compensation level based on this evaluation. In addition, the committee is responsible for reviewing and approving compensation recommended by Mr. Holmes for our other executive officers. The Board of Directors appointed Messrs. Lydon, Terracina, and Rubinstein as members of the Compensation Committee. Mr. Lydon serves as the chairman of the Compensation Committee, and there are no Compensation Committee interlocks to report. The Compensation Committee has a charter that is available for review on our website at www.usfunds.com by clicking "About Us," followed by "Investor Relations," then "Policies and Procedures."

The individuals listed below are the CEO and CFO, plus our other most highly compensated NEO in fiscal year 2015.

Name	Title
Frank E. Holmes	Chief Executive Officer and Chief Investment Officer
Lisa C. Callicotte	Chief Financial Officer
Susan B. McGee	President and General Counsel

In establishing total annual compensation for Mr. Holmes, the Compensation Committee considers a number of factors. For assistance in determining the appropriate factors to consider, the Compensation Committee consulted in 2005 with Moss Adams LLP, an executive compensation consulting firm. Importantly, the Compensation Committee considers the various functions Mr. Holmes assumes, including the dual role of CEO and Chief Investment Officer ("CIO"). In addition, the Compensation Committee considers various measures of company performance, including profitability and total shareholder return. The Compensation Committee also reviews Mr. Holmes' performance in managing our corporate investments, in overseeing the management of our client portfolios and the results of our operational earnings.

In addition to his base salary, Mr. Holmes receives a bonus based on operational earnings, which are substantially derived from assets under management, based on a percentage of operational earnings, and capped at a predetermined dollar amount, as computed for financial reporting purposes in accordance with GAAP (before consideration of this fee).

Mr. Holmes also receives a bonus when our investment team meets their performance goals. The bonus is based on calculated fund performance bonuses of the investment team and is in recognition of Mr. Holmes' creation and oversight of the investment processes and strategy.

In addition, Mr. Holmes receives a percentage of offshore fund management and performance fees in recognition of attracting and managing offshore client accounts and a percentage of realized gains on investments, offset by realized losses and other-than-temporary write-downs, in recognition of his expertise in managing the investments of the company.

The committee has delegated to Mr. Holmes the responsibility for reviewing the performance of, and recommending the compensation levels for, our other NEOs. The committee does not use rigid formulas with respect to the compensation of NEOs. Mr. Holmes makes a recommendation based on the achievement of qualitative goals that apply to all employees, quantitative goals that apply to an executive officer's specific job responsibilities and other accomplishments, such as expansion in functional responsibility. In forming his recommendations, Mr. Holmes also considers the responsibilities and workload of the executive officer; the explicit and tacit knowledge required to perform these responsibilities, including any professional designations; the profitability of the company; and the cost of living in San Antonio, Texas.

Objectives

Our executive compensation programs are designed to:

- attract and retain key executives,
- align executive performance with our long-term interests and those of our shareholders, and
- link executive pay with performance.

Elements of Executive Compensation

The committee reviews and approves all components of executive officer compensation. The principal elements of executive compensation, other than Mr. Holmes, are:

- base salary,
- performance-based cash and stock bonuses,
- long-term incentive awards, and
- other compensation and benefits.

Base Salary

Base salaries for NEOs are reviewed annually by the Compensation Committee. Generally, the salaries of NEOs are occasionally adjusted to recognize expansion of an individual's role, outstanding and sustained performance, or to bring the officer's pay into alignment with the market. We did not use any benchmarking studies in fiscal year 2015 to obtain market information. In addition, the Compensation Committee did not consider the equity ownership of the Company by Mr. Holmes when setting his compensation. Nor did the committee aim for a specific relationship between Mr. Holmes and the other executive officers. Base salaries paid to NEOs during the fiscal year are shown in the Summary Compensation Table.

Performance-Based Cash Bonuses

Executive officers, except Mr. Holmes, participate in a team performance pay program based on each employee's annual salary to recognize monthly completion of departmental goals. Additionally, key executive officers are compensated based on individual performance pay arrangements. Discretionary cash bonuses are awarded from time to time for such things as completion of critical projects or outstanding performance.

Mr. Holmes considered a matrix of factors in reviewing the performance of, and compensation for, the CFO, Ms. Lisa Callicotte. Mr. Holmes considered such things as responsibilities, productivity, results of the Company's actual versus targeted goals, hours of work, profitability of the Company, timely and accurate financial regulatory filings, unqualified S-Ox and audit results and the cost of living in San Antonio. Occasionally, Ms. Callicotte receives discretionary bonuses for the completion of special projects.

In reviewing the performance of and compensation for the President and General Counsel Susan McGee, Mr. Holmes considers a matrix of factors including responsibilities, productivity, hours of work, profitability of the Company, timely and accurate regulatory filings, completion of regulatory examinations, and the cost of living in San Antonio. In addition to her base salary, Ms. McGee is paid a monthly bonus based on retail assets in recognition of her strategic guidance of the sales personnel. Ms. McGee receives a monthly bonus when certain financial metrics are met. Occasionally, Ms. McGee receives discretionary bonuses for special projects such as completion of regulatory exams or managing significant new business relationships.

Long-Term Incentive Awards

Long-term incentive awards include stock options and restricted shares. We have utilized option grants to induce qualified individuals to join us, thereby providing the individual with an opportunity to benefit if we have significant growth. Similarly, options have been utilized to reward existing employees, including NEOs, for long and faithful service and to encourage them to stay with us. The Compensation Committee administers the stock option plans. Although the Company has no written policy for allocating between cash and equity, or current and long-term compensation for the CEO and other NEOs, the weighting has generally been in the range of less than 5 percent long-term compensation in the form of options or stock awards, with the remaining compensation in cash.

Stock Option Plans

In November 1989, the Board of Directors adopted the 1989 Non-Qualified Stock Option Plan ("1989 Plan") which provides for the granting of options to purchase shares of our class A common stock to directors, officers, and employees. On December 6, 1991, shareholders approved and amended the 1989 Plan to provide provisions to cause the plan and future grants under the plan to qualify under 1934 Act Rule 16b-3. The 1989 Plan is administered by the Compensation Committee consisting of three outside members of the Board of Directors. The maximum number of shares of class A common stock initially approved for issuance under the 1989 Plan is 1,600,000 shares. During the fiscal year ended June 30, 2015, no stock options were granted. As of June 30, 2015, under this amended plan, 1,733,400 options had been granted, 883,000 options had been exercised, 850,400 options had expired, no options remained outstanding and 717,000 options are available for grant.

In April 1997, the Board of Directors adopted the 1997 Non-Qualified Stock Option Plan ("1997 Plan"), which shareholders approved on April 25, 1997. It provides for the granting of stock appreciation rights ("SARs") and/or options to purchase shares of our class A common stock to directors, officers and employees. The 1997 Plan expressly requires that all grants under the plan qualify under 1934 Act Rule 16b-3. The 1997 Plan is administered by the Compensation Committee consisting of three outside members of the Board of Directors. The maximum number of shares of class A common stock initially approved for issuance under the 1997 Plan is 400,000 shares. During the fiscal year ended June 30, 2015, no stock options were granted. As of June 30, 2015, 581,300 options had been granted; 257,000 shares had been exercised; 302,300 options had expired; 22,000 options remained outstanding, and 121,000 options are available for grant.

2010 Stock Incentive Plan

In October 2010, at the Annual Meeting of Shareholders, the class C shareholders voted to adopt the 2010 Stock Incentive Plan. The 2010 Stock Incentive Plan is intended to promote the interests of the Company by providing eligible persons in the Company's service with the opportunity to acquire a proprietary interest, or otherwise increase their proprietary interest, in the Company to align such persons' interests with those of the Company's shareholders and as an incentive for them to remain in such service. During fiscal year 2015, no stock bonuses were awarded to NEOs.

Assessment of Risk

By design, the Company's compensation program for all employees, including executive officers, does not incentivize excessive risk-taking. The Company's base salary component of compensation does not encourage risk-taking because it is a fixed amount. Generally, incentive awards have the following risk-limiting characteristics:

- Awards are made based on a review of a variety of indicators of performance, thus diversifying the risk associated with any single indicator of performance;
- For executive officers other than Mr. Holmes (who is a significant U.S. Global shareholder), the majority of the award value is delivered in the form of stock that vests over a multiple years, which aligns the interests of executive officers to long-term shareholder interests; and
- All participants, including executive officers, in the Employee Stock Purchase Plan are subject to stock ownership and holding guidelines.

Other Compensation and Benefits

Health, Welfare and Retirement Benefits

Health, welfare, and retirement benefits are designed to provide a safety net of protection for employees in the event of illness, disability, or death, and to provide employees an opportunity to accumulate retirement savings.

We offer a range of health and welfare benefits to substantially all employees, including the NEOs. These benefits include medical, dental, vision, prescription drug, short-term disability, long-term disability, group life and accidental death insurance, tuition reimbursement, and a free health club membership.

401(k) Plan

We offer a 401(k) plan covering substantially all employees, including NEOs. Participants may contribute, on a pretax basis, their base salary and cash incentive compensation, up to a limit imposed by the Internal Revenue Code, which is $18,000 in calendar year 2015. An additional "catch-up" pretax contribution of up to $5,500 is allowed for employees over 50. We automatically match 100 percent of the first 3 percent of participating employees' contributions and 50 percent of the next 2 percent of participating employees' contributions. We contribute to participants' accounts at the same time that the employee's pay deferral is made. Employees are immediately vested in both their 401(k) salary deferral contribution and the matched contributions. Participants in our 401(k) plan may allocate some or all of their contributions to a separate designated Roth account, commonly known as a Roth 401(k).

Profit Sharing

The 401(k) plan allows for us to make a discretionary profit sharing contribution, as authorized by the Board of Directors. Factors that are considered by the Board of Directors include earnings, cash flows, capital requirements and the general financial condition of the Company. No specific performance thresholds or goals are required by the board to authorize a profit sharing contribution. No profit sharing contributions were made in fiscal years 2015, 2014, or 2013.

Savings Plans

We also have a program pursuant to which we offer employees an opportunity to participate in savings programs using managed investment companies. Employee contributions to an Individual Retirement Account are matched to a maximum of $100 per month for certain management-level employees, including NEOs, and a maximum of $30 for all other employees. Similarly, certain management-level employees, including NEOs, may contribute to the Near-Term Tax Free Fund and we will match these contributions up to a maximum of $90 per month. A similar savings plan utilizing UGMA accounts is offered to all employees to save for minor relatives and is matched at a maximum of $15 per month per child.

Employee Stock Purchase Plan

We also have a program whereby eligible employees can purchase treasury shares, at market price, and we will automatically match their contribution up to 3 percent of gross salary. During fiscal years 2015, 2014, and 2013, employees purchased 37,383; 52,191; and 48,679 shares of treasury stock from us, respectively. The purchase price used is the closing stock price on the last business day of each month. All participants, including executive officers, in the Employee Stock Purchase Plan are subject to stock ownership and holding guidelines. We do not restrict the ability of our employees or directors to hedge their position in our shares. In addition, neither the board nor NEOs are required to own or purchase a certain number of shares.

The Summary Compensation Table includes the matched contributions to the plans described above for each NEO.

Perquisites and Other Benefits

We provide certain perquisites that the committee believes are reasonable and consistent with our overall compensation program to a limited number of officers. The perquisites consist of such things as memberships for business entertainment purposes and policies for long-term disability and life insurance. The Summary Compensation Table shows the value of perquisites provided to NEOs in fiscal year 2015 in the "All Other Compensation" column.

Employment Agreements, Termination and Change-in Control Arrangements

We do not have any employment agreements, termination agreements, or change-in control agreements with any of our executive officers.

Compliance with Section 162(m)

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public corporations for compensation greater than $1 million paid during any fiscal year to our CEO and our four other most highly compensated executive officers. However, the statute exempts qualifying performance-based compensation from the deduction limit if certain requirements are met. The Compensation Committee plans to review this matter as appropriate and take action as may be necessary to preserve the deductibility of compensation payments to the extent reasonably practical and consistent with our objectives.

Compensation of Named Executive Officers

The following table sets forth for the fiscal year ended June 30, 2015, the compensation reportable for the NEOs, as determined by SEC rules. Columns were omitted if they were not applicable.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Non-Equity Incentive Plan Compensation ($) [1]	All Other Compensation ($)	Total ($)
(dollars in thousands)							
Frank E. Holmes	2013	412	6	—	230	123	771
Chief Executive Officer	2014	422	4	—	220	119	765
Chief Investment Officer	2015	422	6	—	70	118 [2]	616
Catherine A. Rademacher	2013	101	49	—	—	18	168
Chief Financial Officer [4]							
Lisa C. Callicotte	2014	135	27	—	—	19	181
Chief Financial Officer [4]	2015	135	30	—	—	19 [3]	184
Susan B. McGee	2013	258	29	—	48	133	468
President	2014	258	34	—	23	123	438
General Counsel	2015	258	36	—	12	128 [5]	434

1. *Amounts consist of cash incentive compensation awards earned for services. The amounts were paid pursuant to the senior executive bonus programs.*
2. *Represents amounts paid by us on behalf of Mr. Holmes as follows: (i) $57 in insurance, (ii) $33 in matched contributions, (iii) $18 in memberships, and (iv) $10 in miscellaneous items.*
3. *Represents amounts paid by us on behalf of Ms. Callicotte as follows: (i) $17 in matched contributions and (ii) $2 in miscellaneous items.*
4. *Ms. Callicotte replaced Ms. Rademacher as Chief Financial Officer effective July 12, 2013.*
5. *Represents amounts paid by us on behalf of Ms. McGee as follows: (i) $73 in insurance, (ii) $26 in matched contributions, (iii) $19 in memberships, and (iv) $10 in miscellaneous items.*

No stock awards were granted to the named executive officer in fiscal year 2015.

During fiscal year 2015, there were no exercises of stock options or vesting of restricted stock. As of June 30, 2015, Ms. Callicotte held 2,000 fully vested stock options exercisable at a price of $12.31. These options expire on October 7, 2019. No other options were outstanding for any of the named executive officers.

The Outstanding Equity Awards at Fiscal Year-End, Pension Benefits and Nonqualified Deferred Compensation Tables were omitted because they were not applicable.

Compensation of Directors

The compensation of directors is subject to a minimum of $6,000 in any quarter paid in arrears. We may grant non-employee directors options under our 1989 and 1997 Stock Option Plans. Directors are reimbursed for reasonable travel expenses incurred in attending the meetings held by the Board of Directors. Mr. Rubinstein serves as the Chairman of the Board. The Company grants each director 100 shares of stock per month. Director compensation for the fiscal year ended June 30, 2015, is detailed in the table below. Columns that were not applicable were omitted.

Director Compensation

Name	Fees Earned or Paid in Cash [1]	Stock Awards [2]	Total
(dollars in thousands)			
Jerold H. Rubinstein	$ 109	$ 4	$ 113
Roy D. Terracina	$ 42	$ 4	$ 46
Thomas F. Lydon, Jr.	$ 24	$ 4	$ 28

1. *The difference in fees earned was primarily due to Mr. Rubinstein receiving an additional $5,000 per month for added responsibilities as chairman.*
2. *Amounts shown represent expense recognized in the consolidated financial statements for stock awards granted to non-employee directors in fiscal year 2015.*

Compensation Committee Report on Executive Compensation

The Compensation Committee is composed entirely of independent directors in accordance with the listing standards of the NASDAQ Stock Market. The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management. Based upon this review and discussion, the committee has recommended to the Board of Directors that the Compensation Discussion and Analysis section be included in this annual report.

Respectfully,

Members of the Compensation Committee

Thomas F. Lydon, Jr., Chairman
Jerold H. Rubinstein
Roy D. Terracina

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Security Ownership of Certain Beneficial Owners

Class C Common Stock (Voting Stock)

On September 4, 2015, there were 2,069,127 shares of the Company's class C common stock outstanding. The following table sets forth, as of such date, information regarding the beneficial ownership of the Company's class C common stock by each person known by the Company to own 5 percent or more of the outstanding shares of class C common stock.

Name and Address of Beneficial Owner	Class C Common Shares Beneficially Owned	Percent of Class (%)
Frank Holmes	2,064,560	99.78%
7900 Callaghan Road		
San Antonio, TX 78229		

Class A Common Stock (Nonvoting Stock)

On September 4, 2015, there were 13,264,590 shares of the Company's class A common stock issued and outstanding. The following table sets forth, as of such date, information regarding the beneficial ownership of the Company's class A common stock by each person known by the Company to own 5 percent or more of the outstanding shares of class A common stock.

Name and Address of Beneficial Owner	Class A Common Shares Beneficially Owned		Percent of Class (%)
Financial & Investment Management Group, Ltd. - Traverse City, MI [1]	2,638,047	[1]	19.89%
Royce & Associates, LLC [2]	2,050,954	[2]	15.46%

1. *Information is from Schedule 13G as of July 31, 2015, filed with the SEC on August 12, 2015.*
2. *Information is from Schedule 13F as of June 30, 2015, filed with the SEC on August 10, 2015.*

Security Ownership of Management

The following table sets forth, as of September 4, 2015, information regarding the beneficial ownership of the Company's class A and class C common stock by each director and named executive officer and by all directors and executive officers as a group. Except as otherwise indicated in the notes below, each person owns directly the number of shares indicated in the table and has sole voting power and investment power with respect to all such shares.

	Class C Common Stock		Class A Common Stock	
Beneficial Owner	Number of Shares	%	Number of Shares	%
Frank E. Holmes, CEO, Director	2,064,560	99.78%	415,321	3.13%
Lisa C. Callicotte, CFO	—	—	12,803	0.10%
Susan B. McGee, President, General Counsel	—	—	96,927	0.73%
Jerold H. Rubinstein, Director	—	—	900	0.01%
Roy D. Terracina, Director	—	—	55,700	0.42%
Thomas F. Lydon, Jr., Director	—	—	9,400	0.07%
All directors and executive officers as a group (six persons)	2,064,560	99.78%	591,051	4.46%

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	N/A	N/A	N/A
Equity compensation plans not approved by security holders			
1989 Stock Option Plan [1]	—	—	717,000
1997 Non-Qualified Stock Option Plan [2]	22,000	$ 18.72	121,000
Employee Stock Purchase Plan [3]	N/A	N/A	121,369
2010 Stock Incentive Plan [4]	N/A	N/A	81,400
Total	22,000		1,040,769

1. *Stock options under this plan may be granted to directors, officers, and employees of the Company from authorized but unissued shares or treasury shares.*
2. *Stock options under this plan may be granted to directors, executives, and key salaried employees of the Company from authorized but unissued shares or treasury shares. The term of the option periods must be less than ten years.*
3. *The Company has adopted a stock purchase plan to provide eligible employees of the Company an opportunity to purchase common stock of the Company. There are authorized shares of treasury stock reserved for issuance under the plan for which a registration statement was filed. The Company contributes on behalf of each participant an amount equal to lesser of (i) the aggregate amount of the participant's payroll deductions the purchase period, or (ii) 3% of the participant's base compensation during the purchase period.*
4. *The Company has adopted a stock incentive plan to provide eligible persons in the Company's service an opportunity to acquire common stock of the Company. There are authorized shares of treasury stock reserved for issuance under the plan for which a registration statement has not been filed.*

Item 13. Certain Relationships and Related Transactions, and Director Independence

U.S. Global is invested in several of the mutual funds it manages. See Note 18 Related Party Transactions to the Consolidated Financial Statements of this Annual Report in Form 10-K, which incorporates the information of the relationships and related transaction for this Item 13. Refer to Item 10 for information regarding director independence.

Item 14. Principal Accounting Fees and Services

The following table represents fees for professional audit services for the audit of the Company's annual financial statements for the fiscal years ended June 30, 2015, and 2014, respectively, rendered by BDO USA, LLP.

	Fiscal year ended June 30,	
(dollars in thousands)	**2015**	**2014**
Audit fees [1]	$ 245	$ 296
Audit-related fees [2]	10	10
Tax fees [3]	39	29
Total fees	$ 294	$ 335

1. *Audit fees consist of fees for professional services rendered by the principal accountant for the audit of the Company's annual financial statements and review of the financial statements included in the Company's Form 10-Q and for services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements.*
2. *Audit-related fees consist primarily of fees for assurance and related services by the accountant that are reasonably related to the performance of the audit or review of the Company's financial statements and fees related to the audit of the Employee Stock Purchase Plan.*
3. *Tax fees include the preparation of federal tax returns as well as tax planning and consultation on new tax legislation, regulations, rulings, and developments.*

Audit Committee Pre-Approval Policies

The Audit Committee has established pre-approval policies pursuant to which all audit and auditor- provided non-audit engagement fees and terms must be approved. Pre-approval is generally provided and is detailed as to the particular service or category of services. The Audit Committee is also responsible for considering, to the extent applicable, whether the independent auditors' provision of other non-audit services to the Company is compatible with maintaining the independence of the independent auditors.

All services provided by BDO USA, LLP in the fiscal years ended June 30, 2015, and 2014, were pre-approved by the Audit Committee.

Part IV of Annual Report on Form 10-K

Item 15. Exhibits, Financial Statement Schedules

(a) The following documents are filed as part of this report:

1. Financial Statements

See Item 8 of Part II of this report.

2. Financial Statement Schedules

None.

3. Exhibits

3.1	Fourth Restated and Amended Articles of Incorporation of Company, incorporated by reference to the Company's Form 10-Q for the quarterly report ended March 31, 2007 (EDGAR Accession Number 000095134-07-010817).
3.2	Amended and Restated By-Laws of Company, incorporated by reference to Exhibit 3.02 of the Company's Form 8-K filed on November 8, 2006, (EDGAR Accession Number 0000754811-06-000076).
10.1	Advisory Agreement with U.S. Global Investors Funds, dated October 1, 2008, incorporated by reference to Post-Effective Amendment 100 filed October 1, 2008 (EDGAR Accession No. 0000950134-08-017422).
10.2	Amended and Restated Transfer Agency Agreement, dated January 15, 2010, by and between U.S. Global Investors Funds and United Shareholder Services, Inc., incorporated by reference to Post-Effective Amendment 105 filed February 26, 2010 (EDGAR Accession No. 0000950123-10-018191).
10.3	Amended and Restated Administrative Services Agreement, dated December 9, 2013, by and between U.S. Global Investors Funds and U.S. Global Investors, Inc., incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2013 (EDGAR Accession No. 0000754811-14-000019).
10.4	Amended and Restated Distribution Plan Pursuant to Rule 12b-1 Plan, dated January 15, 2010, by and between U.S. Global Investors Funds and U.S. Global Brokerage, Inc., incorporated by reference to Post-Effective Amendment 105 filed February 26, 2010 (EDGAR Accession No. 0000950123-10-018191).
10.5	Amended and Restated Distribution Agreement dated March 4, 2010, by and between U.S. Global Investors Funds and U.S. Global Brokerage, Inc., incorporated by reference to Post-Effective Amendment 107 filed April 30, 2010 (EDGAR Accession No. 0001104659-10-024038).
10.7	United Services Advisors, Inc. 1989 Non-Qualified Stock Option Plan, incorporated by reference to Exhibit 4(a) of the Company's Registration Statement No. 33-3012, Post-Effective Amendment No. 2, filed on Form S-8 with the Commission on April 23, 1997 (EDGAR Accession No. 0000754811-97-000004).
10.8	U.S. Global Investors, Inc. 1997 Non-Qualified Stock Option Plan, incorporated by reference to Exhibit 4 of the Company's Registration Statement No. 333-25699 filed on Form S-8 with the Commission on April 23, 1997 (EDGAR Accession No. 0000754811-97-000003).
10.9	Line of Credit Note dated June 3, 2005, between the Company and JP Morgan Chase Bank N.A., incorporated by reference to Exhibit 10.10 of the Company's Form 10-K for fiscal year ended June 30, 2006 (EDGAR Accession No. 0000950134-06-017619).
10.10	2010 Stock Incentive Plan, incorporated by reference, filed on September 26, 2011 (EDGAR Accession No. 0000950123-11-082564).
10.11	Reserved
10.12	Amendment dated February 26, 2009 to Credit Agreement dated June 3, 2005, and Line of Credit Note dated February 26, 2009 by and between the Company and JP Morgan Chase Bank N.A., incorporated by reference, filed on September 10, 2009 (EDGAR Accession No. 0000950123-09-042459).
10.13	Registration statement for the U.S. Global Investors, Inc. Employee Stock Purchase Plan, as amended May 9, 2005, incorporated by reference, filed July 8, 2008 (EDGAR Accession No. 0000950134-08-012469).
10.14	Registration statement for the U.S. Global Investors, Inc. 401(k) Plan, as amended January 1, 2007, incorporated by reference, filed July 8, 2008 (EDGAR Accession No. 0000950134-08-012468).

10.15	Registration statement for the U.S. Global Investors, Inc. Employee Stock Purchase Plan, as amended April 28, 2009, incorporated by reference, filed April 30, 2009 (EDGAR Accession No. 0000950134-09-008950).
10.16	Note Modification Agreement dated May 14, 201, by and between the Company and JPMorgan Chase Bank, N.A., included herein.
10.17	Amended and Restated Administrative Services Agreement, dated August 14, 2014, and effective as of November 1, 2014, by and between U.S. Global Investors Funds and U.S. Global Investors, Inc., (EDGAR Accession No. 0001104659-14-062160).
10.18	Line of Credit Note dated June 29, 2015, between the Company and JP Morgan Chase Bank N.A., included herein.
14.01	Code of Ethics for Principal Executive and Senior Financial Officers, adopted December 15, 2003, and amended February 23, 2009, incorporated by reference, filed on September 10, 2009 (EDGAR Accession No. 0000950123-09-042459).
14.02	Code of Ethics, adopted June 28, 1989, and amended April 29, 2015, included herein.
21	List of Subsidiaries of the Company, included herein.
23.1	BDO USA, LLP consent of independent registered public accounting firm for Form 10-K for U.S. Global Investors, Inc., included herein.
24	Power of Attorney, incorporated by reference to Annual Report on Form 10-K for fiscal year ended June 30, 2001 (EDGAR Accession No. 0000754811-01-500016).
31.1	Rule 13a-14(a) Certifications (under Section 302 of the Sarbanes-Oxley Act of 2002), included herein.
32.1	Section 1350 Certifications (under Section 906 of the Sarbanes-Oxley Act of 2002), included herein.
101.INS	INS XBRL Instance Document.
101.SCH	SCH XBRL Taxonomy Extension Schema Document.
101.CAL	CAL XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	DEF XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	LAB XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	PRE XBRL Taxonomy Extension Presentation Linkbase Document.

Signatures

Pursuant to the requirements of Section 13 of 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

U.S. GLOBAL INVESTORS, INC.

By: /s/ Frank E. Holmes

FRANK E. HOLMES
Chief Executive Officer

Date: September 16, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	CAPACITY IN WHICH SIGNED	DATE
/s/ Frank E. Holmes FRANK E. HOLMES	Chief Executive Officer Chief Investment Officer Director	September 16, 2015
* /s/ Thomas F. Lydon, Jr. THOMAS F. LYDON, JR.	Director	September 16, 2015
* /s/ Jerold H. Rubinstein JEROLD H. RUBINSTEIN	Chairman, Board of Directors	September 16, 2015
* /s/ Roy D. Terracina ROY D. TERRACINA	Director	September 16, 2015
/s/ Lisa C. Callicotte LISA C. CALLICOTTE	Chief Financial Officer	September 16, 2015
*BY: /s/ Susan B. McGee Susan B. McGee Attorney-in-Fact under Power of Attorney dated September 26, 2001		September 16, 2015

Exhibit 10.16

CHASE   Note Modification Agreement

This agreement is dated as of May 14, 2015 (the **"Agreement Date"),** by and between U.S. GLOBAL INVESTORS, INC. (the **"Borrower")** and JPMorgan Chase Bank, N.A. (together with its successors and assigns, the **"Bank").** The provisions of this agreement are effective on the date that this agreement has been executed by all of the signers and delivered to the Bank (the **"Effective Date").**

WHEREAS, the Borrower executed a Line of Credit Note dated as of February 26, 2009 in the original principal amount of One Million and 00/100 Dollars ($1,000,000.00), (as same may have been amended or modified from time to time, the **"Note")** as evidence of an extension of credit from the Bank to the Borrower, which Note has at all times been, and is now, continuously and without interruption outstanding in favor of the Bank; and,

WHEREAS, the Borrower has requested and the Bank has agreed that the Note be modified to the limited extent as hereinafter set forth in this agreement;

NOW THEREFORE, in mutual consideration of the agreements contained herein and for other good and valuable consideration, the parties agree as follows:

1. **ACCURACY OF RECITALS.** The Borrower acknowledges the accuracy of the Recitals stated above.
2. **DEFINITIONS.** Capitalized terms used in this agreement shall have the same meanings as in the Note, unless otherwise defined
3. in this agreement.
4. **MODIFICATION OF NOTE.**

3.1 From and after the Effective Date the provision in the Note captioned **"Promise to Pay"** is hereby amended as follows:

3.2 The date on which the entire balance of unpaid principal plus accrued interest shall be due and payable immediately is hereby changed

3.3 from May 31, 2015 to May 31, 2016.

3.4 Each of the Related Documents is modified to provide that it shall be a default or an event of default thereunder if the

3.5 Borrower shall fail to comply with any of the covenants of the Borrower herein or if any representation or warranty by the Borrower

3.6 herein or by any guarantor in any Related Documents is materially incomplete, incorrect, or misleading as of the date hereof. As used

3.7 in this agreement, the **"Related Documents"** shall include the Note and all applications for letters of credit, loan agreements, credit

3.8 agreements, reimbursement agreements, security agreements, mortgages, deeds of trust, pledge agreements, assignments, guaranties, or

3.9 any other instrument or document executed in connection with the Note or in connection with any other obligations of the Borrower to

3.10 the Bank.

3.11 Each reference in the Related Documents to any of the Related Documents shall be a reference to such document as

3.12 modified by this agreement.

1. **RATIFICATION OF RELATED DOCUMENTS AND COLLATERAL.** The Related Documents are ratified and reaffirmed
2. by the Borrower and shall remain in full force and effect as they may be modified by this agreement. All property described as security
3. in the Related Documents shall remain as security for the Note, as modified by this agreement, and the Liabilities under the other
4. Related Documents.
5. **BORROWER REPRESENTATIONS AND WARRANTIES.** The Borrower represents and warrants to the Bank

Exhibit 10.16

that each of
6. the representations and warranties made in the Note and the other Related Documents and each of the following representations and
7. warranties are and will remain, true and correct until the later of maturity or the date on which all Liabilities evidenced by the Note are
8. paid in full:

5.1 No default, event of default or event that would constitute a default or event of default but for the giving of notice, the lapse of time or both, has occurred and is continuing under any provision of the Note, as modified by this agreement, or any other Related Document.

5.1 No event has occurred which may in any one case or in the aggregate materially and adversely affect the financial

5.2 condition, properties, business, affairs, prospects or operations of the Borrower or any guarantor or any subsidiary of the Borrower.

5.3 The Borrower has no defenses or counterclaims, offsets or adverse claims, demands or actions of any kind, personal or

5.4 otherwise, that it could assert with respect to the Note or any other Liabilities.

5.5 The Note, as modified by this agreement, and the other Related Documents are the legal, valid, and binding obligations

5.6 of the Borrower and the other parties, enforceable against the Borrower and other parties in accordance with their terms, except as may

5.7 be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by general principles of

5.8 equity.

5.9 The Borrower, other than any Borrower who is a natural person, is validly existing under the laws of the State of its

5.10 formation or organization. The Borrower has the requisite power and authority to execute and deliver this agreement and to perform

5.11 the obligations described in the Related Documents as modified herein. The execution and delivery of this agreement and the

5.12 performance of the obligations described in the Related Documents as modified herein have been duly authorized by all requisite

5.13 action by or on behalf of the Borrower. This agreement has been duly executed and delivered by or on behalf of the Borrower.

6. **BORROWER COVENANTS.** The Borrower covenants with the Bank:

6.1 The Borrower shall execute, deliver, and provide to the Bank such additional agreements, documents, and instruments as

6.2 reasonably required by the Bank to effectuate the intent of this agreement.

6.3 The Borrower fully, finally, and forever releases and discharges the Bank, its successors, and assigns and their respective

6.4 directors, officers, employees, agents, and representatives (each a **"Bank Party")** from any and all causes of action, claims, debts,

6.5 demands, and liabilities, of whatever kind or nature, in law or equity, of the Borrower, whether now known or unknown to the

6.6 Borrower, (i) in respect of the loan evidenced by the Note and the Related Documents, or of the actions or omissions of any Bank

6.7 Party in any manner related to the loan evidenced by the Note or the Related Documents and (ii) arising from events occurring prior to

6.8 the date of this agreement **("Claims");** provided, however, that the foregoing **RELEASE SHALL INCLUDE ALL CLAIMS**

6.9 **ARISING OUT OF THE NEGLIGENCE OF ANY BANK PARTY,** but not the gross negligence or willful misconduct of any

6.10 Bank Party.

Exhibit 10.16

6.11 To the extent not prohibited by applicable law, the Borrower shall pay to the Bank:

6.3.1 All the internal and external costs and expenses incurred (or charged by internal allocation) by the Bank in connection with this agreement (including, without limitation, inside and outside attorneys, appraisal, appraisal review, processing, title, filing, and recording costs, expenses, and fees).

1. **EXECUTION AND DELIVERY OF AGREEMENT BY THE BANK.** The Bank shall not be bound by this agreement until (i)
2. the Bank has executed this agreement and (ii) the Borrower has executed and delivered this agreement together with all other related
3. documents requested by the Bank, and the Borrower has fully satisfied all other conditions precedent, as determined by the Bank in its
4. sole discretion.
5. **STATEMENTS.** The Bank may from time to time provide the Borrower with account statements or invoices with respect to any
6. of the Liabilities ("Statements"). The Bank is under no duty or obligation to provide Statements, which, if provided, will be solely for
7. the Borrower's convenience. Statements may contain estimates of the amounts owed during the relevant billing period, whether of
8. principal, interest, fees or other Liabilities. If the Borrowers pay the full amount indicated on a Statement on or before the due date
9. indicated on such Statement, the Borrower shall not be in default of payment with respect to the billing period indicated on such
10. Statement; provided, that acceptance by the Bank of any payment that is less than the total amount actually due at that time (including
11. but not limited to any past due amounts) shall not constitute a waiver of the Bank's right to receive payment in full at another time.
12. **INTEGRATION, ENTIRE AGREEMENT, CHANGE, DISCHARGE, TERMINATION, OR WAIVER.** The Note, as

modified by this agreement, and the other Related Documents contain the complete understanding and agreement of the Borrower and the Bank in respect of any Liabilities evidenced by the Note and supersede all prior understandings, and negotiations. If any one or more of the obligations of the Borrower under this agreement or the Note, as modified by this Agreement, is invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining obligations of the Borrower shall not in any way be affected or impaired, and the invalidity, illegality or unenforceability in one jurisdiction shall not affect the validity, legality or enforceability of the obligations of the Borrower under this agreement, the Note as modified by this agreement and the other Related Documents in any other jurisdiction. No provision of the Note, as modified by this agreement, or any other Related Documents may be changed, discharged, supplemented, terminated, or waived except in a writing signed by the party against whom it is being enforced.

1. **GOVERNING LAW AND VENUE.** This agreement shall be governed by and construed in accordance with the laws of the State
2. of Texas (without giving effect to its laws of conflicts). The Borrower agrees that any legal action or proceeding with respect to any of
3. its obligations under the Note or this agreement may be brought by the Bank in any state or federal court located in the State of Texas,
4. as the Bank in its sole discretion may elect. By the execution and delivery of this agreement, the Borrower submits to and accepts, for
5. itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of those courts. The Borrower waives
6. any claim that the State of Texas is not a convenient forum or the proper venue for any such suit, action or proceeding. This agreement
7. binds the Borrower and its successors, and benefits the Bank, its successors and assigns. The Borrower shall not, however, have the
8. right to assign the Borrower's rights under this agreement or any interest therein, without the prior written consent of the Bank.
9. **COUNTERPART EXECUTION.** This agreement may be executed in multiple counterparts, each of which, when so

executed, shall be deemed an original, but all such counterparts, taken together, shall constitute one and the same agreement.

NOT A NOVATION. This agreement is a modification only and not a novation. In addition to all amounts hereafter due under the Note, as modified by this agreement, and the other Related Documents, all accrued interest evidenced by the Note being modified by this agreement and all accrued amounts due and payable under the Related Documents shall continue to be due and payable until paid. Except for the modification(s) set forth in this agreement, the Note, the other Related Documents and all the terms and conditions thereof, shall be and remain in full force and effect with the changes herein deemed to be incorporated therein. This agreement is to be considered attached to the Note and made a part thereof. This agreement shall not release or affect the liability of any guarantor, surety or endorser of the Note or release any owner of collateral securing the Note. The validity, priority and enforceability of the Note shall not be impaired hereby. References to the Related Documents and to other agreements shall not affect or impair the absolute and unconditional obligation of the Borrower to pay the principal and interest on the Note when due. The Bank reserves all rights against all parties to the Note and the other Related Documents.

TIME IS OF THE ESSENCE. Time is of the essence under this agreement and in the performance of every term, covenant and obligation contained herein.

THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Address: 7900 Callaghan Road
San Antonio, TX 78229

Borrower:

U.S. GLOBAL INVESTORS, INC.

By: /s/ Susan B. McGee
Susan B. McGee
Printed Name Title

Date Signed: June 29, 2015

BANK'S ACCEPTANCE

The foregoing agreement is hereby agreed to and acknowledged.

Bank:

JPMorgan Chase Bank, N.A

By: /s/ Natalie Hill
Natalie Hill Authorize Officer
Printed Name Title

Date Signed: June 29, 2015

Exhibit 10.18

CHASE Credit Agreement

This agreement dated as of June __29___, 2015 is between JPMorgan Chase Bank, N.A. (together with its successors and assigns, the "**Bank**"), whose address is 1020 North East Loop 410, San Antonio, TX 78209-1204, and U.S. GLOBAL INVESTORS, INC. (individually, the "**Borrower**" and if more than one, collectively, the "**Borrowers**"), whose address is 7900 Callaghan Road, San Antonio, TX 78229.

1. **Credit Facilities.**

   1. **Scope.** This agreement governs Facility A, and, unless otherwise agreed to in writing by the Bank and the Borrower or prohibited by any Legal Requirement (as hereafter defined), governs the Credit Facilities as defined below. This agreement amends and restates that certain Credit Agreement dated as of June 3, 2005. Advances under any Credit Facilities shall be subject to the procedures established from time to time by the Bank. Any procedures agreed to by the Bank with respect to obtaining advances, including automatic loan sweeps, shall not vary the terms or conditions of this agreement or the other Related Documents regarding the Credit Facilities.

   2. **Facility A (Line of Credit).** The Bank has approved a credit facility to the Borrower in the principal sum not to exceed $1,000,000.00 in the aggregate at any one time outstanding ("**Facility A**"). Credit under Facility A shall be repayable as set forth in a Line of Credit Note executed concurrently with this agreement, and any renewals, modifications, extensions, rearrangements, restatements thereof and replacements or substitutions therefor.

   3. **Commitment Fee.** The Borrower shall pay to the Bank a commitment fee calculated on the average daily unused portion of Facility A at a rate of 0.35% per annum (based on a year deemed to be comprised of 360 days, unless the calculation would result in a usurious interest rate, in which case interest will be calculated on the basis of a 365 or 366 day year, as the case may be), payable in arrears within fifteen (15) days of the end of each calendar quarter for which the fee is owing. The Bank may begin to accrue the foregoing fee on the date the Borrower signs or otherwise authenticates this agreement.

2. **Definitions and Interpretations.**

   1. **Definitions.** As used in this agreement, the following terms have the following respective meanings:

      A. "**Account**" means a trade account, account receivable, other receivable, or other right to payment for goods sold or leased or services rendered.

      B. "**Affiliate**" means any Person which, directly or indirectly Controls or is Controlled by or under common Control with, another Person, and any director or officer thereof. The Bank is under no circumstances to be deemed an Affiliate of the Borrower or any of its Subsidiaries.

      C. "**Anti-Corruption Laws**" means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption.

      D. "**Authorizing Documents**" means certificates of authority to transact business, certificates of good standing, borrowing resolutions, appointments, officer's certificates, certificates of incumbency, and other documents which empower and authorize or evidence the power and authority of all Persons (other than the Bank) executing any Related Document or their representatives to execute and deliver the Related Documents and perform the Person's obligations thereunder.

Exhibit 10.18

E. **"Collateral"** means all Property, now or in the future subject to any Lien in favor of the Bank, securing or intending to secure, any of the Liabilities.

F. **"Control"** as used with respect to any Person, means the power to direct or cause the direction of, the management and policies of that Person, directly or indirectly, whether through the ownership of Equity Interests, by contract, or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

G. **"Credit Facilities"** means all extensions of credit from the Bank to the Borrower, whether now existing or hereafter arising, including but not limited to those described in Section 1, if any, and those extended contemporaneously with this agreement.

H. **"Distributions"** means all dividends and other distributions made to any Equity Owners, other than salary, bonuses, and other compensation for services expended in the current accounting period.

I. **"Equity Interests"** means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

J. **"Equity Owner"** means a shareholder, partner, member, holder of a beneficial interest in a trust or other owner of any Equity Interests.

K. **"GAAP"** means generally accepted accounting principles in effect from time to time in the United States of America, consistently applied.

L. **"Intangible Assets"** means the aggregate amount of: (1) all assets classified as intangible assets under GAAP, including, without limitation, goodwill, trademarks, patents, copyrights, organization expenses, franchises, licenses, trade names, brand names, mailing lists, catalogs, excess of cost over book value of assets acquired, and bond discount and underwriting expenses; and (2) loans or advances to, investments in, or receivables from (i) any Affiliate, officer, director, employee, Equity Owner or agent of the Borrower or (ii) any Person if such loan, advance, investment or receivable is outside the Borrower's ordinary course of business.

M. **"Legal Requirement"** means any law, ordinance, decree, requirement, order, judgment, rule, Sanctions, regulation (or interpretation of any of the foregoing) of any foreign governmental authority, the United States of America, any state thereof, any political subdivision of any of the foregoing or any agency, department, commission, board, bureau, court or other tribunal having jurisdiction over the Bank, any Pledgor or any Obligor or any of its Subsidiaries or their respective Properties or any agreement by which any of them is bound.

N. **"Liabilities"** means all indebtedness, liabilities and obligations of every kind and character of the Borrower to the Bank, whether the obligations, indebtedness and liabilities are individual, joint and several, contingent or otherwise, now or hereafter existing, including, without limitation, all liabilities, interest, costs and fees, arising under or from any note, open account, overdraft, credit card, lease, Rate Management Transaction, letter of credit application, endorsement, surety agreement, guaranty, acceptance, foreign exchange contract or depository service contract, whether payable to the Bank or to a third party and subsequently acquired by the Bank, any monetary obligations (including interest) incurred or accrued during the pendency of any bankruptcy, insolvency, receivership or other similar proceedings, regardless of whether allowed or allowable in such proceeding, and all renewals, extensions, modifications, consolidations, rearrangements, restatements, replacements or substitutions of any of the foregoing.

O. "**Lien**" means any mortgage, deed of trust, pledge, charge, encumbrance, security interest, collateral assignment or other lien or restriction of any kind.

P. "**Notes**" means all promissory notes, instruments and/or contracts now or hereafter evidencing the Credit Facilities.

Q. "**Obligor**" means any Borrower, guarantor, surety, co-signer, endorser, general partner or other Person who may now or in the future be obligated to pay any of the Liabilities.

R. "**Organizational Documents"** means, with respect to any Person, certificates of existence or formation, documents establishing or governing the Person or evidencing or certifying that the Person is duly organized and validly existing in accordance with all applicable Legal Requirements, including all amendments, restatements, supplements or modifications to such certificates and documents as of the date of the Related Document referring to the Organizational Document and any and all future modifications thereto approved by the Bank.

S. "**Permitted Investments**" means (1) readily marketable direct obligations of the United States of America or any agency thereof with maturities of one year or less from the date of acquisition; (2) fully insured (if issued by a bank other than the Bank) certificates of deposit with maturities of one year or less from the date of acquisition issued by any commercial bank operating in the United States of America having capital and surplus in excess of $500,000,000.00; (3) commercial paper of a domestic issuer if at the time of purchase such paper is rated in one of the two highest rating categories of Standard and Poor's Corporation or Moody's Investors Service; (4) if there is no existing default under this agreement or any other Related Document and to do so will not cause a default under any of such agreements, corporate investments in Borrower's proprietary account ("**Proprietary Account**") consistent with historical practices; and (5) if there is no existing default under this agreement or any other Related Document and to do so will not cause a default under any of such agreements, acquisitions of or investments in other companies in an amount of up to $5,000,000.00 in any calendar year ("**Permitted Acquisitions**").

T. "**Person**" means any individual, corporation, partnership, limited liability company, joint venture, joint stock association, association, bank, business trust, trust, unincorporated organization, any foreign governmental authority, the United States of America, any state of the United States and any political subdivision of any of the foregoing or any other form of entity.

U. "**Pledgor**" means any Person providing Collateral.

V. "**Property**" means any interest in any kind of property or asset, whether real, personal or mixed, tangible or intangible.

W. "**Rate Management Transaction**" means any transaction (including an agreement with respect thereto) that is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option, derivative transaction or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

X. "**Related Documents**" means this agreement, the Notes, applications for letters of credit, all loan agreements, credit agreements, reimbursement agreements, security agreements, mortgages, deeds of trust, pledge agreements, assignments, guaranties, and any other instrument or document executed in connection with this agreement or with any of the Liabilities.

Y. "**Sanctions**" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

Z. "**Sanctioned Country**" means, at any time, a country or territory which is the subject or target of any Sanctions.

AA. "**Sanctioned Person**" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

AB. "**Subsidiary**" means, as to any particular Person (the "parent"), a Person the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of the date of determination, as well as any other Person of which fifty percent (50%) or more of the Equity Interests is at the time of determination directly or indirectly owned, Controlled or held, by the parent or by any Person or Persons Controlled by the parent, either alone or together with the parent.

AC. "**Tangible Net Worth**" means total assets less the sum of Intangible Assets and total liabilities.

2. **Interpretations.** Whenever possible, each provision of the Related Documents shall be interpreted in such manner as to be effective and valid under applicable Legal Requirements. If any provision of this agreement cannot be enforced, the remaining portions of this agreement shall continue in effect. In the event of any conflict or inconsistency between this agreement and the provisions of any other Related Documents, the provisions of this agreement shall control. Use of the term "including" does not imply any limitation on (but may expand) the antecedent reference. Any reference to a particular document includes all modifications, supplements, replacements, renewals or extensions of that document, but this rule of construction does not authorize amendment of any document without the Bank's consent. Section headings are for convenience of reference only and do not affect the interpretation of this agreement. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP. Whenever the Bank's determination, consent, approval or satisfaction is required under this agreement or the other Related Documents or whenever the Bank may at its option take or refrain from taking any action under this agreement or the other Related Documents, the decision as to whether or not the Bank makes the determination, consents, approves, is satisfied or takes or refrains from taking any action, shall be in the sole and exclusive discretion of the Bank, and the Bank's decision shall be final and conclusive.

3. **Conditions Precedent to Extensions of Credit.**

1. **Conditions Precedent to Initial Extension of Credit under each of the Credit Facilities.** Before the first extension of credit governed by this agreement and any initial advance under any of the Credit Facilities, whether by disbursement of a loan, issuance of a letter of credit, or otherwise, the Borrower shall deliver to the Bank, in form and substance satisfactory to the Bank:

A. **Loan Documents.** The Notes, and as applicable, the letter of credit applications, reimbursement agreements, the security agreements, the pledge agreements, financing statements, mortgages or deeds of trust, the guaranties, the subordination agreements, and any other documents which the Bank may reasonably require to give effect to the transactions described in this agreement or the other Related Documents;

B. **Organizational and Authorizing Documents.** The Organizational Documents and Authorizing Documents of the Borrower and any other Persons (other than the Bank) executing the Related Documents in form and substance satisfactory to the Bank that at a minimum: (i) document the due organization, valid existence and good standing of the Borrower and every other Person (other than the Bank) that is a party to this agreement or any other Related Document; (ii) evidence that each Person (other than the Bank) which is a party to this agreement or any other Related Document has the power and authority to enter into the transactions described therein; and (iii) evidence that the Person signing on behalf of each Person that is a party to the Related Documents (other than the Bank) is duly authorized to do so; and

C. **Liens.** The termination, assignment or subordination, as determined by the Bank, of all Liens on the Collateral in favor of any secured party (other than the Bank).

2. **Conditions Precedent to Each Extension of Credit.** Before any extension of credit governed by this agreement, whether by disbursement of a loan, issuance of a letter of credit or otherwise, the following conditions must be satisfied:

A. **Representations.** The representations of the Borrower and any other parties, other than the Bank, in the Related Documents are true on and as of the date of the request for and funding of the extension of credit;

B. **No Event of Default.** No default, event of default or event that would constitute a default or event of default but for the giving of notice, the lapse of time or both, has occurred in any provision of this agreement, the Notes or any other Related Documents and is continuing or would result from the extension of credit;

C. **Additional Approvals, Opinions, and Documents.** The Bank has received any other approvals, opinions and documents as it may reasonably request; and

D. **No Prohibition or Onerous Conditions.** The making of the extension of credit is not prohibited by and does not subject the Bank, any Obligor, or any Subsidiary of the Borrower to any penalty or onerous condition under, any Legal Requirement.

4. **Affirmative Covenants.** The Borrower agrees to do, and cause each of its Subsidiaries to do, each of the following:

1. **Insurance.** Maintain insurance with financially sound and reputable insurers, with such insurance and insurers to be satisfactory to the Bank, covering its Property and business against those casualties and contingencies and in the types and amounts as are in accordance with sound business and industry practices, and furnish to the Bank, upon request of the Bank, reports on each existing insurance policy showing such information as the Bank may reasonably request.

2. **Existence.** Maintain its existence and business operations as presently in effect in accordance with all applicable Legal Requirements, pay its debts and obligations when due under normal terms, and pay on or before their due date, all taxes, assessments, fees and other governmental monetary obligations, except as they may be contested in good faith if they have been properly reflected on its books and, at the Bank's request, adequate funds or security has been pledged or reserved to insure payment.

3. **Financial Records.** Maintain proper books and records of account, in accordance with GAAP, and consistent with financial statements previously submitted to the Bank.

4. **Inspection.** Permit the Bank, its agents and designees to: (a) inspect and photograph its Property, to examine and copy files, books and records, and to discuss its business, operations, prospects, assets,

affairs and financial condition with the Borrower's or its Subsidiaries' officers and accountants, at times and intervals as the Bank reasonably determines; (b) perform audits or other inspections of the Collateral, including the records and documents related to the Collateral; and (c) confirm with any Person any obligations and liabilities of the Person to the Borrower or its Subsidiaries. The Borrower will, and will cause its Subsidiaries to cooperate with any inspection or audit. The Borrower will pay the Bank the reasonable costs and expenses of any audit or inspection of the Collateral (including fees and expenses charged internally by the Bank for asset reviews) promptly after receiving the invoice.

5. **Financial Reports.** Furnish to the Bank whatever information, statements, books and records the Bank may from time to time reasonably request, including at a minimum:

A. Within forty-five (45) days after release, the Borrower’s 10-Q report.

B. Within one hundred and twenty (120) days after and as of the end of each of its fiscal years, the Borrower’s annual consolidated financial statements prepared in accordance with GAAP, including a balance sheet and statements of income, cash flow and retained earnings, such financial statements to be audited by an independent certified public accountant of recognized standing acceptable to the Bank.

C. With each 10-Q and annual financial statement, a Compliance Certificate in the form attached to this agreement, certified and executed by Borrower’s chief financial officer, or other officer or an individual satisfactory to the Bank. In the event of a conflict between this agreement and the Compliance Certificate, the terms of this agreement shall control.

6. **Notices of Claims, Litigation, Defaults, etc.** Promptly inform the Bank in writing of: (1) all existing and all threatened litigation, claims, investigations, administrative proceedings and similar actions or changes in Legal Requirements affecting it which could materially affect its business, assets, affairs, prospects or financial condition; (2) the occurrence of any event of default under any of the Related Documents; (3) the institution of steps by it to withdraw from, or the institution of any steps to terminate, any employee benefit plan as to which it may have liability; (4) any reportable event or any prohibited transaction in connection with any employee benefit plan; (5) any additions to or changes in the locations of its businesses; and (6) any alleged breach by the Bank of any provision of this agreement or of any other Related Document.

7. **Other Agreements.** Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between it and any other Person.

8. **Title to Assets and Property.** Maintain good and marketable title to all of its Properties, and defend them against all claims and demands of all Persons at any time claiming any interest in them.

9. **Additional Assurances.** Promptly make, execute and deliver any and all agreements, documents, instruments and other records that the Bank may request to evidence any of the Credit Facilities, cure any defect in the execution and delivery of any of the Related Documents, perfect any Lien, comply with any Legal Requirement applicable to the Bank or the Credit Facilities or describe more fully particular aspects of the agreements set forth or intended to be set forth in any of the Related Documents.

10. **Employee Benefit Plans.** Maintain each employee benefit plan as to which it may have any liability, in compliance with all Legal Requirements.

11. **Banking Relationship.** Establish and maintain its primary banking depository and disbursement relationship with the Bank.

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12. **Compliance with Anti-Corruption Laws and Sanctions.** Maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

5. **Negative Covenants.**

1. Unless otherwise noted, the financial requirements set forth in this section will be computed in accordance with GAAP applied on a basis consistent with financial statements previously submitted by the Borrower to the Bank.

2. Without the written consent of the Bank, the Borrower will not and no Subsidiary of the Borrower will:

A. **Distributions.** Redeem, retire, purchase or otherwise acquire, directly or indirectly, any of its Equity Interests, return any contribution to an Equity Owner or, other than stock dividends and dividends paid to the Borrower, declare or pay any Distributions; provided, however, that if there is no existing default under this agreement or any other Related Document and to do so will not cause a default under any of such agreements the Borrower may (i) pay Distributions to its Equity Owners sufficient in amount to pay their income tax obligations attributable to the Borrower's taxable income if the Borrower is a sub S corporation, limited liability company or partnership, and (ii) repurchase shares of its outstanding common stock in accordance with historical practices pursuant to the stock buyback plan previously approved by Borrower's board of directors.

B. **Sale of Equity Interests.** Issue, sell or otherwise dispose of its Equity Interests; provided, however, that if there is no existing default under this agreement or any other Related Document and to do so will not cause a default under any of such agreements the Borrower may continue to issue and sell stock to employees in accordance with historical practices pursuant to its 2010 Stock Incentive Plan and Employee Stock Purchase Plan.

C. **Debt.** Incur, contract for, assume, or permit to remain outstanding, indebtedness for borrowed money, installment obligations, or obligations under capital leases or operating leases, other than (1) unsecured trade debt incurred in the ordinary course of business, (2) indebtedness owing to the Bank, (3) indebtedness reflected in its latest financial statement furnished to the Bank prior to execution of this agreement and that is not to be paid with proceeds of borrowings under the Credit Facilities, and (4) indebtedness outstanding as of the date hereof that has been disclosed to the Bank in writing and that is not to be paid with proceeds of borrowings under the Credit Facilities.

D. **Guaranties.** Guarantee or otherwise become or remain secondarily liable on the undertaking of another, except for endorsement of drafts for deposit and collection in the ordinary course of business.

E. **Liens.** Create or permit to exist any Lien on any of its Property except: existing Liens known to and approved by the Bank; Liens to the Bank; Liens incurred in the ordinary course of business securing current non-delinquent liabilities for taxes, worker's compensation, unemployment insurance, social security and pension liabilities.

F. **Use of Proceeds.** Use, or permit any proceeds of the Credit Facilities to be used, directly or indirectly, for: (1) any personal, family or household purpose; or (2) the purpose of "purchasing or carrying any margin stock" within the meaning of Federal Reserve Board Regulation U. At the Bank's request, it will furnish a completed Federal Reserve Board Form U-1. Request any Credit Facility or use, or permit any proceeds of the Credit Facilities to be used, directly or indirectly, by the Borrower or any of its Subsidiaries or its or their respective directors, officers, employees and agents: (1) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws;

(2) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country; or (3) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

G. **Continuity of Operations.** (1) Engage in any business activities substantially different from those in which it is presently engaged; (2) cease operations, liquidate, merge, transfer, acquire or consolidate with any other Person, change its name, dissolve, or sell any assets out of the ordinary course of business; (3) enter into any arrangement with any Person providing for the leasing by it of Property which has been sold or transferred by it to such Person; or (4) change its business organization, the jurisdiction under which its business organization is formed or organized, or its chief executive office, or any places of its businesses. Notwithstanding clause (2) above, Borrower may sell the building it currently owns in which its corporate headquarters are located.

H. **Limitation on Negative Pledge Clauses.** Enter into any agreement with any Person other than the Bank which prohibits or limits its ability to create or permit to exist any Lien on any of its Property, whether now owned or hereafter acquired.

I. **Conflicting Agreements.** Enter into any agreement containing any provision which would be violated or breached by the performance of its obligations under this agreement or any of the other Related Documents.

J. **Transfer of Ownership.** Permit any pledge of any Equity Interest in it or any sale or other transfer of any Equity Interest in it.

K. **Limitation on Loans, Advances to and Investments in Others and Receivables from Others.** Purchase, hold or acquire any Equity Interest or evidence of indebtedness of, make or permit to exist any loans or advances to, permit to exist any receivable from, or make or permit to exist any investment or acquire any interest whatsoever in, any Person, except: (1) extensions of trade credit to customers in the ordinary course of business on ordinary terms; (2) Permitted Investments, including without limitation trading in its Proprietary Account in accordance with historical practices and Permitted Acquisitions; and (3) loans, advances, investments and receivables existing as of the date of this agreement that have been disclosed to and approved by the Bank in writing and that are not to be paid with proceeds of borrowings under the Credit Facilities.

L. **Organizational Documents.** Alter, amend or modify any of its Organizational Documents.

M. **Government Regulation.** (1) Be or become subject at any time to any Legal Requirement or list of any government agency (including, without limitation, the U.S. Office of Foreign Asset Control list) that prohibits or limits the Bank from making any advance or extension of credit to it or from otherwise conducting business with it, or (2) fail to provide documentary and other evidence of its identity as may be requested by the Bank at any time to enable the Bank to verify its identity or to comply with any applicable Legal Requirement, including, without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318.

N. **Subsidiaries.** Form, create or acquire any Subsidiary other than (i) U. S. Global Brokerage, Inc., U.S. Global Investors (Bermuda) Limited and U.S. Global Investors (Canada) Limited, U.S. Global Indices, LLC, and (ii) Subsidiaries acquired or created in Permitted Acquisitions or in the normal course of business.

3. **Financial Covenants.** Without the written consent of the Bank, the Borrower will not:

A. **Current Ratio.** Permit as of any fiscal quarter end, its ratio of current assets to current liabilities to be less than 2.00 to 1.00.

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B. **Leverage Ratio.** Permit as of any fiscal quarter end, its ratio of total liabilities to Tangible Net Worth to be greater than 0.75 to 1.00.

A. **Liquidity.** Permit at any time its total of cash, marketable securities and accounts receivable (net of reserves), to be less than $5,000,000.00 in aggregate market value, *provided that* not more than 25% of the foregoing amount shall consist of “margin stock” as defined in Federal Reserve Board Regulation U.

4. **Financial Statement Calculations.** The financial covenant(s) set forth in Section 5.3 entitled **"Financial Covenants"** or in any subsection thereof shall, except as may be otherwise expressly provided with respect to any particular financial covenant, be calculated on the basis of the Borrower’s financial statements prepared on a consolidated basis with its Subsidiaries in accordance with GAAP. Except as may be otherwise expressly provided with respect to any particular financial covenant, if any financial covenant states that it is to be tested with respect to any particular period of time (which may be referred to therein as a **"Test Period"**) ending on any test date (e.g., a fiscal month end, fiscal quarter end, or fiscal year end), then compliance with that covenant shall be required commencing with the period of time ending on the first test date that occurs after the date of this agreement (or, if applicable, of the amendment to this agreement which added or amended such financial covenant).

6. **Representations.**

1. **Representations and Warranties by the Borrower.** To induce the Bank to enter into this agreement and to extend credit or other financial accommodations under the Credit Facilities, the Borrower represents and warrants as of the date of this agreement and as of the date of each request for credit under the Credit Facilities that each of the following statements is and shall remain true and correct throughout the term of this agreement and until all Credit Facilities and all Liabilities under the Notes and other Related Documents are paid in full: (a) its principal residence or chief executive office is at the address shown above, (b) its name as it appears in this agreement is its exact name as it appears in its Organizational Documents, (c) the execution and delivery of this agreement and the other Related Documents to which it is a party, and the performance of the obligations they impose, do not violate any Legal Requirement, conflict with any agreement by which it is bound, or require the consent or approval of any other Person, (d) this agreement and the other Related Documents have been duly authorized, executed and delivered by all parties thereto (other than the Bank) and are valid and binding agreements of those Persons, enforceable according to their terms, except as may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by general principles of equity, (e) all balance sheets, profit and loss statements, and other financial statements and other information furnished to the Bank in connection with the Liabilities are accurate and fairly reflect the financial condition of the Persons to which they apply on their effective dates, including contingent liabilities of every type, which financial condition has not changed materially and adversely since those dates, (f) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) is pending or threatened against it, and no other event has occurred which may in any one case or in the aggregate materially adversely affect it or any of its Subsidiaries' financial condition, properties, business, affairs or operations, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by the Bank in writing, (g) all of its tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being contested by it in good faith and for which adequate reserves have been provided, (h) it is not an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended, (i) there are no defenses or counterclaims, offsets or adverse claims, demands or actions of any kind, personal or otherwise, that it could assert with respect to this agreement or the Credit Facilities, (j) it owns, or is licensed to use, all trademarks, trade names, copyrights, technology, know-how and processes necessary for the conduct of its business as currently conducted, and (k) the execution and delivery of this agreement and the other Related Documents to which it is a party and the performance of the obligations they

impose, if the Borrower is other than a natural Person (i) are within its powers, (ii) have been duly authorized by all necessary action of its governing body, and (iii) do not contravene the terms of its Organizational Documents or other agreement or document governing its affairs.

2. **Representations and Warranties Regarding Anti-Corruption Laws and Sanctions.** The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective officers and employees and to the knowledge of the Borrower its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower, any Subsidiary or to the knowledge of the Borrower or such Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No advance, letter of credit, use of proceeds or other transaction contemplated by the Credit Facilities will violate Anti-Corruption Laws or applicable Sanctions.

7. **Default/Remedies.**

1. **Events of Default/Acceleration.** If any of the following events occurs, the Notes shall become due immediately, without notice, at the Bank's option, and the Borrower hereby waives notice of intent to accelerate the maturity of the Notes and notice of acceleration of the Notes upon the occurrence of any of the following events:

A. Any Obligor fails to pay when due any of the Liabilities or any other debt to any Person, or any amount payable with respect to any of the Liabilities, or under any Note, any other Related Document, or any agreement or instrument evidencing other debt to any Person.

B. Any Obligor or any Pledgor: (i) fails to observe or perform or otherwise violates any other term, covenant, condition or agreement of any of the Related Documents; (ii) makes any materially incorrect or misleading representation, warranty, or certificate to the Bank; (iii) makes any materially incorrect or misleading representation in any financial statement or other information delivered to the Bank; or (iv) defaults under the terms of any agreement or instrument relating to any debt for borrowed money (other than the debt evidenced by the Related Documents) and the effect of such default will allow the creditor to declare the debt due before its stated maturity.

C. In the event (i) there is a default under the terms of any Related Document, (ii) any Obligor terminates or revokes or purports to terminate or revoke its guaranty or any Obligor's guaranty becomes unenforceable in whole or in part, (iii) any Obligor fails to perform promptly under its guaranty, or (iv) any Obligor fails to comply with, or perform under any agreement, now or hereafter in effect, between the Obligor and the Bank, or any Affiliate of the Bank or their respective successors and assigns.

D. There is any loss, theft, damage, or destruction of any Collateral valued in excess of $150,000.00 in the aggregate and not covered by insurance.

E. Any event occurs that would permit the Pension Benefit Guaranty Corporation to terminate any employee benefit plan of any Obligor or any Subsidiary of any Obligor.

F. Any Obligor or any of its Subsidiaries or any Pledgor: (i) becomes insolvent or unable to pay its debts as they become due; (ii) makes an assignment for the benefit of creditors; (iii) consents to the appointment of a custodian, receiver, or trustee for itself or for a substantial part of its Property; (iv) commences any proceeding under any bankruptcy, reorganization, liquidation, insolvency or similar laws; (v) conceals or removes any of its Property, with intent to hinder, delay or defraud any of its creditors; (vi) makes or permits a transfer of any of its Property, which may be fraudulent under any bankruptcy, fraudulent conveyance or similar law; or (vii) makes a transfer of any of its Property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid.

G. A custodian, receiver, or trustee is appointed for any Obligor or any of its Subsidiaries or any Pledgor or for a substantial part of their respective Property.

H. Any Obligor or any of its Subsidiaries, without the Bank's written consent: (i) liquidates or is dissolved; (ii) merges or consolidates with any other Person; (iii) leases, sells or otherwise conveys a material part of its assets or business outside the ordinary course of its business except the sale of the building in which its corporate headquarters are located; (iv) leases, purchases, or otherwise acquires a material part of the assets of any other Person, except in the ordinary course of its business in connection with Permitted Acquisitions; or (v) agrees to do any of the foregoing; provided, however, that any Subsidiary of an Obligor may merge or consolidate with any other Subsidiary of that Obligor, or with the Obligor, so long as the Obligor is the survivor, and any Subsidiary may merge with another Subsidiary in connection with any Permitted Acquisition.

I. Proceedings are commenced under any bankruptcy, reorganization, liquidation, or similar laws against any Obligor or any of its Subsidiaries or any Pledgor and remain undismissed for thirty (30) days after commencement; or any Obligor or any of its Subsidiaries or any Pledgor consents to the commencement of those proceedings.

J. Any judgment exceeding $150,000.00 is entered against any Obligor or any of its Subsidiaries, or any attachment, seizure, sequestration, levy, or garnishment is issued against any Property of any Obligor or any of its Subsidiaries or of any Pledgor or any Collateral.

K. Any individual Obligor or Pledgor dies, or a guardian or conservator is appointed for any individual Obligor or Pledgor or all or any portion of their respective Property, or the Collateral.

2. **Cure Periods.** Except as expressly provided to the contrary in the Notes or any of the Related Documents, no condition, event or occurrence shall constitute the occurrence of a default under the Notes, of a default under any of the Liabilities or of a default under any of the Related Documents unless: (a) the Bank has notified the Borrower of such condition, event or occurrence in writing (a "Default Notice"); and (b) such condition, event, or occurrence has not been fully cured (i) within five (5) days after the Borrower's receipt of a Default Notice, if the condition, event or occurrence giving rise to such Default Notice can be cured by the payment of money, or (ii) within thirty (30) days after the Borrower's receipt of a Default Notice, if the condition, event or occurrence giving rise to such Default Notice is of a nature that it can be cured only by the means other than payment of money.

Provided, however, that the Borrower shall have no notice and cure rights under this section if: (a) the condition, event or occurrence giving rise to the occurrence of a default under the Notes, of a default under the Liabilities or of a default under the Related Documents (i) is a condition, event or occurrence described in any of clauses C(ii), (F), (G), (H), (I), or (K) of the section captioned Events of Default/Acceleration section above or (ii) constitutes a breach of any covenant in any Related Document prohibiting the sale or transfer of (I) any assets of any Borrower, Mortgagor, Pledgor, Debtor, Assignor, Trustor or any similar pledging or borrowing party (other than as permitted with respect to trading in the Proprietary Account where permitted under this agreement) or (2) any of the Collateral; or (b) the Borrower, during the twelve (12) month period immediately preceding any Default Notice, has been given either (i) any other Default Notice covering the same condition, event or occurrence or (ii) three (3) or more other Default Notices of any nature.

3. **Remedies.** At any time after the occurrence of a default, the Bank may do one or more of the following: (a) cease permitting the Borrower to incur any Liabilities; (b) terminate any commitment of the Bank

evidenced by any of the Notes; (c) declare any of the Notes to be immediately due and payable, without notice of acceleration, intention to accelerate, presentment and demand or protest or notice of any kind, all of which are hereby expressly waived; (d) exercise all rights of setoff that the Bank may have contractually, by law, in equity or otherwise; and (e) exercise any and all other rights pursuant to any of the Related Documents, at law, in equity or otherwise.

A. **Generally.** The rights of the Bank under this agreement and the other Related Documents are in addition to other rights (including without limitation, other rights of setoff) the Bank may have contractually, by law, in equity or otherwise, all of which are cumulative and hereby retained by the Bank.

B. **Bank's Right of Setoff.** The Borrower grants to the Bank a security interest in the Deposits, and the Bank is authorized to setoff and apply, all Deposits, Securities and Other Property, and Bank Debt against any and all Liabilities. This right of setoff may be exercised at any time from time to time after the occurrence of any default, without prior notice to or demand on the Borrower and regardless of whether any Liabilities are contingent, unmatured or unliquidated. In this paragraph: (a) the term "**Deposits**" means any and all accounts and deposits of the Borrower (whether general, special, time, demand, provisional or final) at any time held by the Bank (including all Deposits held jointly with another, but excluding any IRA or Keogh Deposits, or any trust Deposits in which a security interest would be prohibited by any Legal Requirement); (b) the term "**Securities and Other Property**" means any and all securities and other personal Property of the Borrower in the custody, possession or control of the Bank, JPMorgan Chase & Co. or their respective Subsidiaries and Affiliates (other than Property held by the Bank in a fiduciary capacity); and (c) the term "**Bank Debt**" means all indebtedness at any time owing by the Bank, to or for the credit or account of the Borrower and any claim of the Borrower (whether individual, joint and several or otherwise) against the Bank now or hereafter existing.

8. **Miscellaneous.**

1. **Notice.** Any notices and demands under or related to this agreement shall be in writing and delivered to the intended party at its address stated in this agreement, and if to the Bank, at its main office if no other address of the Bank is specified in this agreement, by one of the following means: (a) by hand; (b) by a nationally recognized overnight courier service; or (c) by certified mail, postage prepaid, with return receipt requested. Notice shall be deemed given: (a) upon receipt if delivered by hand; (b) on the Delivery Day after the day of deposit with a nationally recognized courier service; or (c) on the third Delivery Day after the notice is deposited in the mail. "**Delivery Day**" means a day other than a Saturday, a Sunday or any other day on which national banking associations are authorized to be closed. Any party may change its address for purposes of the receipt of notices and demands by giving notice of the change in the manner provided in this provision.

2. **Statements.** The Bank may from time to time provide the Borrower with account statements or invoices with respect to any of the Liabilities ("Statements"). The Bank is under no duty or obligation to provide Statements, which, if provided, will be solely for the Borrower's convenience. Statements may contain estimates of the amounts owed during the relevant billing period, whether of principal, interest, fees or other Liabilities. If the Borrower pays the full amount indicated on a Statement on or before the due date indicated on such Statement, the Borrower shall not be in default of payment with respect to the billing period indicated on such Statement; provided, that acceptance by the Bank of any payment that is less than the total amount actually due at that time (including but not limited to any past due amounts) shall not constitute a waiver of the Bank's right to receive payment in full at another time.

3. **No Waiver.** No delay on the part of the Bank in the exercise of any right or remedy waives that right or remedy. No single or partial exercise by the Bank of any right or remedy precludes any other future exercise of it or the exercise of any other right or remedy. The making of an advance during the

existence of any default or subsequent to the occurrence of a default or when all conditions precedent have not been met shall not constitute a waiver of the default or condition precedent. No waiver or indulgence by the Bank of any default is effective unless it is in writing and signed by the Bank, nor shall a waiver on one occasion bar or waive that right on any future occasion.

4. **Integration; Severability.** This agreement, the Notes, and the other Related Documents embody the entire agreement and understanding between the Borrower and the Bank and supersede all prior agreements and understandings relating to their subject matter. If any one or more of the obligations of the Borrower under this agreement, the Notes, or the other Related Documents or any provision thereof is held to be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining obligations of the Borrower and the remaining provisions shall not in any way be affected or impaired; and the invalidity, illegality or unenforceability in one jurisdiction shall not affect the validity, legality or enforceability of such obligations or provisions in any other jurisdiction.

5. **Joint and Several Liability.** Each party executing this agreement as the Borrower is individually, jointly and severally liable under this agreement.

6. **Governing Law and Venue.** This agreement shall be governed by and construed in accordance with the laws of the State of Texas (without giving effect to its laws of conflicts). The Borrower agrees that any legal action or proceeding with respect to any of its obligations under this agreement may be brought by the Bank in any state or federal court located in the State of Texas, as the Bank in its sole discretion may elect. By the execution and delivery of this agreement, the Borrower submits to and accepts, for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of those courts. The Borrower waives any claim that the State of Texas is not a convenient forum or the proper venue for any such suit, action or proceeding.

7. **Survival of Representations and Warranties.** The Borrower understands and agrees that in extending the Credit Facilities, the Bank is relying on all representations, warranties, and covenants made by the Borrower in this agreement or in any certificate or other instrument delivered by the Borrower to the Bank under this agreement or in any of the other Related Documents. The Borrower further agrees that regardless of any investigation made by the Bank, all such representations, warranties and covenants will survive the making of the Credit Facilities and delivery to the Bank of this agreement, shall be continuing in nature, and shall remain in full force and effect until such time as the Liabilities shall be paid in full.

8. **Non-Liability of the Bank.** The relationship between the Borrower on one hand and the Bank on the other hand shall be solely that of borrower and lender. The Bank shall have no fiduciary responsibilities to the Borrower. The Bank undertakes no responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the Borrower’s business or operations.

9. **Indemnification of the Bank.** The Borrower agrees to indemnify, defend and hold the Bank, its parent companies, Subsidiaries, Affiliates, their respective successors and assigns and each of their respective shareholders, directors, officers, employees and agents (collectively, the "**Indemnified Persons**") harmless from any and against any and all loss, liability, obligation, damage, penalty, judgment, claim, deficiency, expense, interest, penalties, attorneys' fees (including the fees and expenses of any attorneys engaged by the Indemnified Person) and amounts paid in settlement ("**Claims**") to which any Indemnified Person may become subject arising out of or relating to the Credit Facilities, the Liabilities under this agreement or any other Related Documents or the Collateral, **including any Claims resulting from any Indemnified Person’s own negligence**, except to the limited extent that the Claims are proximately caused by the Indemnified Person's gross negligence or willful misconduct. The indemnification provided for in this paragraph shall survive

the termination of this agreement and shall not be affected by the presence, absence or amount of or the payment or nonpayment of any claim under, any insurance.

10. **Counterparts.** This agreement may be executed in multiple counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts, taken together, shall constitute one and the same agreement.

11. **Advice of Counsel.** The Borrower acknowledges that it has been advised by counsel, or had the opportunity to be advised by counsel, in the negotiation, execution and delivery of this agreement and any other Related Documents.

12. **Recovery of Additional Costs.** If the imposition of or any change in any Legal Requirement, or the interpretation or application of any thereof by any court or administrative or governmental authority (including any request or policy not having the force of law) shall impose, modify, or make applicable any taxes (except federal, state, or local income or franchise taxes imposed on the Bank), reserve requirements, liquidity requirements, capital adequacy requirements, Federal Deposit Insurance Corporation (FDIC) deposit insurance premiums or assessments, or other obligations which would (A) increase the cost to the Bank for extending, maintaining or funding the Credit Facilities, (B) reduce the amounts payable to the Bank under the Credit Facilities, or (C) reduce the rate of return on the Bank's capital as a consequence of the Bank's obligations with respect to the Credit Facilities, then the Borrower agrees to pay the Bank such additional amounts as will compensate the Bank therefor, within five (5) days after the Bank's written demand for such payment. The Bank's demand shall be accompanied by an explanation of such imposition or charge and a calculation in reasonable detail of the additional amounts payable by the Borrower, which explanation and calculations shall be conclusive in the absence of manifest error.

13. **Expenses.** To the extent not prohibited by applicable Legal Requirements and whether or not the transactions contemplated by this agreement are consummated, the Borrower is liable to the Bank and agrees to pay on demand all reasonable costs and expenses of every kind incurred in connection with the negotiation, preparation, execution, filing, recording, amendment, modification, supplementing and waiver of this agreement and the Related Documents, the making, servicing and collection of the Credit Facilities and the realization on any Collateral and any other amounts owed under this agreement or the Related Documents, including without limitation reasonable attorneys' fees and court costs. These costs and expenses include without limitation any costs or expenses incurred by the Bank in any bankruptcy, reorganization, insolvency or other similar proceeding involving any Obligor, Pledgor, or Property of any Obligor, Pledgor, or Collateral. The obligations of the Borrower under this section shall survive the termination of this agreement.

14. **Reinstatement.** The Borrower agrees that to the extent any payment or transfer is received by the Bank in connection with the Liabilities, and all or any part of the payment or transfer is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid or transferred by the Bank or paid or transferred over to a trustee, receiver or any other entity, whether under any proceeding or otherwise (any of those payments or transfers is hereinafter referred to as a "**Preferential Payment**"), then this agreement and the Notes shall continue to be effective or shall be reinstated, as the case may be, even if all those Liabilities have been paid in full and whether or not the Bank is in possession of the Notes and whether any of the Notes has been marked, paid, released or cancelled, or returned to the Borrower and, to the extent of the payment, repayment or other transfer by the Bank, the Liabilities or part intended to be satisfied by the Preferential Payment shall be revived and continued in full force and effect as if the Preferential Payment had not been made. The obligations of the Borrower under this section shall survive the termination of this agreement.

15. **Assignments.** The Borrower agrees that the Bank and its Affiliates may at any time work together and share any information about the Borrower and its Affiliates and their relationships with the Bank or any of its Affiliates or their successors, with and among the Bank or any of its Affiliates or their

successors, or any purchaser or potential purchaser of any of the Notes or the other Liabilities, or any representative of any of the parties described in this sentence. The Borrower agrees that the Bank may at any time sell, assign or transfer one or more interests or participations in all or any part of its rights and obligations in the Notes to one or more purchasers whether or not related to the Bank.

16. **Waivers.** To the maximum extent not prohibited by applicable Legal Requirements, each Obligor waives (a) any right to receive notice of the following matters before the Bank enforces any of its rights: (i) any demand, diligence, presentment, dishonor and protest, or (ii) any action that the Bank takes regarding any Person, any Collateral, or any of the Liabilities, that it might be entitled to by law or under any other agreement; (b) any right to require the Bank to proceed against the Borrower, any other Obligor or any Collateral, or pursue any remedy in the Bank's power to pursue; (c) any defense based on any claim that any Obligor's obligations exceed or are more burdensome than those of the Borrower; (d) the benefit of any statute of limitations affecting liability of any Obligor or the enforcement hereof; (e) any defense arising by reason of any disability or other defense of the Borrower or by reason of the cessation from any cause whatsoever (other than payment in full) of the obligation of the Borrower for the Liabilities; and (f) any defense based on or arising out of any defense that the Borrower may have to the payment or performance of the Liabilities or any portion thereof. Each Obligor consents to any extension or postponement of time of its payment without limit as to the number or period, to any substitution, exchange or release of all or any part of any Collateral, to the addition of any other party, and to the release or discharge of, or suspension of any rights and remedies against, any Obligor. The Bank may waive or delay enforcing any of its rights without losing them. Any waiver affects only the specific terms and time period stated in the waiver. No modification or waiver of any provision of the Notes is effective unless it is in writing and signed by the Person against whom it is being enforced. To the extent not prohibited by any Legal Requirement, each Obligor waives (a) all of its rights under Rule 31, Texas Rules of Civil Procedure, Chapter 43 of the Texas Civil Practice and Remedies Code, and Section 17.001 of the Texas Civil Practice and Remedies Code; (b) to the extent it is subject to the Texas Revised Partnership Act ("**TRPA**") or Section 152.306 of the Texas Business Organizations Code ("**BOC**"), compliance by the Bank with Section 3.05(d) of TRPA and Section 152.306(b) of BOC; and (c) if the Liabilities are secured by an interest in real Property, all of its rights under Sections 51.003, 51.004, and 51.005 of the Texas Property Code (as amended from time to time).

17. **Time is of the Essence**. Time is of the essence under this agreement and in the performance of every term, covenant and obligation contained herein.

18. **Confidentiality.** The Bank agrees that it will treat information provided by the Borrower or its representatives to the Bank (the "**Information**") as confidential; provided, however, that the Bank may disclose the Information (a) to its Affiliates and its and its Affiliates' directors, employees, officers, auditors, consultants, agents, counsel and advisors (such Affiliates and such Persons collectively, "**Representatives**"), it being understood that its Representatives shall be informed by the Bank of the confidential nature of such Information and be instructed to comply with the terms of this section to the same extent as is required of the Bank hereunder; (b) in response to a subpoena or other legal process, or as may otherwise be required by law, order or regulation, or upon the request or demand of any governmental or regulatory agency or authority having jurisdiction over the Bank or its Representatives or to defend or prosecute a claim brought against or by the Bank and/or its Representatives related to Borrower or any of the Credit Facilities; (c) to actual and prospective assignees, actual and prospective participants, and actual and prospective swap counterparties, provided that all such participants, assignees or swap counterparties execute an agreement with the Bank containing provisions substantially the same as those contained in this section; (d) to holders of Equity Interests in the Borrower, other than holders of any Equity Interest in a publicly traded company; (e) to any Obligor; and (f) with the Borrower's consent. The restrictions contained in this section shall not apply to Information which (a) is or becomes generally available to the public other than as a result of a disclosure by the Bank or its Representatives in breach of this section, or (b) becomes available to the Bank or its Representatives from a source, other than the Borrower or one

of its agents, who is not known to the Bank or its Representatives to be bound by any obligations of confidentiality to the Borrower, or (c) was known to the Bank or its Representatives prior to its disclosure to the Bank or its Representatives by the Borrower or one of its agents or was independently developed by the Bank or its Representatives, or (d) was or is, after the date hereof, disclosed (or required to be disclosed) by the Borrower to the Bank or any of its Representatives under or in connection with any existing financing relationship between the Borrower and the Bank or any of its Representatives, the disclosure of which shall be governed by the agreements executed in connection with such financing relationship. Any Person required to maintain the confidentiality of the Information as provided in this section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

9. **USA PATRIOT ACT NOTIFICATION.** The following notification is provided to the Borrower pursuant to Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318:

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each Person that opens an account, including any deposit account, treasury management account, loan, other extension of credit, or other financial services product. What this means for the Borrower: When the Borrower opens an account, if it is an individual the Bank will ask for its name, taxpayer identification number, residential address, date of birth, and other information that will allow the Bank to identify it, and, if it is not an individual the Bank will ask for its name, taxpayer identification number, business address, and other information that will allow the Bank to identify it. The Bank may also ask, if the Borrower is an individual, to see its driver's license or other identifying documents, and if it is not an individual, to see its Organizational Documents or other identifying documents.

10. **WAIVER OF SPECIAL DAMAGES.** THE BORROWER WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT THE UNDERSIGNED MAY HAVE TO CLAIM OR RECOVER FROM THE BANK IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

11. **JURY WAIVER.** TO THE MAXIMUM EXTENT NOT PROHIBITED BY APPLICABLE LAW, THE BORROWER AND THE BANK (BY ITS ACCEPTANCE HEREOF) HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) BETWEEN THE BORROWER AND THE BANK ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE OTHER RELATED DOCUMENTS. THIS PROVISION IS A MATERIAL INDUCEMENT TO THE BANK TO PROVIDE THE FINANCING DESCRIBED HEREIN.

THIS AGREEMENT AND THE OTHER WRITTEN RELATED DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Exhibit 10.18

Address(es) for Notices:

7900 Callaghan Road
San Antonio, TX 78229

Borrower:

U.S. GLOBAL INVESTORS, INC.

By: /s/ Susan B. McGee

Susan B. McGee

Printed Name Title

Date Signed: 6/29/2015

BANK'S ACCEPTANCE

The foregoing agreement is hereby agreed to and acknowledged.

Bank:

JPMorgan Chase Bank, N.A.

By: /s/ Natalie Hill

Natalie Hill Authorized Officer

Printed Name Title

Date Signed: 6/29/2015

Exhibit 10.18

Compliance Certificate Form as of May 7, 2015

COMPLIANCE CERTIFICATE

To: JPMorgan Chase Bank, N.A.

This Compliance Certificate (**"Certificate"**), for the period ended ________________ ______, 20______, is furnished pursuant to that certain Credit Agreement dated as of May 7, 2015 (as amended, modified, renewed or extended from time to time, the **"Agreement"**) among U.S. GLOBAL INVESTORS, INC. (the **"Borrower"**), and JPMorgan Chase Bank, N.A. (the **"Bank"**). Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the________________________ of the Borrower and I am authorized to deliver this Certificate on behalf of the Borrower and its Subsidiaries;

2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the compliance of the Borrower and its Subsidiaries with the Agreement during the accounting period covered by the attached financial statements (the **"Relevant Period"**);

3. The attached financial statements of the Borrower and, as applicable, its Subsidiaries and/or Affiliates for the Relevant Period: (a) have been prepared on an accounting basis (the **"Accounting Method"**) consistent with the requirements of the Agreement and, except as may have been otherwise expressly agreed to in the Agreement, in accordance with GAAP consistently applied, and (b) to the extent that the attached are not the Borrower's annual fiscal year end statements, are subject to normal year-end audit adjustments and the absence of footnotes;

4. The examinations described in paragraph 2 did not disclose and I have no knowledge of, except as set forth below, (a) the existence of any condition or event which constitutes a default or an event of default under the Agreement or any other Related Document during or at the end of the Relevant Period or as of the date of this Certificate, or which would, subject to the giving of notice or the lapse of time or both, constitute a default or event of default under the Agreement or any other Related Document during or at the end of the Relevant Period or as of the date of this Certificate or (b) any change in the Accounting Method or in the application thereof that has occurred since the date of the annual financial statements delivered to the Bank in connection with the closing of the Agreement or subsequently delivered as required in the Agreement;

5. I hereby certify that, except as set forth below, no Obligor has, if applicable, changed its (i) name, (ii) chief executive office, (iii) principal place of business, (iv) the type of entity it is or (v) state of incorporation or organization without having received the Bank's prior written consent;

6. Schedule I attached hereto sets forth financial data and computations evidencing the Borrower's compliance with certain covenants of the Agreement, all of which data and computations are true, complete and correct; and

7. Described below are the exceptions, if any, referred to in paragraph 4 hereof by listing, in detail, the (i) nature of the condition or event, the period during which it has existed and the action which the Borrower has taken, is taking, or proposes to take with respect to each such condition or event or (ii) change in the Accounting Method or the application thereof and the effect of such change on the attached financial statements:

The foregoing certifications, together with the computations set forth in Schedule I hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this ___ day of ____________,______.

U.S. GLOBAL INVESTORS, INC.

By:

Name:

Title:

Exhibit 10.18

Schedule I to Compliance Certificate for U.S. GLOBAL INVESTORS, INC.
Financial Covenants

Compliance as of _________________, 20___ (the **"Compliance Test Date"**) with
Certain covenants contained in the Agreement and
Supporting calculations attached hereto

5.3 **Financial Covenants**. Without the written consent of the Bank, the Borrower will not:

A. **Current Ratio.** Permit at any time, its Current Ratio to be less than 2.00 to 1.00.

As of the Compliance Test Date shown above, the **Current Ratio** is ______.___ to 1.00

Compliance as of the Compliance Test Date shown above: [__] Yes [__] No

B. **Leverage Ratio.** Permit at any time, its Leverage Ratio to be greater than 0.75 to 1.00.

As of the Compliance Test Date shown above, the **Leverage Ratio** is ______.___ to 1.00

Compliance as of the Compliance Test Date shown above: [__] Yes [__] No

Liquidity. Permit at any time its Liquidity to be less than $5,000,000.00.

As of the Compliance Test Date shown above, the **Liquidity** is $_____________________

Compliance as of the Compliance Test Date shown above: [__] Yes [__] No

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
As Amended April 29, 2015

Table of Contents

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**,

   c. **U.S. Global ETFs**, and

   d. **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**, **U.S. Global ETFs**, 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**, **U.S. Global ETFs,** 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, USGI ETFs**, 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**, **USGI ETFs**, 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**, **USGI ETFs**, 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 <u>**are required**</u> 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**, **USGI ETFs**, 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**, **USGI ETFs**, 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**, **USGI ETFs**, 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, USGI ETFs**, 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, USGI ETFs**, 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**, **USGI ETFs**, 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. <u>RESTRICTIONS ON OTHER ACTIVITIES</u>

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 (and USGI's General Counsel shall review or supervise the review of the Chief Compliance Officer's **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.

<u>APPENDIX A</u>

DEFINITIONS

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

<u>Defined Persons</u>

<u>Covered Person</u> 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**.

<u>Investment Personnel</u> 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).

<u>Covered Independent Director</u> 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.

<u>Partially Covered Independent Director</u> 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.

<u>Independent Subadviser</u> 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.

<u>Portfolio Manager</u> 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.

<u>Defined Securities and Accounts</u>

<u>Automatic Investment Plan</u> 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.

<u>Covered Security</u> 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 ("ETF"), 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 ETFs means any ETF managed 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.

APPENDIX B

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 21 – Subsidiaries of the Company, Jurisdiction of Incorporation, and Percentage of Ownership

1. United Shareholder Services, Inc. – incorporated in Texas and wholly owned by the Company
2. U.S. Global Investors (Bermuda) Ltd. – incorporated in Bermuda and wholly owned by the Company
3. U.S. Global Brokerage, Inc. – incorporated in Texas and wholly owned by the Company
4. U.S. Global Investors (Canada) Ltd. – incorporated in Canada and wholly owned by the Company
5. U.S. Global Indices, LLC – incorporated in Texas and wholly owned by the Company
6. Galileo Global Equity Advisors, Inc. – incorporated in Canada and 65 percent owned by U.S. Global Investors (Canada) Ltd.

Exhibit 23.1 – Consent of BDO USA, LLP

Consent of Independent Registered Public Accounting Firm

U.S. Global Investors, Inc.
San Antonio, Texas

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 of U.S. Global Investors, Inc. of our report dated September 16, 2015, relating to the consolidated financial statements of U.S. Global Investors, Inc.'s, which appears in the Annual Report to Shareholders, which is incorporated by reference in this Annual Report on Form 10-K.

/s/ BDO USA, LLP

BDO USA, LLP
Dallas, Texas
September 16, 2015

Exhibit 31.1 — Rule 13a – 14(a) Certifications
(under Section 302 of the Sarbanes-Oxley Act of 2002)

I, Frank E. Holmes, the principal executive officer of U.S. Global Investors, Inc., certify that:

1. I have reviewed this annual report on Form 10-K 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 officer 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 the registrant's Board of Directors (or persons performing the equivalent functions):

   (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: September 16, 2015

/s/ Frank E. Holmes

Frank E. Holmes
Chief Executive Officer

Rule 13a – 14(a) Certifications
(under Section 302 of the Sarbanes-Oxley Act of 2002)

I, Lisa C. Callicotte, the principal financial officer of U.S. Global Investors, Inc., certify that:

1. I have reviewed this annual report on Form 10-K 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 officer 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 the registrant's Board of Directors (or persons performing the equivalent functions):

    (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: September 16, 2015

/s/ Lisa C. Callicotte

Lisa C. Callicotte
Chief Financial Officer

Exhibit 32.1 — Section 1350 Certifications
(under Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Annual Report of U.S. Global Investors, Inc. (the Company) on Form 10-K for the year ending June 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Frank E. Holmes, Chief Executive Officer of the Company, hereby certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 16, 2015

/s/ Frank E. Holmes

Frank E. Holmes
Chief Executive Officer

A signed original of the written statement required by Section 906 has been provided to U.S. Global Investors, Inc. and will be retained by U.S. Global Investors, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Section 1350 Certifications
(under Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Annual Report of U.S. Global Investors, Inc. (the Company) on Form 10-K for the year ending June 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Lisa C. Callicotte, Chief Financial Officer of the Company, hereby certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 16, 2015

/s/ Lisa C. Callicotte

Lisa C. Callicotte
Chief Financial Officer

A signed original of the written statement required by Section 906 has been provided to U.S. Global Investors, Inc. and will be retained by U.S. Global Investors, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.