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, 2024

or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the transition period from _____ to _____

Commission File Number 0-13928

U.S. GLOBAL INVESTORS, INC.
(Exact name of registrant as specified in its charter)

Texas (State or other jurisdiction of incorporation or organization)	**74-1598370** (IRS Employer Identification No.)
7900 Callaghan Road **San Antonio, Texas** (Address of principal executive offices)	**78229** (Zip Code)

(210) 308-1234
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A common stock, $0.025 par value per share	GROW	NASDAQ Capital Market

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

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 every Interactive Data File required to be submitted 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 such files).
Yes ☒ No ☐

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

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☒

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 10,840,218 shares of nonvoting class A common stock held by nonaffiliates of the registrant was $30,569,415, based on the last sale price quoted on NASDAQ as of December 31, 2023, 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 3,989 shares of the class C common stock held by nonaffiliates of the registrant on December 31, 2023 (based on the last sale price of the class C common stock in a private transaction) was $997. 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 August 21, 2024, there were 13,866,999 shares of Registrant’s class A nonvoting common stock issued and 11,612,094 shares of Registrant’s class A nonvoting common stock outstanding, no shares of Registrant’s class B nonvoting common stock outstanding, and 2,068,549 shares of Registrant’s class C voting common stock issued and outstanding.

Documents incorporated by reference: None

Table of Contents

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 two business segments:

1. Investment Management Services, through which the Company offers, to U.S. Global Investors Funds (“USGIF” or the “Fund(s)”) and exchange-traded fund (“ETF”) clients, a range of investment management products and services to meet the needs of individual and institutional investors; and
2. Corporate Investments, through which the Company invests for its own account in an effort to add growth and value to its cash position. The Company holds a significant amount of its total assets in investments.

As part of its investment management business, the Company provides: (1) investment advisory services and (2) 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.

Business Segments

Business segments are discussed below.

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 a 60 days' notice. In September 2023, the Board of Trustees of USGIF approved the annual renewal of the advisory agreement. Management anticipates that the advisory agreement will be renewed.

In addition to providing advisory services to USGIF, the Company provides advisory services to three U.S.-based ETF clients: U.S. Global Jets ETF, U.S. Global GO GOLD and Precious Metal Miners ETF, and the U.S. Global Sea to Sky Cargo ETF. The advisory agreement for the U.S. based ETFs have been renewed through July 2025. The Company also serves as investment advisor to one European-based ETF, The Travel UCITS ETF. The advisory services agreement for The Travel UCITS ETF is not subject to renewal on an annual basis and is terminable upon 6-months' notice.

Table of Contents

Net assets under management on June 30, 2024, and 2023, are detailed in the following table.

Assets Under Management ("AUM")

Fund	Ticker	June 30, 2024	June 30, 2023
(dollars in thousands)			
ETF Clients			
Airline, Travel and Cargo			
U.S. Global Jets ETF	JETS	$ 1,152,909	$ 1,939,144
The Travel UCITS ETF (1)	TRIP	19,750	-
U.S. Global Sea to Sky ETF	SEA	7,219	3,636
U.S. Global Jets UCITS ETF (1)	JETS	-	5,893
Total Airline, Travel and Cargo		1,179,878	1,948,673
Gold and Natural Resources			
U.S. Global GO GOLD and Precious Metal Miners ETF	GOAU	94,089	92,980
Total Gold and Natural Resources		94,089	92,980
Total ETF Clients		1,273,967	2,041,653
U.S. Global Investors Funds			
Gold and Natural Resources			
Gold and Precious Metals	USERX	101,515	99,697
Global Resources	PSPFX	41,720	50,758
World Precious Minerals	UNWPX	41,608	47,661
Total Gold and Natural Resources		184,843	198,116
Emerging Markets			
Emerging Europe (2)	EUROX	-	12,274
China Region (2)	USCOX	-	6,707
Total Emerging Markets		-	18,981
International Equity			
Global Luxury Goods	USLUX	48,453	48,232
Total International Equity		48,453	48,232
Bond			
U.S. Government Securities Ultra-Short Bond	UGSDX	30,072	33,214
Near-Term Tax Free	NEARX	25,030	29,896
Total Bond		55,102	63,110
Total U.S. Global Investors Funds		288,398	328,439
Total AUM		$ 1,562,365	$ 2,370,092

1. During fiscal 2024, the U.S. Global Jets UCITS ETF merged into The Travel UCITS ETF.
2. During fiscal 2024, the Emerging Europe and China Region funds were liquidated.

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. The administrative services agreement with USGIF is subject to renewal on an annual basis and is terminable upon 60 days' notice. In September 2023, the Board of Trustees of USGIF approved the annual renewal of the administrative services agreement. Management anticipates that the administrative services agreement will be renewed.

Corporate Investments

Investment Activities. In addition to providing management and advisory services, the Company is actively engaged in investing for its own account. See segment information in the Notes to the Consolidated Financial Statements at Note 16, Financial Information by Business Segment, of this Annual Report on 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 16, Financial Information by Business Segment, of this Annual Report on Form 10-K.

Human Capital

As of June 30, 2024, U.S. Global and its wholly-owned subsidiaries employed 23 full-time employees and 3 part-time employees. Our compensation program is designed to attract, retain and reward qualified individuals who possess the skills and motivation necessary to support our business objectives and assist in the achievement of goals. Key to our compensation program are performance-based cash and fund share bonuses and incentives for achieving professional certifications. In addition to base salary and bonus compensation, we also offer employees benefits such as life, disability, and health (medical, dental and vision) insurance, paid time off, a 401(k) plan that includes a match, discretionary profit-sharing, and assistance with savings programs. We also offer long-term incentive awards which include stock options.

Competition

The mutual fund industry is highly competitive. According to the Investment Company Institute, at the end of 2023 there were approximately 8,600 domestically registered open-end investment companies and approximately 3,300 exchange-traded funds of varying sizes and investment policies, whose shares are being offered to the public in the U.S. 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, and other financial institutions. Many of these institutions are able to engage in more liberal advertising than mutual funds and ETFs 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 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 gold mining and exploration, natural resources, and airlines. 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 business 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 and ETFs effectively. Operating revenues from management and administrative services fees are based on the assets of the funds under management. 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 airlines, the Company faces the same obstacles 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 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 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 its clients 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.

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 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 the ETFs 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 ETFs 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.

U.S. Global is required to keep and maintain certain reports and records, which must be made available to the SEC upon request.

U.S. Global manages clients' portfolios on a discretionary basis, with the authority to enter into security transactions, select broker-dealers to execute trades, and negotiate brokerage commissions. The Company may receive soft dollar credits from certain broker-dealers that are used to pay for research and related services or products, which therefore has the effect of reducing certain operating expenses. These soft dollar arrangements are intended to be within the safe harbor provisions of the Securities Exchange Act of 1934. If the ability to use soft dollar arrangements were reduced or eliminated as a result of statutory amendments, new regulations or a change in business practices, the Company's operating expenses would increase.

Relationships with Clients

The business of the Company is to a significant degree dependent on its association and contractual relationships with USGIF and ETF clients. In the event the advisory or administrative agreements with USGIF or the advisory agreements with ETF clients are canceled or not renewed pursuant to the terms thereof, the Company would be substantially adversely affected. U.S. Global considers its relationships with its clients to be good, and management has no reason to believe that the management and service contracts will not be renewed in the future; however, there is no assurance that USGIF and/or the ETF clients will choose to continue their relationships with the Company.

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, as soon as reasonably practicable after such material is filed or furnished. (The link to the Company's SEC filings can be found at www.usfunds.com by clicking "Investor Relations.") 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 CEO and Principal Financial Officer, Board Diversity Matrix, 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 of "About Us." 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 http://www.sec.gov.

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
https://www.linkedin.com/company/u-s-global-investors
https://www.instagram.com/usglobal
https://pinterest.com/usfunds
https://www.youtube.com/c/usglobalinvestorssanantonio
https://www.youtube.com/channel/UCDkX1zvbWPyWc99esHOhwRQ
https://www.tiktok.com/@usfunds

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.

Risk Factors Related to Our Industry

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.

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

The Company is subject to a variety of foreign and domestic 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.

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 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.

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

The Company is subject to financial services laws, regulations, corporate governance requirements, administrative actions and policies. During the past two decades, federal securities laws have been substantially augmented and made significantly more complex by the S-Ox Act, the USA PATRIOT Act of 2001, and the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"). 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 requirements, the Company has had to expend additional time and resources. Future changes in financial institution regulation may increase the costs of compliance and the complexity of operations.

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.

New tax legislation or changes to existing tax laws, our failure to adequately comply with tax laws, or the outcome of any audits or regulatory disputes with respect to our compliance with tax law could adversely affect us.

Changes to tax law could be enacted in the future that could have a material adverse effect on our business, results of operations, and financial condition. Further, we are subject to potential tax audits in various jurisdictions and in such an event, tax authorities may review and challenge certain positions we have taken and assess penalties or additional taxes. These challenges may result in adjustments to, or impact the timing or amount of, taxable income, deductions or other tax allocations, which may adversely affect the Company's effective tax rate and overall financial condition. While we regularly assess the likely outcomes of these potential audits, there can be no assurance that we will accurately predict the outcome of a potential audit, and an audit could have a material adverse impact on our business, results of operations, and financial condition.

Investment Company Act - Certain changes in control of the Company would automatically terminate our investment management agreements with our client unless the funds' boards of directors and shareholders vote to continue the agreements.

Under the Investment Company Act, an investment management agreement with a fund must provide for its automatic termination in the event of its assignment. The funds' board and shareholders must vote to continue the agreement following its assignment, the cost of which ordinarily would be borne by the Company. Under the Advisers Act, a client's investment management agreement may not be assigned by the investment advisor without the client's consent. An advisor's ownership is considered to be assigned to another party when a controlling block of the advisor's ownership is transferred. In our case, an assignment would occur with the transfer or issuance of a controlling block of Class C shares. The Company cannot be certain that our clients will consent to assignments of our investment management agreements or approve new agreements with us if an assignment occurs. This restriction may discourage potential purchasers from acquiring a controlling interest in the Company.

Risks Related to Our Common Stock

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 our class C voting convertible common stock, and is subject to the Investment Company Act as described above, 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. Frank Holmes is able to determine the outcome of matters submitted to a vote of our shareholders for approval and will be able to cause or prevent a change in control of the Company. This lack of voting rights may adversely affect the market value of the publicly traded class A nonvoting common stock.

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;
- Volatility in realized and unrealized gains or losses on corporate investments;
- 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.

In addition, the Company has invested in convertible securities in the cryptocurrency mining industry through its corporate investments. Cryptocurrency markets and related stocks have been, and are expected to continue to be, volatile. This volatility may have a material impact on the Company's financial statements and thus affect the Company's common stock market price. In addition, the price of the Company's common stock may fluctuate to the extent that shareholders invest in the Company's common stock as a proxy for cryptocurrency. The investing public may be influenced by future anticipated appreciation or depreciation in value of cryptocurrencies or blockchain generally, factors over which the Company has little or no influence or control. The Company's stock price may also be subject to volatility due to supply and demand factors associated with few or limited public company options for investment in the segment, which may change over time.

Macroeconomic declines, including inflation; negative political developments, including volatile market conditions due to investor concerns regarding inflation, and the Russia-Ukraine and Israel-Palestine conflicts; adverse market conditions; and catastrophic events may cause a decline in the Company's revenue, an increase in the Company's costs, negatively affect the Company's operating results, adversely affect the Company's cash flow, and could result in a decline in the Company's stock price.

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, might also make it more difficult for the Company to raise additional capital by selling equity securities in the future, at a time and at a price the Company deems appropriate.

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.

Acquisitions involve inherent risks that could compromise the success of the combined business and dilute the holdings of current stockholders.

As part of our business strategy, we may pursue corporate development transactions, including the acquisition of asset management firms. These transactions involve assessing the value, strengths, weaknesses, liabilities and potential profitability of the transactions, and if our assessment is incorrect, the success of the combined business could be jeopardized. In addition, such transactions are subject to acquisition costs and expenses, are likely to divert the attention of management's time, and can dilute the stockholders of the combined company if the acquisition is made for stock of the combined company.

Risks Related to Our Operations

Natural disasters, epidemics, pandemics and other unpredictable events could adversely affect our operations.

Natural disasters, outbreaks of epidemics or pandemics, terrorist attacks, extreme weather events or other unpredictable events could adversely affect our revenues, expenses, and net income by:

- decreasing investment valuations in, and returns on, the investment portfolios that we manage and our corporate portfolio, thus causing reductions and volatility in revenue,
- causing disruptions in national or global economies that decrease investor confidence and make investment products generally less attractive,
- incapacitating or reducing the availability of key personnel necessary to conduct our business activities,
- interrupting the Company's business operations or those of critical service providers,
- triggering technology delays or failures, and
- requiring substantial capital expenditures and operating expenses to remediate damage, replace our facilities, and restore our operations.

The Company's business operations are concentrated in San Antonio, Texas. The Company has developed various backup systems and contingency plans but cannot be assured that those preparations will be adequate in all circumstances that could arise, or that material interruptions and disruptions will not occur. The Company also relies to varying degrees on outside vendors for service delivery in addition to technology and disaster contingency support, and there is a risk that these vendors will not be able to perform in an adequate and timely manner. If the Company loses the availability of employees, or if it is unable to respond adequately to such an event in a timely manner, revenues, expenses, and net income could be negatively impacted.

Specifically, the effects of the outbreak of the novel coronavirus (COVID-19) had an adverse effect on the global economy, the United States economy and the global financial markets. Should this reoccur and continue for an extended period, it may disrupt the Company's operations and the Company's clients' operations, which could have an adverse effect on the Company's business, financial condition and results of operations. An epidemic, pandemic, or outbreak of any kind of communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally, which would adversely affect the Company's business, financial condition and operations.

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. 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 certain confidential information about the Company and its 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. 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.

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.

We have identified a material weakness in our internal control over financial reporting. The material weakness could continue to adversely affect our ability to report the results of operations and financial condition accurately and in a timely manner.

As further described in Item 9A of this Form 10-K, management has concluded that, because of a material weakness in internal control over financial reporting, our internal control over financial reporting and our disclosure controls and procedures were not effective as of June 30, 2024. A “material weakness” is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements would not be prevented or detected on a timely basis. If we fail to remediate this material weakness in our internal controls, or after having remediated such material weakness, thereafter fail to maintain the adequacy of our internal control over financial reporting or our disclosure controls and procedures, we could be subjected to regulatory scrutiny, civil or criminal penalties or shareholder litigation, the defense of any of which could cause the diversion of management’s attention and resources, we could incur significant legal and other expenses, and we could be required to pay damages to settle such actions if any such actions were not resolved in our favor. Moreover, we may be the subject of negative publicity focusing on these material weaknesses and we may be subject to negative reactions from shareholders and others with whom we do business.

Risks Related to Assets Under Management

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. This performance adjustment began to be phased out during the fourth quarter of fiscal 2024 and will cease during the fourth quarter of fiscal 2025. During the phase-out period, the adjustment for the performance fee can only be adjusted downward.

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.

The Company derives a substantial portion of revenue from one fund under management.

A substantial amount of assets under management is concentrated in the U.S. Global Jets ETF (79 percent and 83 percent of average net assets for fiscal years 2024 and 2023, respectively). Consequently, the Company’s revenues followed a similar pattern of concentration (80 percent and 84 percent of total operating revenues for fiscal years 2024 and 2023, respectively). As a result, our operating results are particularly dependent upon the performance of one fund and our ability to maintain and grow assets under management in that fund. If this fund were to experience a significant decrease in market value or redemptions, our assets under management would be reduced, adversely affecting our revenues.

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 funds under management 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 natural resources sector, which is 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, including trading policies, regulatory requirements, tariffs and other barriers. 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.

Risks Related to Our Corporate Investments

Investment income and assets may be negatively impacted by fluctuations in the Company's corporate investments.

The Company currently has a substantial portion of its assets in corporate investments. These investments are subject to investment market risk, and investment income could be adversely affected by the realization of losses upon disposition of investments or the recognition of significant unrealized losses or impairments. Due to the Company's investments in debt securities carried at fair value, interest rate fluctuations represent a market risk factor affecting the Company's consolidated financial position. Debt securities may fluctuate in value due to changes in interest rates. Typically, investments subject to interest rate risk will decrease in value when interest rates rise and increase in value when interest rates decline. Fluctuations in investment income are expected to continue in the future.

The Company has indirect exposure to the cryptocurrency markets through its investments.

Cryptocurrencies (also referred to as "virtual currencies" and "digital currencies") are digital assets that are designed to act as a medium of exchange. Although the Company has no current intention of directly investing in cryptocurrencies, the Company has indirect exposure to cryptocurrencies by investing in securities of issuers with exposure to the cryptocurrency industry. Cryptocurrencies (some of the most well-known include Bitcoin, Dogecoin and Ethereum) are not backed by any government, corporation, or other identified body. Trading markets for cryptocurrencies are often unregulated and may be more exposed to operational or technical issues as well as the potential for fraud or manipulation than established, regulated exchanges for securities, derivatives and traditional currencies.

Cryptocurrencies have been subject to significant fluctuations in value. The value of a cryptocurrency may significantly fluctuate precipitously (including declining to zero) and unpredictably for a variety of reasons, including, but not limited to: investor perceptions and expectations; regulatory changes; general economic conditions; adoption and use in the retail and commercial marketplace; public opinion regarding the environmental impact of the creation ("minting" or "mining") of cryptocurrency; confidence in, and the maintenance and development of, its network and open-source software protocols such as blockchain for ensuring the integrity of cryptocurrency transactional data; and general risks tied to the use of information technologies, including cybersecurity risks.

Adverse changes in foreign currencies could negatively impact financial results.

We have cash and certain corporate investments held in foreign currencies. Adverse changes in foreign currency exchange rates would also lower the value of those assets. Certain assets under management also have exposure to foreign currency fluctuations in various markets, which could have an impact on their valuation and thus the revenue we receive.

Item 1B. Unresolved Staff Comments

Not applicable for smaller reporting companies.

Item 1C. Cybersecurity

Risk Management and Strategy

We have implemented a comprehensive technology and cybersecurity program as part of our overall risk management strategy. This program is designed to ensure our information systems are resilient, effective, and capable of defending against emerging risks and cybersecurity threats.

Our program emphasizes defense, rapid detection, and swift remediation of cybersecurity threats and incidents. It includes robust cybersecurity policies and a crisis response and management plan to facilitate prompt management, response, and communication of cybersecurity threats and incidents.

Our cybersecurity crisis management plan outlines the procedures and actions to be taken in the event of a cybersecurity incident, including detection, response, mitigation, and remediation. Upon identifying a potential threat or incident, our cybersecurity incident response team assigns a risk level classification and initiates the necessary escalation and other steps as per our plan. Incidents assessed as potentially high-risk are promptly escalated to our Chief Executive Officer (CEO), who determines the activation of relevant elements of our crisis response and management plan, including further escalation to senior management. The CEO informs our Board of Directors about cybersecurity incidents as appropriate, considering factors such as financial, operational, legal, or reputational impact.

To date, we have not identified any risks from known cybersecurity threats, including prior incidents, that have materially affected or are reasonably likely to materially affect our operations, business strategy, results of operations, or financial condition.

Risk Governance

The full Board of Directors holds overall responsibility for overseeing the identification and mitigation of cybersecurity risks. This responsibility has not been delegated to any single committee, as the Board's structure and size allow for comprehensive oversight. Periodically, management provides updates to the Board regarding our internal control program, including significant changes to our IT infrastructure and cybersecurity program. Management also directly communicates any material risks from cybersecurity threats to the Board.

Our Director of Information Technology leads our cybersecurity program and reports directly to our CEO. Our director is supported by a Senior Systems Administrator, and together they bring over 65 years of combined information technology experience to the day-to-day management of information security. We leverage external partners to provide expanded monitoring coverage and triage of events before escalation to internal team members. Our third-party service provider supplements our internal IT team, offering 24/7/365 coverage and initial mitigation through continuous monitoring and security alerts.

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.

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.

Holders

On August 21, 2024, there were approximately 196 holders of record of class A common stock, no holders of record of class B common stock, and 19 holders of record of class C common stock.

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

The Company has a share repurchase program, approved by the Board of Directors, authorizing the Company to annually purchase up to $5.0 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, 2024. The repurchase program has been in place since December 2012, and the Board of Directors has annually renewed the repurchase program each calendar year.

For the quarter ended June 30, 2024, the Company purchased a total of 161,861 class A shares using cash of $439,000. The Company may repurchase class A stock from employees; however, none were repurchased from employees during the quarter ended June 30, 2024. The Company did not repurchase any classes B or C common stock during the quarter ended June 30, 2024.

(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
04-01-24 to 04-30-24	66,603	$186	$2.80	66,603	$4,237
05-01-24 to 05-31-24	59,891	160	$2.68	59,891	$4,077
06-01-24 to 06-30-24	35,367	93	$2.61	35,367	$3,984
Total	161,861	$439	$2.71	161,861	

1. *The Board of Directors of the Company approved on December 7, 2012, and renewed annually, a repurchase of up to $2.75 million in each of calendar years 2013 through 2022 of its outstanding class A common stock from time to time on the open market in accordance with all applicable rules and regulations. On February 25, 2022, the Company announced that the Board of Directors of the company approved an increase to the limit of its annual share buyback program from $2.75 million to $5.0 million.*
2. *The average price paid per share of stock repurchased under the stock repurchase program includes the commissions paid to brokers.*
3. *The total amount of shares that may be repurchased in 2024 under the program is $5.0 million.*

Dividends

As of June 30, 2024, the Board of Directors has authorized a monthly dividend of $0.0075 per share from July 2024 through September 2024. The total amount of cash dividends to be paid to class A and class C shareholders from July 2024 to September 2024 will be approximately $313,000, which is included as dividends payable in the Consolidated Balance Sheets at June 30, 2024. 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.

Item 6. [Reserved]

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 two fiscal years and other factors that may affect future financial performance. This discussion should be read in conjunction with the Consolidated Financial Statements and Notes to the Consolidated Financial Statements of this Annual Report on Form 10-K.

Recent Trends in Financial Markets

The Company's operating revenues are highly correlated to the level of assets under management ("AUM") and fees associated with various investment products. While AUM is directly impacted by changes in the financial markets, it is also impacted by cash inflows or outflows due to shareholder activity. Performance fee adjustments on certain equity fund products may also impact revenues. Various products may have different fees, so changes in our product mix may also affect revenues. For example, international equity products will generally have a higher fee than fixed income products, so changes in assets in those products will have a larger impact on revenues.

While products are offered for a wide variety of markets, the Company has traditionally focused on gold mining and exploration, natural resources, and emerging markets. More recently the airline industry has become more significant to our revenue. All these markets are volatile and subject to capital cycles.

Reflecting on the significant developments and challenges we have faced over the past year, the impacts, and fears of COVID-19 seem to have diminished, as most countries emerged from the COVID lockdown. The airline industry saw a significant rebound in demand over the past year ending June 30, 2024. However, the recovery has been uneven across different regions and travel segments. While the industry faces challenges like rising costs and operational disruptions, the overall outlook remains positive, with demand continuing to approach or exceed pre-pandemic levels.

It is worth noting that this year has not been without challenges. We find ourselves still grappling with some of the highest inflation rates in four decades. This inflationary pressure is partly attributable to the Russian-Ukrainian war and increased consumer spending of disposable income. As always, we continue to closely monitor economic trends to navigate their potential impact on the Company's performance.

In the broader market, we observed interesting sectoral dynamics. The S&P 500 realized strength in all eleven sectors, with Communication Services leading the charge with an impressive 43.6 percent increase. The laggard was the Real Estate sector experiencing a 1.9 percent total return. This illustrates the importance of diversification and thoughtful portfolio management in uncertain market conditions.

The performance of the S&P 500 was commendable, registering a growth of 22.7 percent for the trailing twelve months ended June 30, 2024. As we move forward, we will continue to focus on driving sustainable growth, prioritizing innovation, and maintaining a vigilant approach to risk management.

Mutual funds in general continued to see outflows compared to other investment alternatives, including exchange-traded funds (ETFs). The Company has three ETF products listed on the New York Stock Exchange: the U.S. Global Jets ETF (ticker JETS), which concentrates on the U.S. and international airline industry, the U.S. Global GO GOLD and Precious Metal Miners ETF (ticker GOAU), which invests in companies engaged in the production of precious metals either through active (mining or production) or passive (owning royalties or production streams) means, and U.S. Global Sea to Sky Cargo ETF (ticker SEA), which concentrates on the global sea shipping and air freight industries. The Company has one European-based ETF product listed on certain exchanges in Europe, The Travel UCITS ETF (ticker TRIP), which concentrates on the travel industry.

Assets in the Jets ETF were $1.2 billion and $1.9 billion at June 30, 2024, and 2023, respectively. The Jets ETF invests in airline-related stocks, including global airline carriers, airport operators and aircraft manufacturers.

The spread of the global COVID-19 outbreak and actions taken in response affected the global and domestic economies and financial markets. Market declines affect the Company's assets under management, and thus its revenues and also the valuation of the Company's corporate investments. Should this macro-economic risk reemerge and continue for an extended period, there could be an adverse material financial impact to the Company's business and investments, including a material reduction in its results of operations.

To manage expenses, the Company maintains a flexible structure for one of its largest costs, compensation expenses, by setting relatively low base salaries with bonuses that are tied to fund and Company performance. Thus, the Company's expense model somewhat expands and contracts with asset swings and performance.

Business Segments

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

1. Investment management services, through which the Company offers, to U.S. Global Investors Funds (“USGIF” or the “Fund(s)”) and ETF clients, a range of investment management products and services to meet the needs of individual and institutional investors; and

2. Corporate investments, through which the Company invests for its own account in an effort to add growth and value to its cash position. The Company holds a significant amount of its total assets in investments.

Assets Under Management (“AUM”)		
(dollars in thousands)	**June 30, 2024**	**June 30, 2023**
Investment Management Services		
ETF Clients	$ 1,273,967	$ 2,041,653
USGIF	288,398	328,439
Total AUM	$ 1,562,365	$ 2,370,092

On June 30, 2024, total AUM as of period end was $1.6 billion compared to $2.4 billion on June 30, 2023, a decrease of $807.7 million, or 34.1 percent. During fiscal year 2024, average AUM was $1.9 billion compared to $2.5 billion in fiscal year 2023, a decrease of 26.9 percent. The decrease was primarily due to outflows from the Jets ETF. The Jets ETF invests in airline-related stocks, including global airline carriers, airport operators and aircraft manufacturers.

The following is a brief discussion of the Company’s two business segments.

Investment Management Services

The Company generates operating revenues from managing and servicing the Funds. The Company recorded advisory and administrative services fees from USGIF totaling approximately $1.6 million and $1.9 million in fiscal 2024 and fiscal 2023, respectively. These revenues are largely dependent on the total value and composition of assets under its management. Fluctuations in the markets and investor sentiment have a direct impact on the Funds’ asset levels, thereby affecting income and results of operations. Detailed information regarding the Funds within USGIF can be found on the Company’s website, www.usfunds.com, including the prospectus and performance information for each fund. The mutual fund shareholders in USGIF are not required to give advance notice prior to redemption of shares in the Funds, and the USGIF funds do not currently charge a redemption fee.

Investment base advisory fees from USGIF are calculated as a percentage of average net assets, ranging from 0.375 percent to 1.00 percent, and are paid monthly. The base advisory fee on the equity funds within USGIF is adjusted upward or downward based on performance. This performance adjustment began to be phased out during the fourth quarter of fiscal 2024 and will cease during the fourth quarter of fiscal 2025. During the phase-out period, the adjustment for the performance fee can only be adjusted downward. For the years ended June 30, 2024, and 2023, the Company adjusted its base advisory fees downward by $429,000 and $490,000, respectively. USGIF advisory fees in total, including performance adjustments, decreased by approximately $313,000, or 17.7 percent, in fiscal year 2024 compared to fiscal year 2023. This was primarily a result of a decrease in average net assets under management driven by net shareholder redemptions, somewhat offset by a decrease in performance fees paid.

Mutual fund investment advisory fees are also affected by changes in assets under management, which include:

- market appreciation or depreciation;
- the addition of new fund shareholder accounts;
- fund shareholder contributions of additional assets to existing accounts;
- withdrawals of assets from and termination of fund shareholder accounts;
- exchanges of assets between accounts or products with different fee structures; and
- the amount of fees reimbursed.

The following tables summarize the changes in assets under management for USGIF for fiscal years 2024 and 2023.

(dollars in thousands)	Year Ended June 30, 2024 Equity	Fixed Income	Total
Beginning Balance	$ 265,329	$ 63,110	$ 328,439
Market appreciation (depreciation)	14,541	2,050	16,591
Dividends and distributions	(2,235)	(1,960)	(4,195)
Net shareholder purchases (redemptions)	(44,339)	(8,098)	(52,437)
Ending Balance	$ 233,296	$ 55,102	$ 288,398
Average investment management fee	0.81%	0.00%	0.65%
Average net assets	$ 232,977	$ 57,935	$ 290,912

(dollars in thousands)	Year Ended June 30, 2023 Equity	Fixed Income	Total
Beginning Balance	$ 286,367	$ 71,161	$ 357,528
Market appreciation (depreciation)	17,540	536	18,076
Dividends and distributions	(11,329)	(1,366)	(12,695)
Net shareholder purchases (redemptions)	(27,249)	(7,221)	(34,470)
Ending Balance	$ 265,329	$ 63,110	$ 328,439
Average investment management fee	0.80%	0.00%	0.65%
Average net assets	$ 281,076	$ 65,312	$ 346,388

The average annualized investment management fee rate (total advisory fees, excluding performance fees, as a percentage of average assets under management) was 65 basis points in fiscal year 2024 and 2023. The average investment management fee for equity funds in fiscal year 2024 and 2023 was 81 basis points and 80 basis points, respectively. The average investment management fee for the fixed income funds was nil for both fiscal years 2024 and 2023 due to fee waivers on these funds as discussed in Note 5, Investment Management and Other Fees, to the Consolidated Financial Statements of this Annual Report on Form 10-K.

The Company serves as investment advisor to three U.S.-based ETF clients: U.S. Global Jets ETF (ticker JETS), U.S. Global GO GOLD and Precious Metal Miners ETF (ticker GOAU), and U.S. Global Sea to Sky Cargo ETF (ticker SEA). The Company receives a unitary management fee of 0.60 percent of average net assets and has agreed to bear all expenses of the U.S.-based ETFs, except the U.S. Global Sea to Sky Cargo ETF. The Company has agreed to contractually limit the expenses of the U.S. Global Sea to Sky Cargo ETF through April 2025. The Company also serves as investment advisor to one European-based ETF, The Travel UCITS ETF (ticker TRIP). The Company receives a unitary management fee of 0.69 percent of average net assets and has agreed to bear all expenses of the ETF. The Company recorded advisory fees from the ETF clients totaling $9.4 million and $13.2 million in fiscal years 2024 and 2023, respectively. Average assets in the ETFs decreased in fiscal year 2024, primarily in the Jets ETF. Information on the U.S.-based ETFs can be found at www.usglobaletfs.com, including the prospectus, performance and holdings. The ETFs' authorized participants are not required to give advance notice prior to redemption of shares in the ETFs, and the ETFs do not charge a redemption fee. The Travel UCITS ETF is not available to U.S. investors.

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 cost, unrealized gain or loss, and fair value of investments carried at fair value as of June 30, 2024, and 2023.

Securities at Fair Value	**Cost**	**Unrealized Gain (Loss) in Other Comprehensive Income (Loss)**	**Unrealized Gain (Loss) in Investment Income (Loss)**	**Fair Value**
(dollars in thousands)				
Trading securities at fair value (1)	$ 11,820	$ -	$ (727)	$ 11,093
Available-for-sale debt securities at fair value (2)	6,204	740	(2,530)	4,414
Total at June 30, 2024	$ 18,024	$ 740	$ (3,257)	$ 15,507
Trading securities at fair value (1)	$ 19,601	$ -	$ (6,396)	$ 13,205
Available-for-sale debt securities at fair value (2)	7,729	1,707	(2,428)	7,008
Total at June 30, 2023	$ 27,330	$ 1,707	$ (8,824)	$ 20,213

1. *Changes in unrealized and realized gains and losses are included in net investment income (loss) in the Consolidated Statements of Operations.*

2. *Realized gains and losses are included in net investment income (loss) in the Consolidated Statements of Operations. Changes in unrealized gains and losses are included in the Consolidated Statements of Comprehensive Income, except for declines in fair value determined to be other than temporary, and amounts attributable to embedded derivatives, which are included in net investment income (loss) in the Consolidated Statements of Operations. An embedded derivative and its related host contract represent one legal contract and are combined within the investments in available-for-sale debt securities on the Consolidated Balance Sheets.*

The investments shown above include investments at fair value of $10.5 million and $12.4 million, as of June 30, 2024, and 2023, respectively, invested in USGIF, funds the Company advised.

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

- realized gains and losses on sales of securities;
- realized gains on principal payment proceeds;
- unrealized gains and losses on fair valued securities;
- foreign currency gains and losses;
- impairments and observable price changes on equity investments without readily determinable fair values; 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 year 2024, the Company had net investment income of $2.1 million, compared to $316,000 for fiscal year 2023. Due to market volatility, the Company expects that gains or losses will continue to fluctuate in the future.

A significant portion of the securities recorded at fair value in the above table is in investments in HIVE Digital Technologies Ltd. ("HIVE"), which were convertible debentures valued at $4.4 million at June 30, 2024, and warrants and convertible debentures valued at $7.3 million at June 30, 2023. The investments in HIVE are discussed in more detail in Note 4, Investments, to the Consolidated Financial Statements of this Annual Report on Form 10-K. HIVE is a company that is headquartered in Canada with cryptocurrency mining facilities in Iceland, Sweden, and Canada. Frank Holmes, CEO, is the executive chairman of HIVE.

Cryptocurrency markets and related stocks have been, and are expected to continue to be, volatile, and may be influenced by a wide variety of factors, including speculative activity. Cryptocurrency mining companies face a variety of risks, including, but not limited to, environmental concerns, regulatory factors, and heightened risks of cybersecurity attacks for which there may be no source of recovery. There has been significant volatility in the market price of HIVE, which has materially impacted the investment's value included on the Consolidated Balance Sheets, unrealized gain (loss) recognized in net investment income (loss), and unrealized gain (loss) recognized in other comprehensive income (loss).

In addition to the investments above, as of June 30, 2024, and 2023, the Company owned other investments of approximately $1.7 million and $2.4 million, respectively, classified as securities without readily determinable fair values.

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, 2024, Compared with Year Ended June 30, 2023

The Company posted net income, as shown in the Consolidated Statements of Operations, of $1.3 million ($ 0.09 per share) for the year ended June 30, 2024, compared with net income of $3.1 million ($ 0.22 per share) for the year ended June 30, 2023, a decrease of approximately $1.8 million. The change is primarily due to lower operating revenues, partially offset by higher net investment income and lower tax expenses, as discussed further below.

Operating Revenues

	Year ended June 30,			
(dollars in thousands)	**2024**	**2023**	**$ Change**	**% Change**
ETF advisory fees:				
Airline, travel and cargo ETFs	$ 8,873	$ 12,668	$ (3,795)	(30.0)%
Gold and natural resources ETF	543	506	37	7.3%
Total ETF advisory fees	9,416	13,174	(3,758)	(28.5)%
USGIF advisory fees:				
Gold and natural resources funds	1,062	1,441	(379)	(26.3)%
International equity funds	391	309	82	26.5%
Emerging markets funds	-	16	(16)	(100.0)%
Bond funds	-	-	-	n/a
Total USGIF advisory fees	1,453	1,766	(313)	(17.7)%
Total advisory fees	10,869	14,940	(4,071)	(27.2)%
USGIF administrative services fees	115	134	(19)	(14.2)%
Total Operating Revenues	$ 10,984	$ 15,074	$ (4,090)	(27.1)%

Total consolidated operating revenues for the year ended June 30, 2024, decreased $4.1 million, or 27.1 percent, compared with the year ended June 30, 2023. This decrease was primarily attributable to the following:

- Advisory fees decreased by $4.1 million, or 27.2 percent, primarily as the result of lower ETF assets under management. Advisory fees are comprised of two components: a base management fee and a performance fee.
  - Base management fees decreased approximately $4.1 million. ETF unitary management fees decreased due to lower ETF average assets under management, primarily in the Jets ETF. Base fees for USGIF decreased due to lower average assets under management primarily driven by net shareholder redemptions somewhat offset by a decrease in management fee waivers.
  - Performance fee adjustments for USGIF in the current year resulted in fees paid of $429,000 compared to $490,000 in the prior year, a decrease of $61,000. The USGIF performance fee, which applies to the equity funds only, is a fulcrum fee that is adjusted upwards or downwards by 0.25 percent when there is a performance difference of 5 percent or more between a fund's performance and that of its designated benchmark index over the prior rolling 12 months. This performance adjustment began to be phased out during the fourth quarter of fiscal 2024 and will cease during the fourth quarter of fiscal 2025. During the phase-out period, the adjustment for the performance fee can only be adjusted downward.

Advisory Fees. Advisory fees, the largest component of the Company's operating revenues, are derived from two sources: ETF advisory fees and USGIF advisory fees. In fiscal year 2024, these sources accounted for 85.7 percent and 13.2 percent, respectively, of the Company's operating revenues.

The Company serves as investment advisor to three U.S.-based ETF clients: U.S. Global Jets ETF (ticker JETS), U.S. Global GO GOLD and Precious Metal Miners ETF (ticker GOAU), and U.S. Global Sea to Sky Cargo ETF (ticker SEA). The Company receives a unitary management fee of 0.60 percent of average net assets and has agreed to bear all expenses of the U.S.-based ETFs, except the U.S. Global Sea to Sky Cargo ETF. The Company has agreed to contractually limit the expenses of the U.S. Global Sea to Sky Cargo ETF through April 2025. The Company also serves as investment advisor to one European-based ETF, The Travel UCITS ETF (ticker TRIP). The Company receives a unitary management fee of 0.69 percent of average net assets and has agreed to bear all expenses of the ETF. The Company recorded advisory fees from the ETF clients of $9.4 million and $13.2 million in fiscal years 2024 and 2023, respectively.

Investment base advisory fees from USGIF are calculated as a percentage of average net assets, ranging from 0.375 percent to 1.00 percent, and are paid monthly. The base advisory fee on the equity funds within USGIF is adjusted upward or downward based on performance. This performance adjustment began to be phased out during the fourth quarter of fiscal 2024 and will cease during the fourth quarter of fiscal 2025. During the phase-out period, the adjustment for the performance fee can only be adjusted downward. For the years ended June 30, 2024, and 2023, the Company adjusted its base advisory fees downward by $429,000 and $490,000, respectively. USGIF advisory fees in total, including performance adjustments, decreased by approximately $313,000, or 17.7 percent, in fiscal year 2024 compared to fiscal year 2023.

Operating Expenses

Total operating expenses decreased $85,000, or 0.7 percent, compared with the previous fiscal year, as shown below.

	Year ended June 30,		$	%
(dollars in thousands)	2024	2023	Change	Change
Employee compensation and benefits	$ 4,802	$ 4,798	$ 4	0.1%
General and administrative	6,059	6,122	(63)	(1.0)%
Advertising	404	382	22	5.8%
Depreciation	196	243	(47)	(19.3)%
Interest	3	4	(1)	(25.0)%
Total	$ 11,464	$ 11,549	$ (85)	(0.7)%

Other Income (Loss)

	Year ended June 30,		$	%
(dollars in thousands)	2024	2023	Change	Change
Net investment income (loss)	$ 2,144	$ 316	$ 1,828	578.5%
Other income (loss)	251	242	9	3.7%
Total Other Income (Loss)	$ 2,395	$ 558	$ 1,837	329.2%

Total consolidated other income for the year ended June 30, 2024, was $2.4 million, compared to $558,000 for the year ended June 30, 2023, an increase of $1.8 million, or 329.2 percent. The change was primarily due to the following components and factors:

- Net investment income was $2.1 million for the year ended June 30, 2024, compared to $316,000 for the year ended June 30, 2023, an increase of approximately $1.8 million. Net investment income (loss) is dependent on market fluctuations and does not remain at a consistent level.
  - Total realized and unrealized losses on equity securities was $1.2 million for the current year ended June 30, 2024, compared to $3.0 million for the prior year ended June 30, 2023, a change of $1.8 million. The current year ended June 30, 2024, included realized losses for impairments of $1.0 million for equity investments accounted for under the investment alternative. The prior year ended June 30, 2023, included realized losses for impairments of $439,000 and unrealized losses of $1.8 million for observable price changes for equity investments accounted for under the investment alternative.
  - The current year ended June 30, 2024, had dividend and interest income of $2.4 million, compared to $1.8 million in the prior year ended June 30, 2023, an increase of $613,000, or 34.1 percent. This was primarily due to the Company's investment of cash into higher-yielding cash equivalents during the latter part of the prior year.
  - The current year ended June 30, 2024, had unrealized losses on embedded derivatives of $102,000, whereas the prior year ended June 30, 2023, had unrealized gains on embedded derivatives of $111,000, a change of $213,000. This was due to a decrease in the fair value of the Company's investment in convertible debentures in HIVE in the current year.
  - Also, due to the Company's investment in convertible debentures in HIVE, there were realized gains on debt securities of $1.1 million for the year ended June 30, 2024, compared to $1.7 million in the prior year ended June 30, 2023, a decrease of $524,000, or 31.5 percent.
  - A significant portion of corporate investments is held in securities of a company in the business of mining cryptocurrency. Cryptocurrency markets and related stocks have been, and are expected to continue to be, volatile. See further discussion of these securities and other investments in Note 4, Investments, to the Consolidated Financial Statements of this Annual Report on Form 10-K.

Provision for Income Taxes

A tax expense of $582,000 was recorded for the year ended June 30, 2024, compared to $934,000 for the year ended June 30, 2023, a decrease of $352,000, or 37.7 percent. The decrease can be mainly attributed to this year's operating loss, in contrast to last year's operating income. This was partially mitigated by an increase in net investment income compared to the previous year. See Note 13 to the Consolidated Financial Statements of this Annual Report on Form 10-K for additional disclosures on income taxes.

Liquidity and Capital Resources

At June 30, 2024, the Company had net working capital (current assets minus current liabilities) of approximately $38.2 million and a current ratio (current assets divided by current liabilities) of 18.6 to 1. With approximately $27.4 million in cash and cash equivalents and $11.1 million in securities carried at fair value, excluding convertible securities, which together comprise approximately 74.1 percent of total assets, the Company has adequate liquidity to meet its current obligations. Total shareholders' equity was approximately $49.0 million.

The increase in cash and cash equivalents of $2.0 million, and accordingly, net working capital, was primarily due to proceeds from principal paydowns of $3.0 million, sales of corporate investments of $2.2 million, and net cash provided by operating activities of $1.0 million, offset by $2.2 million for repurchases of common stock, $1.3 million for dividends paid, and purchases of corporate investments of $807,000. Consolidated shareholders' equity at June 30, 2024, was $49.0 million, a decrease of $3.0 million, or 5.8 percent since June 30, 2023. The decrease was primarily due to repurchases of common stock of $2.2 million, dividends declared of $1.3 million, other comprehensive loss of $764,000, and the impact of ASU 2016-13 adoption of $183,000; offset by net income of $1.3 million for the year ended June 30, 2024.

The Company also has access to a $1.0 million credit facility, which can be utilized for working capital purposes. The credit agreement requires the Company to maintain certain covenants; the Company has been in compliance with these covenants during the current fiscal year. The credit agreement will expire on May 31, 2026, and the Company intends to renew it biennially. The credit facility is collateralized by approximately $1.0 million, included in restricted cash on the Consolidated Balance Sheets, held in deposit in a money market account at the financial institution that provided the credit facility. As of June 30, 2024, this credit facility remained unutilized by the Company.

Investment advisory contracts 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 and USGIF have been renewed through September 2024. The advisory agreement for the U.S. Global Jets ETF and the U.S. Global GO GOLD and Precious Metal Miners ETF has been renewed through July 2025.

The primary cash requirements are for operating activities. The Company also uses cash to purchase investments, pay dividends and repurchase Company stock. The cash outlays for investments and dividend payments are discretionary. The stock repurchase plan is approved through December 31, 2024, but may be suspended or discontinued. Cash and securities recorded at fair value, excluding convertible securities, of approximately $38.5 million are available to fund current activities.

As of June 30, 2024, the Board of Directors has authorized a monthly dividend of $0.0075 per share from July 2024 through September 2024. The total amount of cash dividends to be paid to class A and class C shareholders from July 2024 to September 2024 will be approximately $313,000, which is included as dividends payable in the Consolidated Balance Sheets at June 30, 2024. 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.

Contractual obligations primarily consist of agreements for services used in daily operations and for marketing and distribution. As of June 30, 2024, the Company had contractual obligations of $665,000 for the fiscal years ending June 30, 2025, through 2026. Other contractual obligations 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.

Management believes current cash reserves, investments, and financing available will be sufficient to meet foreseeable cash needs for operating activities and for contractual obligations.

The spread of the global COVID-19 had an adverse effect on global and domestic economies and financial markets, which may reoccur and continue for an undetermined period. Market declines affect the Company's assets under management, and thus its revenues and also the valuation of the Company's corporate investments. This may adversely affect the Company's Consolidated Balance Sheets and results of operations.

Critical Accounting Estimates

The discussion and analysis of financial condition and results of operations are based on the Company's Consolidated Financial Statements, which have been prepared in accordance with generally accepted accounting principles in the U.S. ("GAAP"). The preparation of these Consolidated 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 significant accounting policies are described in more detail in Note 3 to the Consolidated Financial Statements, 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 share-based compensation.

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. The Company believes that the estimates related to fair values of financial instruments are critical accounting estimates because the assumptions used could significantly impact the unrealized gains or losses recorded in the Company's Consolidated Financial Statements.

Share-Based Compensation. Share-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. Forfeitures are recognized as they occur.

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

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.

The Company assesses uncertain tax positions in accordance with ASC 740, Income Taxes and maintains a reserve. 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.

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. The Company believes that income taxes include critical accounting estimates because variations in the actual outcome of these future tax consequences could materially impact the Company's financial position, results of operations or cash flows.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market Risk Disclosures

The following information, together with information included in other parts of this Management's Discussion and Analysis of Financial Condition and Results of Operations, describes the key aspects of certain financial instruments that have market risk to the Company.

COVID-19 had an adverse effect on global and domestic financial markets, which may reoccur and continue for an undetermined period. This may adversely affect assets under management and thus the Company's revenues and operating results. Market declines also affect the valuation of the Company's corporate investments, which also adversely affects the Company's Consolidated Balance Sheets and results of operations.

Macroeconomic declines, including inflation; negative political developments, including volatile market conditions due to investor concerns regarding inflation, and the Russia-Ukraine and Israel-Palestine conflicts; adverse market conditions, including cryptocurrency market disruptions; and catastrophic events may cause a decline in the Company's revenue, an increase in the Company's costs, negatively affect the Company's operating results, adversely affect the Company's cash flow, and could result in a decline in the Company's stock price.

Investment Management and Administrative Services Fees

Revenues are generally based upon a percentage of assets under management in accordance with contractual agreements. Accordingly, fluctuations in the financial markets have a direct effect on the Company's operating results. A significant portion of assets under management in equity funds have exposure to international markets and/or natural resource sectors, which may experience volatility. In addition, fluctuations in interest rates may affect the value of assets under management in fixed income funds.

Performance Fees

USGIF 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. This performance adjustment began to be phased out during the fourth quarter of fiscal 2024 and will cease during the fourth quarter of fiscal 2025. During the phase-out period, the adjustment for the performance fee can only be adjusted downward.

As a result, the Company's revenues are subject to volatility beyond market-based fluctuations discussed in the investment management and administrative fees section above. For the fiscal years ended June 30, 2024, and 2023, the Company realized a decrease in its USGIF base advisory fee of $429,000, and $490,000, respectively, due to these performance adjustments.

Corporate Investments

The Company's Consolidated Balance Sheets include substantial amounts of assets whose fair values are subject to market risk. The market risks are primarily associated with equity prices and foreign currency exchange rates. The fair values of corporate investments with exposure to the cryptocurrency industry are subject to considerable volatility.

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.

Equity Price Risk

Due to the Company's investments in securities carried at fair value, equity price fluctuations represent a market risk factor affecting the Company's consolidated financial position. The carrying values of investments subject to equity 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 fair value.

The following table summarizes the Company's equity price risks in securities carried at fair value as of June 30, 2024, and shows the effects of a hypothetical 25 percent increase and a 25 percent decrease in market prices.

(dollars in thousands)	Fair Value at June 30, 2024	Hypothetical Percentage Change	Estimated Fair Value After Hypothetical Price Change	*Estimated Increase (Decrease) in Net Income (Loss)* [1]
Equity securities at fair value	$ 11,093	25% increase	$ 13,866	$ 2,191
		25% decrease	$ 8,320	$ (2,191)
Embedded derivatives at fair value [2]	$ 12	25% increase	$ 15	$ 2
		25% decrease	$ 9	$ (2)

1. *Changes in unrealized and realized gains and losses on embedded derivatives and equity securities at fair value are included in earnings in the Consolidated Statements of Operations. The estimated increase (decrease) is after income taxes at the statutory rate in effect as of the balance sheet date.*
2. *An embedded derivative and its related host contract represent one legal contract and are combined within the investments in available-for-sale debt securities on the Consolidated Balance Sheets.*

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.

The embedded derivatives shown in the above table, which were valued at $12,000 at June 30, 2024, are related to HIVE Digital Technologies Ltd. HIVE ("HIVE") convertible debentures. HIVE is discussed in more detail in Note 4, Investments, to the Consolidated Financial Statements of this Annual Report on Form 10-K. HIVE is a company that is headquartered in Canada with cryptocurrency mining facilities in Iceland, Sweden and Canada. Cryptocurrency markets and related stocks have been, and are expected to continue to be, volatile. There is potential for significant volatility in the market price of HIVE, which could materially impact the investment's value included on the Consolidated Balance Sheets and unrealized gain (loss) recognized in net investment income.

Interest Rate Risk

Due to the Company's investments in debt securities carried at fair value, interest rate fluctuations represent a market risk factor affecting the Company's consolidated financial position. Debt securities may fluctuate in value due to changes in interest rates. Typically, investments subject to interest rate risk will decrease in value when interest rates rise and increase in value when interest rates decline. Fluctuations in interest rates could have a material impact on the Company's investments in debt securities carried at fair value included on the Consolidated Balance Sheets and gains (losses) recognized in net investment income (loss).

Foreign Currency Risk

A portion of cash and certain corporate investments are held in foreign currencies. Adverse changes in foreign currency exchange rates would lower the value of those cash accounts and corporate investments. Certain assets under management also have exposure to foreign currency fluctuations in various markets, which could have an impact on their valuation and thus the revenue received by the Company.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders
U.S. Global Investors, Inc.

Opinion on the financial statements
We have audited the accompanying consolidated balance sheets of U.S. Global Investors, Inc. and subsidiaries (the “Company”) as of June 30, 2024 and 2023, the related consolidated statements of operations, comprehensive income, shareholders’ equity, and cash flows for each of the two years in the period ended June 30, 2024, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended June 30, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion
These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting 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.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating 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.

Critical audit matter
The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Fair Value of Investment in Available-for-Sale Debt Securities
As described further in note 4 to the financial statements, the Company’s investment in available-for-sale debt securities at fair value is $4,414 thousand as of June 30, 2024 and is categorized as a Level 3 investment within the fair value hierarchy.

Management’s valuation techniques for this investment, for which there is no readily available market value, involve measurement using significant unobservable inputs and assumptions and use of a binomial lattice model. The significant unobservable inputs and assumptions disclosed by management include, among others, volatility, credit spread and risk-free rate. Changes in these inputs and assumptions could have a significant impact on the determination of fair value. As such, we identified the investments in available-for-sale debt securities at fair value as a critical audit matter.

The principal consideration for our determination that the investments in available-for-sale debt securities at fair value is a critical audit matter are significant management judgements used in developing complex valuation techniques (the binomial lattice model) and inherent estimation uncertainty in the fair value determined using such techniques. Auditing these types of investments requires a high degree of subjective auditor judgment, including use of valuation professionals with specialized skills and knowledge, to evaluate the reasonableness of unobservable inputs and assumptions.

Our audit procedures related to the critical audit matter included the following, among others:

- With the assistance of internal valuation specialists, we developed an independent expectation of the fair value and compared that expectation to management's determined fair value for reasonableness.

- With the assistance of internal valuation specialists, we performed substantive audit procedures to determine the mathematical accuracy of the model used by management as well as the reasonableness of the data used to determine the investment fair value as of June 30, 2024. Our tests of significant inputs and assumptions included the following, among others:

  - We inspected the available-for-sale debt security purchase agreement and validated that the inputs such as issuance date, maturity date, principal at issuance and interest rate were consistent with the inputs utilized in management's valuation model.

  - We reviewed the volatility analysis prepared by management's external specialist and performed an independent calculation to ensure the selected volatility was appropriate and within a reasonable range.

  - We performed an independent synthetic credit analysis to determine the reasonableness of the credit spread prepared by management's external specialist.

  - We reviewed the risk-free rate utilized by management's external specialist for appropriateness, taking into consideration the note was issued in Canada and factoring into our evaluation any potential foreign currency translation adjustments.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2022.

Dallas, Texas
September 10, 2024

Grant Thornton LLP; Dallas, Texas; PCAOB ID# 248

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

(dollars in thousands)	June 30, 2024	June 30, 2023
Assets		
Current Assets		
Cash and cash equivalents	$ 27,399	$ 25,401
Restricted cash	1,000	1,000
Investments in trading securities at fair value, current	9,644	11,642
Accounts and other receivables (net of allowance for credit losses of $0, and $0, respectively)	1,047	1,245
Tax receivable	729	576
Prepaid expenses	498	510
Total Current Assets	40,317	40,374
Net Property and Equipment	1,154	1,138
Other Assets		
Deferred tax asset	1,833	1,920
Investments in trading securities at fair value, non-current	1,449	1,563
Investments in available-for-sale debt securities at fair value (amortized cost: $6,204, and $7,729, respectively) (net of allowance for credit losses of $0, and $0, respectively)	4,414	7,008
Investments in held-to-maturity debt securities at amortized cost	1,000	1,000
Less: Allowance for credit losses	(132)	-
Investments in held-to-maturity debt securities, net of allowance for credit losses	868	1,000
Other investments	1,687	2,388
Financing lease, right of use assets	38	65
Other assets, non-current	203	217
Total Other Assets	10,492	14,161
Total Assets	$ 51,963	$ 55,673
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	$ 14	$ 143
Accrued compensation and related costs	609	1,165
Dividends payable	313	329
Financing lease liability, short-term	31	28
Other accrued expenses	1,197	1,274
Total Current Liabilities	2,164	2,939
Long-Term Liabilities		
Deferred tax liability	-	4
Reserve for uncertain tax positions	785	671
Financing lease liability, long-term	8	38
Total Long-Term Liabilities	793	713
Total Liabilities	2,957	3,652
Commitments and Contingencies (Note 18)		
Shareholders' Equity		
Common stock (class A) - $0.025 par value; nonvoting; 28,000,000 shares authorized; 13,866,999 shares issued at June 30, 2024, and June 30, 2023; 11,753,483 and 12,496,674 shares outstanding at June 30, 2024, and June 30, 2023, respectively	347	347
Common stock (class B) - $0.025 par value; nonvoting; 4,500,000 shares authorized; no shares issued	-	-
Convertible common stock (class C) - $0.025 par value; voting; 3,500,000 shares authorized; 2,068,549 shares issued and outstanding at June 30, 2024, and June 30, 2023	52	52
Additional paid-in-capital	16,443	16,442
Treasury stock, class A shares at cost; 2,113,516 and 1,370,325 shares at June 30, 2024, and June 30, 2023, respectively	(5,880)	(3,740)
Accumulated other comprehensive income, net of tax	584	1,348
Retained earnings	37,460	37,572
Total Shareholders' Equity	49,006	52,021
Total Liabilities and Shareholders' Equity	$ 51,963	$ 55,673

The accompanying notes are an integral part of these Consolidated Financial Statements.

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

(dollars in thousands, except per share data)	Year Ended June 30, 2024	Year Ended June 30, 2023
Operating Revenues		
Advisory fees	$ 10,869	$ 14,940
Administrative services fees	115	134
Total Operating Revenues	10,984	15,074
Operating Expenses		
Employee compensation and benefits	4,802	4,798
General and administrative	6,059	6,122
Advertising	404	382
Depreciation	196	243
Interest	3	4
Total Operating Expenses	11,464	11,549
Operating Income (Loss)	(480)	3,525
Other Income (Loss)		
Net investment income (loss)	2,144	316
Other income (loss)	251	242
Total Other Income (Loss)	2,395	558
Income (Loss) Before Income Taxes	1,915	4,083
Provision for Income Taxes		
Tax expense (benefit)	582	934
Net Income (Loss)	$ 1,333	$ 3,149
Earnings (Loss) Per Share		
Basic Net Income (Loss) per Share	$ 0.09	$ 0.22
Diluted Net Income (Loss) per Share	$ 0.09	$ 0.22
Basic weighted average number of common shares outstanding	14,182,300	14,638,833
Diluted weighted average number of common shares outstanding	14,182,353	14,639,069

The accompanying notes are an integral part of these Consolidated Financial Statements.

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

(dollars in thousands)	Year Ended June 30, 2024	2023
Net Income (Loss)	$ 1,333	$ 3,149
Other Comprehensive Income (Loss):		
Unrealized gains (losses) on available-for-sale securities arising during period, net of tax	136	(961)
Less: reclassification adjustment for gains included in net income (loss), net of tax	(900)	(1,315)
Net change from available-for-sale securities	(764)	(2,276)
Other Comprehensive Income (Loss)	(764)	(2,276)
Comprehensive Income (Loss)	$ 569	$ 873

The accompanying notes are an integral part of these Consolidated Financial Statements.

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

	Common Stock (class A)		Convertible Common Stock (class C)		Additional Paid-in Capital	Treasury Stock		Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
(dollars in thousands)	Shares	Par Value	Shares	Par Value		Shares	Cost			
Balance at June 30, 2022	13,866,999	$ 347	2,068,549	$ 52	$ 16,438	978,049	$ (2,599)	$ 3,624	$ 35,748	$ 53,610
Repurchases of shares of Common Stock (class A)	-	-	-	-	-	412,257	(1,195)	-	-	(1,195)
Issuance of stock under ESPP of shares of Common Stock (class A)	-	-	-	-	5	(19,981)	54	-	-	59
Share-based compensation, adjustment for forfeitures, net of tax	-	-	-	-	(1)	-	-	-	-	(1)
Dividends declared	-	-	-	-	-	-	-	-	(1,325)	(1,325)
Other comprehensive income (loss), net of tax	-	-	-	-	-	-	-	(2,276)	-	(2,276)
Net income (loss)	-	-	-	-	-	-	-	-	3,149	3,149
Balance at June 30, 2023	13,866,999	$ 347	2,068,549	$ 52	$ 16,442	1,370,325	$ (3,740)	$ 1,348	$ 37,572	$ 52,021
Impact of ASU 2016-13 adoption, net of tax (Note 3)	-	-	-	-	-	-	-	-	(183)	(183)
Balance at June 30, 2023 (as adjusted for change in accounting principle)	13,866,999	$ 347	2,068,549	$ 52	$ 16,442	1,370,325	$ (3,740)	$ 1,348	$ 37,389	$ 51,838
Repurchases of shares of Common Stock (class A), including excise tax	-	-	-	-	-	767,651	(2,208)	-	-	(2,208)
Issuance of stock under ESPP of shares of Common Stock (class A)	-	-	-	-	1	(24,460)	68	-	-	69
Dividends declared	-	-	-	-	-	-	-	-	(1,262)	(1,262)
Other comprehensive income (loss), net of tax	-	-	-	-	-	-	-	(764)	-	(764)
Net income (loss)	-	-	-	-	-	-	-	-	1,333	1,333
Balance at June 30, 2024	13,866,999	$ 347	2,068,549	$ 52	$ 16,443	2,113,516	$ (5,880)	$ 584	$ 37,460	$ 49,006

The accompanying notes are an integral part of these Consolidated Financial Statements.

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

(dollars in thousands)	Year Ended June 30, 2024	2023
Cash Flows from Operating Activities:		
Net income (loss)	$ 1,333	$ 3,149
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, amortization and accretion	(139)	(246)
Net recognized (gain) loss on disposal of fixed assets	-	3
Net realized (gains) losses on securities	5,705	(1,211)
Unrealized (gains) losses on securities	(5,560)	2,452
Investment basis adjustment	-	(5)
Reserve for uncertain tax positions	114	117
Provision for deferred taxes	335	(440)
Allowance for credit losses	(100)	-
Changes in operating assets and liabilities:		
Accounts and other receivables	45	359
Prepaid expenses and other assets	53	(82)
Accounts payable and accrued expenses	(796)	(1,186)
Total adjustments	(343)	(239)
Net cash provided by (used in) operating activities	990	2,910
Cash Flows from Investing Activities:		
Purchase of property and equipment	(213)	(14)
Purchase of trading securities at fair value, non-current	(234)	-
Purchase of other investments	(573)	(663)
Proceeds on sale of trading securities at fair value, current	2,000	350
Proceeds on sale of trading securities at fair value, non-current	180	-
Proceeds from principal paydowns of available-for-sale debt securities at fair value	3,000	3,000
Return of capital on other investments	259	-
Net cash provided by (used in) investing activities	4,419	2,673
Cash Flows from Financing Activities:		
Principal payments on financing lease	(30)	(27)
Issuance of common stock	69	59
Repurchases of common stock	(2,172)	(1,195)
Dividends paid	(1,278)	(1,333)
Net cash provided by (used in) financing activities	(3,411)	(2,496)
Net increase (decrease) in cash, cash equivalents, and restricted cash	1,998	3,087
Beginning cash, cash equivalents, and restricted cash	26,401	23,314
Ending cash, cash equivalents, and restricted cash	$ 28,399	$ 26,401
Supplemental Disclosures of Non-Cash Investing and Financing Activities		
Dividends declared but not paid	$ 313	$ 329
Excise tax liability accrued on stock repurchases	$ 22	$ -
Unsettled class A common stock repurchases	$ 14	$ -
Supplemental Disclosures of Cash Flow Information		
Cash paid for income taxes	$ 252	$ 1,492
Cash paid for interest	$ 3	$ 4

The accompanying notes are an integral part of these Consolidated Financial Statements.

Notes to Consolidated Financial Statements

NOTE 1. IMMATERIAL ADJUSTMENT TO PREVIOUSLY ISSUED CONSOLIDATED FINANCIAL STATEMENTS

In connection with the preparation of its Consolidated Financial Statements for the fiscal year ended June 30, 2024, the Company determined that its previously issued Consolidated Financial Statements as of and for the fiscal year ended June 30, 2023, contained an error as summarized below. Based on management's evaluation of the accounting error under the SEC Staff's Accounting Bulletins Nos. 99 ("SAB 99") and 108 ("SAB 108") and interpretations thereof, the Company concluded the error is not material, on an individual or aggregate basis, to the Company's previously reported financial statements. The Company has corrected this accounting error in the accompanying Consolidated Financial Statements as of and for the fiscal year ended June 30, 2023.

The Company did not record certain liabilities as required by FASB Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" (codified under ASC 740-10) ("FIN 48") as of June 30, 2022. The error was corrected in the Company's Consolidated Financial Statements as of and for the year ended June 30, 2023, through retained earnings as of July 1, 2022. The impact of the correction on the Company's previously issued Consolidated Financial Statements, as of and for the year ended June 30, 2023, is as follows:

- On the Consolidated Balance Sheet as of June 30, 2023, the reserve for uncertain tax positions increased by $175,000, and retained earnings decreased by $175,000.
- On the Consolidated Statement of Shareholders' Equity as of June 30, 2023, the beginning balance of retained earnings decreased by $175,000, and the beginning balance of total shareholders' equity decreased by $175,000.

In addition, the impacted footnote disclosures have also been revised to reflect the error correction.

NOTE 2. 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 to USGIF. For these services, the Company receives fees from USGIF. The Company also provides advisory services to SEC registered exchange traded funds ("ETFs") and a European-based ETF.

The Company has the following subsidiaries utilized primarily for corporate investment purposes: U.S. Global Investors (Bermuda) Limited ("USBERM"), incorporated in Bermuda, and U.S. Global Investors (Canada) Limited ("USCAN"). 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 3. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation. The Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries: USBERM, USCAN and U.S. Global Indices, LLC.

There are two primary consolidation models in U.S. GAAP, the variable interest entity ("VIE") and voting interest entity models. The Company's evaluation for consolidation includes whether entities in which it has an interest or from which it receives fees are 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 obligation to absorb a majority of the expected losses or the right to receive the majority of the residual returns and consolidates the VIE on the basis of having a controlling financial interest.

The Company holds variable interests in, but is not deemed to be the primary beneficiary of, certain funds it advises, specifically, certain funds in USGIF. The Company's interests in these VIEs consist of the Company's direct ownership therein and any fees earned but uncollected. In the ordinary course of business, the Company may choose to waive certain fees or assume operating expenses of the funds it advises for competitive, regulatory or contractual reasons (see Note 5 for information regarding fee waivers). The Company has not provided financial support to any of these entities outside the ordinary course of business. The Company's risk of loss with respect to these VIEs is limited to the carrying value of its investments in, and fees receivable from, the entities. The Company is not deemed to be the primary beneficiary because it does not have the obligation to absorb a majority of the expected losses or the right to receive the majority of the residual returns. The Company does not consolidate these VIEs because it is not the primary beneficiary. The Company's total exposure to unconsolidated VIEs, consisting of the carrying value of investment securities and receivables for fees, was $10.5 million and $12.5 million at June 30, 2024, and 2023, respectively.

The carrying amount of assets and liabilities recognized in the Consolidated Balance Sheets related to the Company's interests in these non-consolidated VIEs were as follows:

	Carrying Value and Maximum Exposure to Loss	
(dollars in thousands)	June 30, 2024	June 30, 2023
Investments in equity securities at fair value, current	$ 9,644	$ 11,642
Investments in equity securities at fair value, non-current	806	785
Other receivables	28	45
Total VIE assets, maximum exposure to loss	$ 10,478	$ 12,472

Since the Company is not the primary beneficiary of the above funds it advises, the Company evaluated if it should consolidate under the voting interest entity model. Under the voting interest model, for legal entities other than partnerships, the usual condition for control is ownership, directly or indirectly, of more than 50 percent of the outstanding voting shares over an entity. The Company does not have control of any of the above funds it advises; therefore, the Company does not consolidate any of these funds.

All significant intercompany balances and transactions have been eliminated in consolidation. Certain amounts have been reclassified for comparative purposes.

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

Restricted Cash. Restricted cash represents cash invested in a money market account as collateral for credit facilities that is not available for general corporate use.

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

Investments in Equity Securities. Equity securities are generally carried at fair value on the Consolidated Balance Sheets with changes in the fair value recorded through earnings within net investment income (loss).

Investments in Debt Securities. The Company classifies debt investments based on the Company's intent to sell the security or its intent and ability to hold the debt security to maturity. Debt securities classified as trading are acquired with the intent to sell in the near term and are carried at fair value with changes reported in earnings. Held-to-maturity debt securities are purchased with the intent and ability to hold until maturity and are measured at amortized cost. All other debt securities are classified as available-for-sale and are carried at fair value, and changes in unrealized gains and losses are reported net of tax in accumulated other comprehensive income (loss), except for declines in fair value determined to be a result of credit loss, which are reported in earnings. Upon the disposition of an available-for-sale security, the Company reclassifies the gain or loss on the security from accumulated other comprehensive income (loss) to net investment income (loss). Both available-for-sale and held-to-maturity debt securities are subject to an allowance for credit losses.

Allowance for Credit Losses (Held-to-Maturity Debt Securities). For held-to-maturity debt securities, the Company is required to utilize the CECL methodology to estimate expected credit losses. Securities are evaluated on an individual basis. The individual assessment and determination of expected credit losses is generally based on the discounted cash flow method. Under the discounted cash flow method, the allowance for credit losses reflects the difference between the amortized cost basis and the present value of the expected cash flows. The Company adjusts the discount rate utilized to determine the present value of the expected cash flows quarterly for subsequent fluctuations in market interest rates. Changes in the present value attributable to the passage of time are those solely due to changes in the present value of the expected cash flows as the instrument approaches maturity rather than expectations of cash flow timing or amounts and are included in interest income within net investment income (loss) on the Consolidated Statements of Operations. Changes in the allowance attributable to expectations of cash flow timing or amounts are recorded as a provision (or release) for credit losses and are included within other income (loss) on the Consolidated Statements of Operations. Held-to-maturity debt securities, or portions thereof, are charged against the allowance when management believes the uncollectible status of a held-to-maturity security is confirmed. Accrued interest receivable, if any, is included within accounts and other receivables on the Consolidated Balance Sheets. Accrued interest receivable is excluded from the allowance for credit losses. For more information about held-to-maturity debt securities, see Note 4, Investments.

Allowance for Credit Losses (Available-for-Sale Debt Securities). The impairment model for available-for-sale debt securities differs from the CECL methodology applied for held-to-maturity debt securities because available-for-sale debt securities are measured at fair value rather than amortized cost. For available-for-sale debt securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more likely than not that it will be required to sell, the security before recovery of its amortized cost basis. If either criterion is met, the security's amortized cost basis is written down to fair value through earnings. For available-for-sale debt securities where neither of the criteria is met, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the credit rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited to the amount that the fair value is less than the amortized cost basis. Any remaining discount that has not been recorded through an allowance for credit losses is recognized in other comprehensive income. Changes in the allowance for credit losses are recorded as a provision (or release) for credit losses and are included within other income (loss) on the Consolidated Statements of Operations. Losses are charged against the allowance when management believes the uncollectible status of an available-for-sale security is confirmed or when either of the criteria regarding intent or requirement to sell is met. Accrued interest receivable, if any, is included within accounts and other receivables on the Consolidated Balance Sheets. Accrued interest receivable is excluded from the allowance for credit losses. See Note 4, Investments, for more information about available-for-sale debt securities.

Credit Quality Indicators. The Company monitors the credit quality of debt securities through credit ratings from various rating agencies. Credit ratings express opinions about the credit quality of a security and are utilized by the Company to make informed decisions. Investment grade securities are rated BBB-/Baa3 or higher and generally considered by the rating agencies and market participants to be of low credit risk. Conversely, securities rated below investment grade are considered to have distinctively higher credit risk than investment grade securities. For securities without credit ratings, the Company utilizes other financial information indicating the financial health of the underlying organization.

Embedded derivatives. The Company does not use derivatives for trading, speculation, or hedging exposures. Certain financial instruments the Company invests in contain both a derivative and a non-derivative component. In such cases, the derivative component is termed an embedded derivative, with the non-derivative component representing the host contract. If the economic characteristics and risks of embedded derivative are not closely related to those of the host contract, and the changes in the fair value of the host contact itself is not recorded through earnings within net investment income (loss), the embedded derivative is bifurcated and carried at fair value, and changes in the fair value are recorded through earnings within net investment income (loss) on the Consolidated Statements of Operations and included as an adjustment to reconcile net income (loss) to net cash provided by operating activities on the Consolidated Statements of Cash Flows. The host contract will continue to be accounted for in accordance with the appropriate accounting standard. The embedded derivative and the related host contract represent one legal contract and are combined on the Consolidated Balance Sheets and tables within Note 4, Investments, unless otherwise indicated.

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. The Company has elected to value these investments using the measurement alternative, under which such securities are measured at cost, less impairment, if any. If the Company identifies observable price changes for identical or similar securities of the same issuer, the equity security is measured at fair value as of the date the observable transaction occurred, with such changes recorded in net investment income (loss). The Company reassesses at each reporting period whether the equity investment's fair value becomes readily determinable, and if so, the Company subsequently elects to measure the equity investment at fair value.

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 and Allowance for Credit Losses. Receivables consist primarily of advisory and other fees owed to the Company by clients. The Company records an expense based on a forward-looking current expected credit loss model to maintain an allowance for credit losses. When determining the allowance for receivables, the probability of recoverability of the receivable based on past experience, taking into account current collection trends and general economic factors, including bankruptcy rates, is considered. The Company also considers future economic trends to estimate expected credit losses over the lifetime of the asset. Credit risks are assessed based on historical write-offs, net of recoveries, as well as an analysis of the aged accounts receivable balances with allowances generally increasing as the receivable ages. Accounts receivable may be fully reserved for when specific collection issues are known to exist, such as pending bankruptcies. Due to the short-term nature, the Company had no allowance for credit losses related to receivables as of as of June 30, 2024, or 2023.

Property and Equipment. Fixed assets are recorded at cost. 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.

Leases. The Company leases equipment under various leasing arrangements. Leases may be classified as either financing leases or operating leases, as appropriate. The Company determines if a contract is a lease or contains a lease at inception. The Company accounts for lease and non-lease components as a single component for its leases. The Company elected the short-term lease exception for leases with an initial term of 12 months or less. Consequently, such leases are not recorded on the Consolidated Balance Sheets. The Company's lease terms include options to extend or terminate the lease when it is reasonably certain they will be exercised or not, respectively.

Fixed lease payments are included in right of use ("ROU") assets and lease liabilities within other assets and liabilities, respectively, on the Consolidated Balance Sheets. ROU assets and lease liabilities are recognized based on the present value of the future lease payments over the lease term at the commencement date using the Company's incremental borrowing rate as the discount rate. Fixed lease payments made over the lease term are recorded as lease expense on a straight-line basis. Variable lease payments based on usage, changes in an index or market rate are expensed as incurred.

For new leases, the discount rates are based on the entire noncancelable lease term.

The Company is the lessor of certain areas of its owned office building under operating leases. The Company determines if a contract is a lease or contains a lease at inception. The Company elected not to separate lease and related non-lease components and account for the combined component as an operating lease.

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 the 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.

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.

Share-Based Compensation. Share-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. Forfeitures are recognized as they occur.

Income Taxes. 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.

The Company also maintains a reserve for uncertain tax positions. The Company evaluates tax positions taken or expected to be taken in a tax return for recognition in the Consolidated Financial Statements. Prior to recording the related tax benefit in the Consolidated Financial Statements, the Company must conclude that tax positions will be more-likely-than-not to be sustained, assuming those positions will be examined by taxing authorities with full knowledge of all relevant information. The benefit recognized in the Consolidated Financial Statements is the amount the Company expects to realize after examination by taxing authorities. If a tax position drops below the more-likely-than-not standard, the benefit can no longer be recognized. Assumptions, judgment, and the use of estimates are required in determining if the more-likely-than-not standard has been met when developing the provision for income taxes and in determining the expected benefit. A change in the assessment of the more-likely-than-not standard could materially impact the Company's results of operations or financial position. See Note 13 for further discussion of the Company's reserve for uncertain tax positions.

The Company has elected to treat the global intangible low-taxed income (GILTI) tax as a period expense. The Company also elected to use the tax law ordering approach when assessing the realization of net operating losses related to GILTI.

Revenue Recognition. The Company's operating revenue is earned from investment advisory and administrative services provided to clients. Each distinct service promised in the agreements is considered a performance obligation and is the basis for determining when revenue is recognized. The fees are allocated to each distinct performance obligation and revenue is recognized when, or as, promises are satisfied. The consideration for services is generally variable and included in net revenues when it is improbable that a significant reversal could occur in the future. The timing of when clients are billed and related payment received varies in accordance with agreed-upon contractual terms. For current agreements, billing occurs after the Company has recognized revenue which results in accounts receivable and revenue.

Investment Advisory Fees. The investment advisory agreements have a single performance obligation, since the promised services are not separately identifiable from other promises in the agreements and, therefore, are not distinct. Investment advisory fees are comprised of two components, a base fee and a performance fee, if applicable. Base investment advisory fees are recognized as the services are performed over time and are based upon agreed-upon percentages of average assets under management ("AAUM"), depending on contractual terms. These fees are received in cash after the end of each monthly period within 30 days. Investment advisory fees are affected by changes in assets under management, including market appreciation or depreciation, foreign exchange translation, and net inflows or outflows. Investment advisory fees are reported net of fee waivers.

Performance Fees. USGI receives investment advisory performance fees from certain funds. Performance fees for the equity funds within USGIF are a fulcrum fee that is a 0.25 percent adjustment upwards or downwards of the base investment advisory fees when there is a 5 percent difference between a fund's performance and that of its benchmark index over the prior rolling 12 months. Performance fees are recorded when it is determined that they are no longer probable of significant reversal. These fees are received in cash or paid in cash after the end of each monthly period within 30 days. Performance fees are affected by changes in fund performance, benchmark index performance, and assets under management.

Administrative Services Fees. The administrative services agreement has a single performance obligation, since the promised services are not separately identifiable from other promises in the agreement and, therefore, are not distinct. Administrative services fees are recognized as the services are performed over time and are based upon agreed-upon percentages of AAUM. These fees are received in cash after the end of each monthly period within 30 days. Administrative services fees are affected by changes in assets under management, including market appreciation or depreciation, foreign exchange translation, and net inflows or outflows. Administrative services fees are reported net of fee waivers.

Fee Waivers. For certain clients, the Company has agreed to contractually limit the expenses or voluntarily waive or reduce its fees and/or agreed to pay expenses for funds. These fee waivers are deemed to be a reduction of the transaction price and are reported as a reduction of investment advisory fees and/or administrative services fees. These fees are paid in cash after the end of each monthly period within 30 days.

Dividends and Interest. Dividends are recorded on the ex-dividend date, and interest income is recorded on an accrual basis. Debt investments are placed on a non-accrual status when they are past due 180 days or more as to contractual obligations or when other circumstances indicate that collection is not probable. When a debt investment is placed on a non-accrual status, any interest accrued but not received is reversed against interest income. Any discount between the cost and the principal amount of debt investments is amortized to interest income using the effective interest method. When the discounted cash flow method is utilized to estimate expected credit losses for held-to-maturity debt securities, any changes in the allowance for credit losses that are attributable to the passage of time are recognized in interest income. Both dividends and interest income are included within net investment income (loss) on the Consolidated Statements of Operations.

Advertising Costs. The Company expenses advertising costs as they are incurred. The Company is reimbursed for certain advertising expenses related to USGIF from the distributor for USGIF.

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 balance sheet translations of foreign subsidiaries are excluded from income and are recorded in accumulated other comprehensive income (loss) on the Consolidated Balance Sheets. Net exchange gains and losses resulting from income or loss translations are included in income and are recorded in net investment income (loss) on the Consolidated Statements of Operations. 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 net 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 in accordance with ASC 260, *Earnings Per Share*. Basic earnings per share ("EPS") excludes dilution and is computed by dividing net income (loss) 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), net of tax, is reported in the Consolidated Balance Sheets and the Consolidated Statements of Shareholders' Equity and includes any unrealized gains and losses on debt securities classified as available-for-sale and foreign currency translation adjustments.

Adoption of New Accounting Standard

In June 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, and has subsequently issued several amendments (collectively, “ASU 2016-13”). ASU 2016-13 adds to U.S. GAAP an impairment model (known as the current expected credit loss model, or "CECL") that is based on expected losses rather than incurred losses for most financial assets and certain other instruments. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses. It also modifies the impairment model for available-for-sale debt securities; the concept of "other-than-temporary" impairment was replaced by a determination of whether any impairment is a result of a credit loss or other factors. To adopt the standard, entities are required to make a cumulative-effect adjustment to beginning retained earnings as of the beginning of the fiscal year in which the guidance is effective. The Company adopted the standard using the modified-retrospective approach for all financial assets measured at amortized cost on July 1, 2023, and recognized an initial allowance for credit losses of $232,000 for one held-to-maturity debt security. The cumulative-effect adjustment to beginning retained earnings, net of the related tax effect, was a decrease of $183,000.

Recent Accounting Pronouncements and Developments

In June 2022, the FASB issued ASU 2022-03, Fair Value Measurement (Topic 820), *Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions* (“ASU 2022-03”). The FASB issued ASU 2022-03 (1) to clarify the guidance in Topic 820, Fair Value Measurement, when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of an equity security, (2) to amend a related illustrative example, and (3) to introduce new disclosure requirements for equity securities subject to contractual sale restrictions that are measured at fair value in accordance with Topic 820. ASU 2022-03 will be effective for fiscal years beginning after December 15, 2023. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. The Company does not expect this standard to have a material impact on its financial statements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (“ASU 2023-07”), which enhances the disclosures required for reportable segments in annual and interim consolidated financial statements, including additional, more detailed information about a reportable segment’s expenses. ASU 2023-07 will be effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, on a retrospective basis. Early adoption is permitted. The Company is currently evaluating the impact of the pending adoption of ASU 2023-07 on its Consolidated Financial Statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”), which enhances the transparency and decision usefulness of income tax disclosures. ASU 2023-09 will be effective for fiscal years beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The Company is currently evaluating the impact of the pending adoption of ASU 2023-09 on its Consolidated Financial Statements.

NOTE 4. INVESTMENTS

As of June 30, 2024, the Company held investments carried at fair value on a recurring basis of $15.5 million and a cost basis of $18.0 million. The fair value of these investments is approximately 29.8 percent of the Company’s total assets at June 30, 2024. In addition, the Company held other investments of approximately $1.7 million, and held-to-maturity debt investments, net of allowance for credit losses, of $868,000.

The cost basis of investments is adjusted for amortization of premium or accretion of discount on debt securities held or the recharacterization of distributions from investments in partnerships, if applicable.

Concentrations of Credit Risk

A significant portion of the Company’s investments carried at fair value on a recurring basis is investments in USGIF, which were $10.5 million and $12.4 million as of June 30, 2024, and 2023, respectively, and investments in HIVE Digital Technologies Ltd., (“HIVE”), which included convertible debentures valued at $4.4 million as of June 30, 2024, and included convertible debentures and common share purchase warrants valued at $7.3 million as of June 30, 2023. For these investments, the maximum amount of loss due to credit risk the Company could incur is the fair value of the financial instruments.

Fair Value Hierarchy

Fair value is defined 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. The valuation techniques described below maximize the use of observable inputs and minimize the use of unobservable inputs in determining fair value.

The inputs used for measuring financial instruments at fair value are summarized in the three broad levels listed below:

Level 1 – Inputs represent unadjusted quoted prices for identical assets exchanged in active markets.

Level 2 – Inputs include directly or indirectly observable inputs (other than Level 1 inputs) such as quoted prices for similar assets exchanged in active or inactive markets; quoted prices for identical assets exchanged in inactive markets; other inputs that may be considered in fair value determinations of the assets, such as interest rates and yield curves; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs include unobservable inputs used in the measurement of assets. The Company is required to use its own assumptions regarding unobservable inputs because there is little, if any, market activity in the assets and it may be unable to corroborate the related observable inputs. Unobservable inputs require management to make certain projections and assumptions about the information that would be used by market participants in valuing assets.

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 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.

Additionally, the reliance on third-party pricing services adds another layer of uncertainty, as these services use proprietary models and methodologies that incorporate both observable and unobservable inputs. While we review and validate the inputs used by these pricing services, there is no guarantee that the fair values provided fully reflect the prices at which the instruments could be sold in an orderly transaction between market participants at the measurement date.

The Company has established a Proprietary Valuation Committee (the "Committee") to administer and oversee the Company's valuation policies and procedures, which are approved by the Board of Directors, and to perform a periodic review of valuations provided by independent pricing services.

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. The fair value of a security that has a restriction greater than one year is based on the quoted price for an otherwise identical unrestricted instrument that trades in a public market, adjusted for the estimated effect of the restriction. Mutual funds, which include open- and closed-end funds and exchange-traded funds, are valued at net asset value or closing price, as applicable.

For common share purchase warrants not traded on an exchange, the estimated fair value is determined using the Black-Scholes option-pricing model. This sophisticated model utilizes a number of assumptions in arriving at its results, including the estimated life, the risk-free interest rate, and historical volatility of the underlying common stock. The Company may change the assumption of the risk-free interest rate and utilize the yield curve for instruments with similar characteristics, such as credit ratings and jurisdiction, or change the expected volatility. The effects of changing any of the assumptions or factors employed by the Black-Scholes model may result in a significantly different valuation.

Certain convertible debt securities not traded on an exchange are valued by an independent third party using a binomial lattice model based on factors such as yield, quality, maturity, coupon rate, type of issuance, individual trading characteristics of the underlying common shares and other market data. The model utilizes a number of assumptions in arriving at its results. The effects of changing any of the assumptions or factors utilized in the binomial lattice model, including expected volatility, credit adjusted discount rates, and discounts for lack of marketability, may result in a significantly different valuation for the securities.

For other securities included in the fair value hierarchy with unobservable inputs, the Committee considers 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 Committee reviews inputs and assumptions and reports material items to the Board of Directors. Securities which do not have readily determinable fair values are also periodically reviewed by the Committee.

The following summarizes the major categories of investments with fair values adjusted on a recurring basis as of June 30, 2024, and 2023, and other investments with fair values adjusted on a nonrecurring basis, with fair values shown according to the fair value hierarchy.

	June 30, 2024			
(dollars in thousands)	**Quoted Prices (Level 1)**	**Significant Other Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Investments carried at fair value on a recurring basis:				
Investments in trading securities:				
Equity securities:				
Equities - International	$ 435	$ -	$ -	$ 435
Mutual funds - Fixed income	9,644	-	-	9,644
Mutual funds - Global equity	806	-	-	806
Total equity securities	10,885	-	-	10,885
Debt securities:				
Corporate debt securities	208	-	-	208
Total investments in trading securities:	11,093	-	-	11,093
Investments in available-for-sale debt securities:				
Corporate debt securities - Convertible debentures	-	-	4,414	4,414
Total investments carried at fair value on a recurring basis:	$ 11,093	$ -	$ 4,414	$ 15,507
Investments carried at fair value on a nonrecurring basis:				
Other investments (1)	$ -	$ -	$ 600	$ 600

1. Fair value information is not as of June 30, 2024. Other investments include equity securities without readily determinable fair values that were adjusted as a result of the measurement alternative during the year ended June 30, 2024. These securities are classified as level 3 due to the infrequency of the observable price changes and/or restrictions on the shares.

(dollars in thousands)	Quoted Prices (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	June 30, 2023			
Investments carried at fair value on a recurring basis:				
Investments in trading securities:				
Equity securities:				
Equities - International	$ 488	$ -	$ 290	$ 778
Mutual funds - Fixed income	11,642	-	-	11,642
Mutual funds - Global equity	785	-	-	785
Total equity securities	12,915	-	290	13,205
Debt securities:				
Corporate debt securities	-	-	-	-
Total investments in trading securities:	12,915	-	290	13,205
Investments in available-for-sale debt securities:				
Corporate debt securities - Convertible debentures	-	-	7,008	7,008
Total investments carried at fair value on a recurring basis:	$ 12,915	$ -	$ 7,298	$ 20,213
Investments carried at fair value on a nonrecurring basis:				
Other investments (1)	$ -	$ -	$ 1,786	$ 1,786

1. Fair value information is not as of June 30, 2023. Other investments include equity securities without readily determinable fair values that were adjusted as a result of the measurement alternative during the year ended June 30, 2023. These securities are classified as level 3 due to the infrequency of the observable price changes and/or restrictions on the shares.

The securities classified as Level 3 and carried at fair value on a recurring basis in the preceding tables are investments in HIVE, a company that is headquartered in Canada with cryptocurrency mining facilities in Iceland, Sweden, and Canada. The Company purchased convertible securities of HIVE for $15.0 million in January 2021. The convertible securities were comprised of 8.0% interest-bearing unsecured convertible debentures, payable in quarterly installments with a final maturity in January 2026, and 5 million common share purchase warrants in the capital of HIVE. Under the original terms, the principal amount of each debenture was convertible into common shares in the capital of HIVE at a conversion rate of $2.34, and each whole warrant, which expired in January 2024, entitled the Company to acquire one common share. Under the current terms, which reflect a reverse stock split, the principal amount of each debenture is convertible into common shares in the capital of HIVE at a conversion rate of $11.70. The remaining principal amount is $4.6 million as of June 30, 2024. Cryptocurrency markets and related securities have been, and are expected to continue to be, volatile. There has been significant volatility in the market price of HIVE, which has materially impacted the value of the investments included on the Consolidated Balance Sheets, unrealized gain recognized in net investment income (loss), and unrealized gain recognized in other comprehensive income (loss). The investments did not represent ownership in HIVE as of June 30, 2024. The securities are subject to Canadian securities regulations. Frank Holmes serves on the board as executive chairman of HIVE and held shares and options at June 30, 2024. From August 31, 2018, through January 2023, Mr. Holmes was Interim CEO of HIVE.

The Company recorded the debentures at the estimated fair value of $16.0 million on purchase date, and an unrealized gain of $6.9 million was recognized in other comprehensive income (loss), which will be realized in net investment income (loss) ratably using the effective interest method until maturity, conversion, or other disposition. The fair value of the debentures was $4.4 million and $7.0 million at June 30, 2024, and June 30, 2023, respectively. The warrants were recorded at the estimated fair value of $5.9 million on the purchase date, and the fair value was $290,000 at June 30, 2023. Upon expiration in January 2024, a realized loss of $5.9 million was recognized in net investment income (loss).

The Company utilizes an independent third-party to estimate the fair values of the HIVE convertible investments and currently considers the fair value measurements to contain Level 3 inputs. 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 year ended June 30, 2024:

Changes in Level 3 Assets Measured at Fair Value on a Recurring Basis

(dollars in thousands)	Year Ended June 30, 2024 Investments in equity securities	Investments in debt securities
Beginning Balance	$ 290	$ 7,008
Principal repayments	-	(3,000)
Amortization of day one premium	-	(172)
Accretion of bifurcation discount	-	507
Total gains or losses included in:		
Net Investment Income (Loss)	(290)	1,038
Other Comprehensive Income (Loss)	-	(967)
Ending Balance	$ -	$ 4,414

The total gains or losses shown in the table above include $102,000 in unrealized losses recognized in net investment income (loss) and $172,000 in unrealized gains recognized in other comprehensive income (loss) for investments still held as of June 30, 2024.

The fair value measurements of certain financial instruments categorized within Level 3 involve significant unobservable inputs, which inherently introduce a degree of uncertainty. These inputs may include assumptions about future market conditions, liquidity, and credit risk, which are not directly observable in the market. Given these factors, the fair value measurements of Level 3 financial instruments are subject to a higher degree of estimation uncertainty, and actual results could differ significantly from the estimates provided. Additionally, the reliance on third-party pricing services adds another layer of uncertainty, as these services use proprietary models and methodologies that incorporate both observable and unobservable inputs. While we review the methodologies and inputs used by these pricing services, there is no guarantee that the fair values provided fully reflect the prices at which the instruments could be sold in an orderly transaction between market participants at the measurement date.

The following is quantitative information as of June 30, 2024, with respect to the securities measured and carried at fair value on a recurring basis with the use of significant unobservable inputs (Level 3):

	June 30, 2024			
(dollars in thousands)	Fair Value	Principal Valuation Techniques	Unobservable Inputs	
Investments in available-for-sale debt securities:				
Corporate debt securities - convertible debentures	$ 4,414	Binomial lattice model	Volatility	95.0%
			Credit Spread	8.2%
			Risk-Free Rate	4.1%

The following is quantitative information as of June 30, 2023, with respect to the securities measured and carried at fair value on a recurring basis with the use of significant unobservable inputs (Level 3):

	June 30, 2023			
(dollars in thousands)	Fair Value	Principal Valuation Techniques	Unobservable Inputs	
Investments in equity securities:				
Common share purchase warrants	$ 290	Option pricing model	Volatility	100.0%
			Risk-Free Rate	5.0%
Investments in available-for-sale debt securities:				
Corporate debt securities - convertible debentures	$ 7,008	Binomial lattice model	Volatility	100.0%
			Credit Spread	11.5%
			Risk-Free Rate	4.2%

Investments in Trading Securities at Fair Value

Investments in trading securities with readily determinable fair values are carried at fair value, and changes in unrealized gains or losses are reported in the current period earnings. The following details the components of the Company's trading securities carried at fair value as of June 30, 2024, and 2023.

	June 30, 2024		
(dollars in thousands)	Cost	Unrealized Gains (Losses)	Fair Value
Trading securities at fair value			
Equity securities:			
Equities - International	$ 762	$ (327)	$ 435
Equities - Domestic	45	(45)	-
Mutual funds - Fixed income	9,869	(225)	9,644
Mutual funds - Global equity	929	(123)	806
Total equity securities at fair value	11,605	(720)	10,885
Debt securities:			
Corporate debt securities	215	(7)	208
Total trading securities at fair value	$ 11,820	$ (727)	$ 11,093

	June 30, 2023		
(dollars in thousands)	Cost	Unrealized Gains (Losses)	Fair Value
Trading securities at fair value			
Equity securities:			
Equities - International	$ 6,679	$ (5,901)	$ 778
Equities - Domestic	45	(45)	-
Mutual funds - Fixed income	11,947	(305)	11,642
Mutual funds - Global equity	930	(145)	785
Total equity securities at fair value	19,601	(6,396)	13,205
Debt securities:			
Corporate debt securities	-	-	-
Total trading securities at fair value	$ 19,601	$ (6,396)	$ 13,205

Debt Investments

Investments in debt securities are classified on the acquisition dates and at each balance sheet date. Securities classified as held-to-maturity are carried at amortized cost, net of allowance for credit losses, reflecting the ability and intent to hold the securities to maturity. Debt securities classified as trading are acquired with the intent to sell in the near term and are carried at fair value with changes reported in earnings. All other debt securities are classified as available-for-sale and are carried at fair value.

Investment gains and losses on available-for-sale debt securities are recorded when the securities are sold, as determined on a specific identification basis, and recognized in current period earnings. Changes in unrealized gains are reported net of tax in accumulated other comprehensive income (loss). For debt securities in an unrealized loss position, a loss in earnings is recognized for the excess of amortized cost over fair value if the Company intends to sell before the price recovers. Otherwise, the Company evaluates as of the balance sheet date whether the unrealized losses are attributable to credit losses or other factors. The severity of the decline in value, creditworthiness of the issuer and other relevant factors are considered. The portion of unrealized loss the Company believes is related to a credit loss is recognized in earnings, and the portion of unrealized loss the Company believes is not related to a credit loss is recognized in other comprehensive income (loss).

Certain derivatives embedded in other financial instruments, such as the conversion option in a convertible bond, are reported at fair value, and changes in fair value are recorded through earnings within net investment income (loss). The host contract continues to be accounted for in accordance with the appropriate accounting standard. The embedded derivative and the related host contract represent one legal contract and are combined on the Consolidated Balance Sheets and the tables below. The Company held one financial instrument containing an embedded derivative, which represents an investment in HIVE, at June 30, 2024, and 2023. The security has been in a continuous unrealized loss position for longer than 12 months. We evaluated the unrealized loss position in the available-for-sale security as of June 30, 2024, and determined the unrealized loss was related to changes in the fair value of the embedded derivatives and not the result of credit losses; therefore, an allowance for credit losses was not recorded.

The following details the components of the Company's available-for-sale debt investments at June 30, 2024, and 2023.

	June 30, 2024					
(dollars in thousands)	Amortized Cost	Unrealized Gains in Other Comprehensive Income (Loss)	Unrealized Losses in Other Comprehensive Income (Loss)	Unrealized Losses in Net Investment Income (Loss) (1)	Fair Value	Allowance for Credit Losses
Available-for-sale debt securities:						
Corporate debt securities - Convertible debentures	$ 6,204	$ 740	$ -	$ (2,530)	$ 4,414	$ -

	June 30, 2023					
(dollars in thousands)	Amortized Cost	Unrealized Gains in Other Comprehensive Income (Loss)	Unrealized Losses in Other Comprehensive Income (Loss)	Unrealized Losses in Net Investment Income (Loss) (1)	Fair Value	Allowance for Credit Losses
Available-for-sale debt securities:						
Corporate debt securities - Convertible debentures	$ 7,729	$ 1,707	$ -	$ (2,428)	$ 7,008	$ -

1. Represents changes in unrealized gains and losses related to embedded derivatives included in net investment income (loss) in the Consolidated Statements of Operations.

The following table summarizes the fair values of embedded derivatives on the Consolidated Balance Sheets, categorized by risk exposure, at June 30, 2024, and 2023.

	June 30, 2024	June 30, 2023
	Other Assets	Other Assets
(dollars in thousands)	Investments in available-for-sale debt securities	Investments in available-for-sale debt securities
Embedded Derivatives:		
Equity price risk exposure	$ 12	$ 114

The following table presents the effect of embedded derivatives on the Consolidated Statements of Operations, categorized by risk exposure, for the years ended June 30, 2024, and 2023.

	Year Ended June 30,	
	2024	2023
	Other Income (Loss)	Other Income (Loss)
(dollars in thousands)	Net Investment Income (Loss)	Net Investment Income (Loss)
Embedded Derivatives:		
Equity price risk exposure	$ (102)	$ 111

At June 30, 2024, and 2023, the Company held one security classified as held-to-maturity. The following details the components of the Company's held-to-maturity debt investment at June 30, 2024, and 2023.

	June 30, 2024					
(dollars in thousands)	**Amortized Cost**	**Allowance for Credit Losses**	**Net Carrying Amount**	**Gross Unrecognized Holding Gains**	**Gross Unrecognized Holding Losses**	**Fair Value**
Held-to-maturity debt securities (1):						
Corporate debt securities	$ 1,000	$ 132	$ 868	$ -	$ -	$ 868

	June 30, 2023					
(dollars in thousands)	**Amortized Cost**	**Allowance for Credit Losses**	**Net Carrying Amount**	**Gross Unrecognized Holding Gains**	**Gross Unrecognized Holding Losses**	**Fair Value**
Held-to-maturity debt securities (1):						
Corporate debt securities	$ 1,000	$ -	$ 1,000	$ -	$ (232)	$ 768

1. Held-to-maturity debt instruments are carried at amortized cost, net of allowance for credit losses, and the fair value is classified as Level 2 according to the fair value hierarchy.

On July 1, 2023, the Company adopted ASU 2016-13, which replaced the incurred loss methodology for determining our allowance for credit losses and related provision for credit losses with an expected loss methodology that is referred to as the Current Expected Credit Losses ("CECL") model. CECL is a significant accounting estimate used in the preparation of the Company's Consolidated Financial Statements. Upon adoption of ASU 2016-13, the Company replaced the incurred loss impairment model that recognizes losses when it becomes probable that a credit loss will be incurred, with a requirement to recognize lifetime expected credit losses immediately when a financial asset is originated or purchased. CECL is a valuation account that is deducted from the amortized cost basis of held-to-maturity debt securities to present the net amount expected to be collected on the securities. Held-to-maturity debt securities, or portions thereof, are charged against the allowance when they are deemed uncollectible. Arriving at an appropriate level of credit losses involves a high degree of judgment. While management uses available information to recognize losses, changing economic conditions and the economic prospects of the issuers may necessitate future additions or reductions to the allowance.

The Company monitors the credit quality of debt securities through credit ratings from various rating agencies. Credit ratings express opinions about the credit quality of a security and are utilized by the Company to make informed decisions. Investment grade securities are rated BBB-/Baa3 or higher and generally considered by the rating agencies and market participants to be of low credit risk. Conversely, securities rated below investment grade are considered to have distinctively higher credit risk than investment grade securities. For securities without credit ratings, the Company utilizes other financial information indicating the financial health of the underlying organization. As of June 30, 2024, and 2023, the held-to-maturity debt investment held by the Company did not have a credit rating.

Since the held-to-maturity debt security does not have a credit rating, management has determined that the discounted cash flow method provides the best basis for its assessment and determination of expected credit losses. The Company has elected to reflect the change in the allowance solely attributable to the passage of time in interest income. Changes attributable to the passage of time are those solely due to changes in the present value of the expected cash flows as the instrument approaches maturity rather than expectations of cash flow timing or amounts. Since the adoption of ASU 2016-13 on July 1, 2023, and through June 30, 2024, the change in allowance for credit losses attributable to the passage of time was $100,000 and included as an increase in interest income within net investment income (loss) on the Consolidated Statements of Operations.

The following table presents the activity in the allowance for credit losses for the held-to-maturity debt investment. There was no allowance at June 30, 2023.

(dollars in thousands)	**Year Ended June 30, 2024**
Beginning Balance, prior to adoption of ASU 2016-13	$ -
Impact of ASU 2016-13 adoption	232
Provision for credit losses - reversal (1)	(100)
Ending Balance	$ 132

1. Represents the change in present value attributable to the passage of time included in interest income.

The following summarizes the net carrying amount and estimated fair value of debt securities at June 30, 2024, by contractual maturity dates. Actual maturities may differ from final contractual maturities due to principal repayment installments or prepayment rights held by issuers.

	June 30, 2024	
	Available-for-sale debt securities	**Held-to-maturity debt securities**
(dollars in thousands)	**Convertible debentures (1)**	**Due after one year through five years**
Amortized Cost	$ 6,204	$ 1,000
Fair Value	$ 4,414	$ 868

1. Principal payments of $750,000 are due quarterly with a final maturity in January 2026.

As of June 30, 2024, none of the Company's investments in debt securities were delinquent or in a non-accrual status, and accrued interest receivable of $13,000 is included in accounts and other receivables on the Consolidated Balance Sheets as of June 30, 2024, and 2023.

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. For these securities, the Company generally elects to value using the measurement alternative, under which such securities are measured at cost, less impairment, if any. If the Company identifies observable price changes for identical or similar securities of the same issuer, the equity security is measured at fair value as of the date the observable transaction occurred, with such changes recorded in net investment income (loss).

The following table presents the carrying value of equity securities without readily determinable fair values held as of June 30, 2024, and 2023, that are measured under the measurement alternative, and the related adjustments recorded during the periods presented for those securities with observable price changes or impairments. These securities are included in the nonrecurring fair value hierarchy tables when applicable price changes are observable, or when impairments occur.

	Year Ended June 30,	
(dollars in thousands)	2024	2023
Other Investments		
Carrying value	$ 1,687	$ 2,388
Upward carrying value changes	$ -	$ 14
Downward carrying value changes/impairments	$ (1,274)	$ (2,280)

The period-end carrying values reflect cumulative purchases and sales in addition to upward and downward carrying value changes. The cumulative amount of upward adjustments to all equity securities without readily determinable fair values total $2.5 million since their respective acquisitions through June 30, 2024. The cumulative amount of impairments and other downward adjustments, which include return of capital distributions and observable price changes, to all equity securities without readily determinable fair values total $5.0 million since their respective acquisitions through June 30, 2024.

The Company has an investment in The Sonar Company ("Sonar"), a company headquartered in the United States, at a cost of $175,000. The investment had a carrying value of approximately $362,000 at June 30, 2024, and 2023. Roy D. Terracina, Director and Vice Chairman of the Board of Directors for U.S. Global, has served as the CEO of Sonar since July 2021, and the Company's ownership of Sonar was approximately 2.8 percent as of June 30, 2024.

Net Investment Income (Loss)

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

	Year Ended June 30,	
(dollars in thousands)	2024	2023
Net Investment Income (Loss)		
Realized gains (losses) on equity securities	$ (6,845)	$ (453)
Realized gains (losses) on debt securities	1,140	1,664
Unrealized gains (losses) on equity securities	5,669	(2,563)
Unrealized gains (losses) on debt securities	(7)	-
Unrealized gains (losses) on embedded derivatives	(102)	111
Unrealized gains (losses) on cash equivalents	(1)	(5)
Dividend and interest income	2,411	1,798
Realized foreign currency gains (losses)	(121)	(236)
Total Net Investment Income (Loss)	$ 2,144	$ 316

During the years ended June 30, 2024, and 2023, realized gains on debt securities in the amount of $1.1 million and $1.7 million, respectively, were reclassified from other comprehensive income (loss) related to the Company's investment in HIVE debentures. A significant amount of the realized loss on equity securities shown above was related to the Company's investment in warrants of HIVE. The warrants were recorded at the estimated fair value of $5.9 million on the purchase date, and upon expiration in January 2024, a realized loss of $5.9 million was recognized, resulting in an increase to unrealized gains (losses) on equity securities of the same amount.

The following table presents unrealized gains and losses recognized during the years ended June 30, 2024, and 2023, on equity investments still held at each respective date.

	Year Ended June 30,	
(dollars in thousands)	2024	2023
Unrealized gains and losses for securities held at the reporting date:		
Equity securities:		
Net gains and losses recognized during the period	$ (1,176)	(3,016)
Less: Net gains and losses recognized during the period on securities sold during the period	(266)	(13)
Unrealized gains and losses recognized during the reporting period on securities still held at the reporting date (1)	$ (910)	$ (3,003)
Debt securities classified as trading:		
Net gains and losses recognized during the period	$ (7)	-
Less: Net gains and losses recognized during the period on securities sold during the period	-	-
Unrealized gains and losses recognized during the reporting period on securities still held at the reporting date	$ (7)	$ -

1. Includes net unrealized and realized losses as a result of the measurement alternative of $1.0 million and $2.3 million for the fiscal years ended June 30, 2024, and 2023, respectively.

Net investment income (loss) can be volatile and varies depending on market fluctuations.

NOTE 5. INVESTMENT MANAGEMENT AND OTHER FEES

The following table presents operating revenues disaggregated by performance obligation:

	Year Ended June 30,	
(dollars in thousands)	2024	2023
ETF advisory fees	$ 9,416	$ 13,174
USGIF advisory fees	1,882	2,256
USGIF performance fees earned (paid)	(429)	(490)
Total Advisory Fees	10,869	14,940
USGIF administrative services fees	115	134
Total Operating Revenue	$ 10,984	$ 15,074

The Company serves as investment advisor to three U.S.-based ETF clients: U.S. Global Jets ETF (ticker JETS), U.S. Global GO GOLD and Precious Metal Miners ETF (ticker GOAU), and U.S. Global Sea to Sky Cargo ETF (ticker SEA). The Company receives a unitary management fee of 0.60 percent of average net assets of the ETFs and has agreed to bear all expenses of the U.S.-based ETFs, except the U.S. Global Sea to Sky Cargo ETF ("SEA"). The Company has agreed to contractually limit the expenses of SEA through April 2025. The aggregate fees waived, and expenses borne by the Company for SEA were $147,000 and $105,000 for the years ended June 30, 2024, and 2023, respectively. The Company also serves as investment advisor to one European-based ETF, The Travel UCITS ETF (ticker TRIP). The U.S. Global Jets UCITS ETF merged into The Travel UCITS ETF in April 2024. The Company receives a unitary management fee of 0.69 percent of average net assets and has agreed to bear all expenses of the ETF.

The Company serves as investment adviser to USGIF and receives advisory fees comprised of two components: a base management fee and a performance fee. The management fee is based on a specified percentage of net assets under management. 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. This performance adjustment began to be phased out during the fourth quarter of fiscal 2024 and will cease during the fourth quarter of fiscal 2025. During the phase-out period, the adjustment for the performance fee can only be adjusted downward.

The Company has agreed to contractually limit the expenses of the Near-Term Tax Free Fund and the Global Luxury Goods Fund through April 2025. The Company has voluntarily waived or reduced its fees and/or agreed to pay expenses on the remaining Funds. These caps will continue on a voluntary basis at the Company's discretion. The aggregate fees waived, and expenses borne by the Company for USGIF were $840,000 and $1.1 million for the years ended June 30, 2024, and 2023, respectively. USGIF revenue included on the Consolidated Statements of Operations is net of fee waivers. Management cannot predict the impact of future waivers due to the number of variables and the range of potential outcomes.

The Company receives administrative service fees from USGIF based on an annual rate of 0.05 percent of average daily net assets of each fund.

As of June 30, 2024, the Company had $772,000 in receivables from fund clients, of which $647,000 was from the ETFs and $125,000 was from USGIF. As of June 30, 2023, the Company had $1.1 million in receivables from fund clients, of which $1.0 million was from the ETFs and $126,000 was from USGIF. There was no allowance for credit losses related to receivables as of June 30, 2024, or June 30, 2023.

NOTE 6. RESTRICTED AND UNRESTRICTED CASH

The Company maintains its cash deposits with established commercial banks. At times, balances may exceed federally insured limits. We have not experienced any losses in such accounts and do not believe that we are exposed to any significant credit risk associated with our cash deposits. Restricted cash represents cash invested in a money market account as collateral for credit facilities that is not available for general corporate use.

A reconciliation of cash, cash equivalents, and restricted cash reported from the Consolidated Balance Sheets to the Statements of Cash Flows is shown below:

	June 30,	
(dollars in thousands)	2024	2023
Cash and cash equivalents	$ 27,399	$ 25,401
Restricted cash	1,000	1,000
Total cash, cash equivalents, and restricted cash	$ 28,399	$ 26,401

NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment are composed of the following:

	June 30,	
(dollars in thousands)	2024	2023
Building and land	$ 4,669	$ 4,616
Furniture, equipment, and other	1,130	981
	5,799	5,597
Accumulated depreciation	(4,645)	(4,459)
Net property and equipment	$ 1,154	$ 1,138

Depreciation expense totaled $196,000 and $243,000 in fiscal years 2024 and 2023, respectively.

NOTE 8. LEASES

The Company has lease agreements for office equipment that expire in the fiscal year 2026. Lease expense included in general and administrative expense on the Consolidated Statements of Operations totaled $133,000 and $119,000 for the years ended June 30, 2024, and 2023, respectively.

The following table presents the components of lease cost.

	Year Ended June 30,	
(dollars in thousands)	**2024**	**2023**
Finance lease cost:		
Amortization of right-of-use assets	$ 30	$ 29
Interest on lease liabilities	3	4
Total finance lease cost	33	33
Operating lease cost	-	-
Short-term lease cost	103	90
Total lease cost	$ 136	$ 123

Supplemental information related to the Company's leases follows.

	Year Ended June 30,	
(dollars in thousands)	**2024**	**2023**
Operating cash flows from financing leases included in lease liabilities	$ 3	$ 4
Financing cash flows from financing leases included in lease liabilities	$ 30	$ 27

Additional qualitative information concerning the Company's leases follows.

	June 30,	
	2024	**2023**
Weighted-average remaining lease term - financing leases (years)	1.25	2.25
Weighted-average discount rate - financing leases	4.75%	4.75%

The following table presents the maturities of lease liabilities as of June 30, 2024.

(dollars in thousands) **Fiscal Year**	**Finance Leases**
2025	$ 32
2026	8
Total lease payments	40
Less imputed interest	(1)
Total	$ 39

The Company is the lessor of certain areas of its owned office building under operating leases expiring in various years through fiscal year 2025. At the commencement of an operation lease, no income is recognized; subsequently, lease payments received are recognized on a straight-line basis. Lease income included in other income on the Consolidated Statements of Operations was $101,000 and $125,000 for fiscal years 2024 and 2023, respectively. The cost of obtaining lessor contracts, which is included in other assets on the Consolidated Balance Sheets, was $2,000 and $4,000 at June 30, 2024, and 2023, respectively.

A summary analysis of annual undiscounted cash flows to be received on leases as of June 30, 2024, is as follows:

(dollars in thousands) **Fiscal Year**	**Operating Leases**
2025	$ 36
Total lease payments	$ 36

The Company may terminate the building leases with one hundred eighty days written notice if it sells the property. If the Company terminates the lease, the Company will pay the tenant a termination fee of the lesser of six months of the base monthly rent or the base monthly rent times the number of months remaining in the initial term. As of June 30, 2024, the cost of the building is $1.7 million, and the accumulated depreciation is $1.6 million. As of June 30, 2023, the cost of the building is $1.6 million, and the accumulated depreciation is $1.6 million. The building is depreciated using the straight-line method over 40 years.

NOTE 9. OTHER ACCRUED EXPENSES

Other accrued expenses consist of the following:

	June 30,	
(dollars in thousands)	**2024**	**2023**
Professional fees	$ 571	$ 697
Vendors payable	182	157
ETF operating and distribution expenses	365	344
Other taxes payable	79	76
Other accrued expenses	$ 1,197	$ 1,274

NOTE 10. DEBT

The Company has access to a $1.0 million credit facility for working capital purposes. The credit agreement requires the Company to maintain certain covenants; the Company has been in compliance with these covenants during the fiscal years ended June 30, 2024, and 2023. The credit agreement will expire on May 31, 2026, and the Company intends to renew it biennially. The credit facility is collateralized by approximately $1.0 million at June 30, 2024, included in restricted cash on the Consolidated Balance Sheets, held in deposit in a money market account at the financial institution that provided the credit facility. As of June 30, 2024, the credit facility remains unutilized by the Company.

NOTE 11. 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 the 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 recorded expenses for contributions to the 401(k) plan of $121,000 and $109,000 for fiscal years 2024 and 2023, 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 a profit-sharing contribution of $100,000 and $200,000 in fiscal years 2024 and 2023, respectively.

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. 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 $12,000 in fiscal years 2024 and 2023.

The Company has an Employee Stock Purchase Plan whereby eligible employees can purchase treasury shares at market price. During fiscal years 2024 and 2023, employees purchased 24,460 and 19,981, respectively, shares of treasury stock from the Company. The Company matches these contributions on a limited basis. The Company match, reflected in base salary expense, was $49,000 and $42,000 in fiscal years 2024, and 2023, respectively.

NOTE 12. SHAREHOLDERS' EQUITY

The Company has three classes of common equity: class A, class B, and class C common stock. The Company's class A common stock is traded over-the-counter and is quoted daily under NASDAQ's Capital Markets under the symbol "GROW." There is no established public trading market for the Company's class B and class C common stock. There are no shares of class B stock issued as of June 30, 2024, or 2023.

The shareholders of class C common stock have voting rights, and the shareholders of class A and class B common stock have no voting rights. Shareholders of class C common stock are allowed to convert to class A common stock. During fiscal year 2024, and 2023, no shares 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.

Dividends

Dividends totaling $1.1 million were paid to holders of class A common stock in fiscal years 2024 and 2023. Dividends of $186,000 were paid to holders of class C common stock in fiscal years 2024 and 2023. The dividend rate per share for both classes was $0.0075 per month during fiscal years 2024 and 2023.

As of June 30, 2024, the Board has authorized a monthly dividend of $0.0075 per share through September 2024, at which time it will be considered for continuation by the Board. Payment of cash dividends is within the discretion of the Company's Board of Directors and is dependent on earnings, operations, capital requirements, general financial condition of the Company and general business conditions. 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 Company has a share repurchase program, approved by the Board of Directors, authorizing the Company to annually purchase up to $5.0 million of its outstanding common shares, as market and business conditions warrant, on the open market in compliance with Rule 10b-18 and Rule 10b5-1 of the Securities Exchange Act of 1934. The repurchase program has been in place since December 2012, and the Board of Directors has annually renewed the repurchase program each calendar year. The Company announced on February 25, 2022, that the Board of Directors of the Company approved an increase to the limit of its annual share buyback program from $2.75 million to $5.0 million. The acquired shares may be used for corporate purposes, including shares issued to employees in the Company's share-based compensation programs. As of June 30, 2024, approximately $4.0 million remains available for repurchase under this authorization.

During fiscal years 2024 and 2023, the Company repurchased 767,651 and 412,257, respectively, of its class A shares on the open market using cash of $2.2 million and $1.2 million, respectively. To date, the Company has repurchased a total of 1,988,877 class A shares under the repurchase program using cash of $5.6 million.

In August 2022, the Inflation Reduction Act (IRA) was signed into law, which made a number of changes to the Internal Revenue Code, including adding a 1% excise tax on stock buybacks by publicly traded corporations. Any excise tax incurred is recognized as part of the cost basis of the shares acquired in the Consolidated Statements of Shareholders' Equity. The impact of these provisions on the Consolidated Financial Statements was $22,000 for the year ended June 30, 2024.

Other Activity

All stock grants vest immediately after issuance. Issuances of treasury stock for grants, bonuses, and the share repurchase plan are accounted for using the weighted-average cost basis of the shares issued. During fiscal years 2024 and 2023, no shares were granted to employees or non-employee directors.

Stock Option Plans

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. There were no options granted, forfeited, or exercised during the year ended June 30, 2024. Under the 1989 Plan, there were 2,000 options forfeited during the year ended June 30, 2023, and no options granted or exercised. Under the 1989 Plan, there were 229,000 options outstanding and exercisable as of June 30, 2024, and 2023, with a weighted-average grant date fair value price of $3.36.

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

The assumptions utilized to estimate the fair value of options outstanding under the 1989 Plan are presented in the following table:

Risk-free interest rate	0.9%
Expected volatility	70.0%
Expected life (in years)	5.25
Expected dividend yield	1.0%

The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected life of the stock options. Expected volatility is based on the historical volatility of the Company's common stock. The Company did not have historical post-vesting activity under the 1989 Plan and utilized the simplified method to calculate expected term for stock options granted in fiscal 2021. The simplified method calculates the expected term as mid-point between the weighted-average time to vest and the contractual maturity. The expected dividend yield is based on the date of the grant.

Stock option transactions under the 1989 Plan for the last two fiscal years are summarized below.

(dollars in thousands, except price data)	**Options**	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Life in Years**	**Aggregate Intrinsic Value (net of tax)**
Outstanding June 30, 2022	231,000	6.05		
Granted	-	n/a		
Exercised	-	n/a		
Forfeited	(2,000)	6.05		
Outstanding June 30, 2023	229,000	$ 6.05		
Granted	-	n/a		
Exercised	-	n/a		
Forfeited	-	n/a		
Outstanding June 30, 2024	229,000	$ 6.05	6.97	$ -

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. Under the 1997 Plan, there were no options granted, exercised, or forfeited during the years ended June 30, 2024, or 2023. There were 2,000 options outstanding and exercisable under the 1997 Plan as of June 30, 2024, and 2023.

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 1997 Plan for the past two fiscal years are summarized below:

(dollars in thousands, except price data)	**Options**	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Life in Years**	**Aggregate Intrinsic Value (net of tax)**
Outstanding June 30, 2022	2,000	$ 2.74		
Granted	-	n/a		
Exercised	-	n/a		
Forfeited	-	n/a		
Outstanding June 30, 2023	2,000	$ 2.74		
Granted	-	n/a		
Exercised	-	n/a		
Forfeited	-	n/a		
Outstanding June 30, 2024	2,000	$ 2.74	3.72	$ -

NOTE 13. INCOME TAXES

The Company and its non-Canadian subsidiaries file a consolidated U.S. federal income tax return. USCAN files a separate tax return in Canada. The Company's components of income (loss) before tax by jurisdiction are as follows:

	Year ended June 30,	
(dollars in thousands)	2024	2023
United States	$ 1,670	$ 4,114
Canada	245	(31)
Total	$ 1,915	$ 4,083

The reconciliation of income tax computed at U.S. federal statutory rates to income tax expense is as follows:

	Year ended June 30,			
(dollars in thousands)	2024	% of Pretax	2023	% of Pretax
Tax expense at statutory rate	$ 402	21.0%	$ 857	21.0%
State and local income taxes, net of federal tax benefit	117	6.1%	131	3.2%
Income from controlled foreign corporation	56	2.9%	7	0.2%
Other	7	0.4%	(61)	(1.5)%
Total tax expense	$ 582	30.4%	$ 934	22.9%

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

	Year ended June 30,	
(dollars in thousands)	2024	2023
Current tax expense (benefit) - U.S.	$ 48	$ 1,245
Current tax expense (benefit) - State U.S.	117	131
Current tax expense (benefit) - non-U.S.	82	(2)
Deferred tax expense (benefit) - U.S.	329	(442)
Deferred tax expense (benefit) - non-U.S.	6	2
Total tax expense (benefit)	$ 582	$ 934

Components of the Company's deferred assets and liabilities are as follows:

	June 30,	
(dollars in thousands)	2024	2023
Deferred Income Tax Assets:		
Accumulated depreciation	$ 126	$ 117
Investments in securities at fair value	857	1,604
Accrued expenses	66	218
Product start-up costs	103	99
Share-based compensation expense	162	162
Other	67	40
Net operating loss carryover	-	24
Capital loss carryover	786	-
Subtotal Deferred Tax Assets	2,167	2,264
Valuation Allowance	-	(24)
Total Deferred Tax Assets	2,167	2,240
Deferred Income Tax Liabilities:		
Investments in securities at fair value	$ -	$ (4)
Prepaid expenses	(82)	(77)
Foreign tax on undistributed earnings	(252)	(243)
Total Deferred Tax Liabilities	(334)	(324)
Net Deferred Tax Asset	$ 1,833	$ 1,916

Carryovers

For U.S. federal income tax purposes at June 30, 2024, the Company has no U.S. federal net operating loss carryovers and $3.7 million capital loss carryovers expiring in fiscal year 2029. For Canadian income tax purposes, USCAN has no net operating loss carryovers and no capital loss carryovers.

Additional Disclosures

A valuation allowance is provided when it is more likely than not that some portion of the deferred tax amount will not be realized. There was no valuation allowance included at June 30, 2024. At June 30, 2023 a valuation allowance of $24,000 was included to fully reserve for net operating loss carryovers.

Uncertain income tax positions

The Company is subject to U.S. federal income tax, state tax jurisdictions within the U.S., and taxes in Canada. The Company maintains a reserve for uncertain tax positions. As of June 30, 2024, and June 30, 2023, the total reserve for uncertain tax positions, including interest and penalties, and net of federal benefits, was $785,000 and $671,000, respectively, which is included within long-term liabilities on the Consolidated Balance Sheets.

The reserve as of June 30, 2024, relates to the Company's uncertain tax positions for income tax matters. The Company believes the reserve for uncertain tax positions, including interest and penalties, and net of federal benefits, of $785,000 as of June 30, 2024, adequately covers open tax years and uncertain tax positions up to and including fiscal 2024 for major taxing jurisdictions. As of June 30, 2024, the entire $785,000 of unrecognized tax benefits, including interest and penalties and net of federal benefit, if recognized, would impact the Company's effective income tax rate.

The Company's activity was as follows:

	Year ended June 30,	
(dollars in thousands)	2024	2023
Beginning Balance	$ 671	$ 554
Increases related to current year tax positions	114	117
Ending Balance	$ 785	$ 671

The Company continues to follow its policy of recognizing interest and penalties accrued on tax positions as a component of income taxes on the Consolidated Statements of Operations. The amount of accrued interest and penalties associated with the Company's tax positions was $277,000 and $250,000 as of June 30, 2024, and June 30, 2023, respectively. The tax years from 2021 through 2023 remain open to examination by the U.S. Federal tax jurisdictions to which the Company is subject. The tax years from 2017 through 2023 remain open to examination by the non-U.S. Federal tax jurisdictions to which the Company is subject. For jurisdictions with unfiled tax returns, the statutes of limitations remain open indefinitely.

NOTE 14. EARNINGS PER SHARE

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

	Year Ended June 30,	
	2024	2023
(dollars in thousands, except per share data)		
Net Income (Loss)	$ 1,333	$ 3,149
Weighted average number of outstanding shares		
Basic	14,182,300	14,638,833
Effect of dilutive securities		
Stock options	53	236
Diluted	14,182,353	14,639,069
Earnings (Loss) Per Share		
Basic Net Income (Loss) per Share	$ 0.09	$ 0.22
Diluted Net Income (Loss) per Share	$ 0.09	$ 0.22

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, 2024, and 2023, 229,000 employee stock options were excluded from diluted EPS.

During fiscal years 2024 and 2023, 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 15. 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
Balance at June 30, 2022	$ 3,624
Other comprehensive income (loss) before reclassifications	(1,217)
Tax effect	256
Amount reclassified from AOCI	(1,664)
Tax effect	349
Net other comprehensive income (loss) for 2023	(2,276)
Balance at June 30, 2023	1,348
Other comprehensive income (loss) before reclassifications	172
Tax effect	(36)
Amount reclassified from AOCI	(1,139)
Tax effect	239
Net other comprehensive income (loss) for 2024	(764)
Balance at June 30, 2024	$ 584

NOTE 16. FINANCIAL INFORMATION BY BUSINESS SEGMENT

The Company manages the following business segments:

1. Investment management services, by which the Company offers, to USGIF and ETF clients, a range of investment management products and services to meet the needs of individual and institutional investors; and
2. Corporate investments, through which the Company invests for its own account in an effort to add growth and value to its cash position

These segments are managed separately. The Company's segment information is prepared on the same basis that management uses to review the financial information for operational and investment decision-making purposes. The Company's chief operating and investment decision maker, the Chief Executive Officer, evaluates the performance of the Company's Corporate Investments segment separately from the Investment Management Services segment based on net investment income (loss), and the Corporate Investments segment does not include any allocated company expenses. All segment accounting policies are the same as those described in the summary of significant accounting policies.

The following schedule details total revenues and income by business segment:

(dollars in thousands)	Investment Management Services	Corporate Investments	Consolidated
Year Ended June 30, 2024			
Operating revenues	$ 10,984	$ -	$ 10,984
Net investment income (loss)	$ -	$ 2,144	$ 2,144
Other income (loss)	$ 251	$ -	$ 251
Income (loss) before income taxes	$ (130)	$ 2,045	$ 1,915
Depreciation	$ 196	$ -	$ 196
Gross identifiable assets at June 30, 2024	$ 27,494	$ 22,636	$ 50,130
Deferred tax asset			$ 1,833
Consolidated total assets at June 30, 2024			$ 51,963
Year Ended June 30, 2023			
Operating revenues	$ 15,074	$ -	$ 15,074
Net investment income (loss)	$ -	$ 316	$ 316
Other income (loss)	$ 242	$ -	$ 242
Income (loss) before income taxes	$ 3,868	$ 215	$ 4,083
Depreciation	$ 243	$ -	$ 243
Gross identifiable assets at June 30, 2023	$ 25,918	$ 27,835	$ 53,753
Deferred tax asset			$ 1,920
Consolidated total assets at June 30, 2023			$ 55,673

Net operating revenues from investment management services include revenues from ETF clients of $9.4 million and $13.2 million in fiscal years 2024 and 2023, respectively. Net operating revenues from investment management services also include revenues from USGIF of $1.6 million and $1.9 million in fiscal years 2024 and 2023, respectively.

NOTE 17. RELATED PARTY TRANSACTIONS

On June 30, 2024, and 2023, the Company had $10.5 million and $12.4 million, respectively, at fair value invested in USGIF, funds the Company advised. These amounts were included in the Consolidated Balance Sheets as investments in equity securities at fair value. During the years ended June 30, 2024, and 2023, the Company redeemed investments for $2.0 million and $350,000, respectively. During the years ended June 30, 2024, and 2023, there was $71,000 and $13,000, respectively, of net realized losses on its investments in USGIF. The Company recorded $380,000 and $267,000 in income from capital gain distributions and dividends from USGIF investments in fiscal years 2024 and 2023, respectively.

The Company earned advisory and administrative services fees, as applicable, from the various funds for which it acts as investment adviser, as disclosed in Note 5. Receivables include amounts 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, 2024, and 2023, the Company had $772,000 and $1.1 million, respectively, of receivables from funds included in the Consolidated Balance Sheets within receivables.

The Company has various investments in HIVE that were valued at approximately $4.4 million and $7.3 million and as of June 30, 2024, and 2023, respectively. As discussed in Note 4, in January 2021, the Company purchased convertible securities in HIVE, and an unrealized gain was recognized in other comprehensive income (loss) for the convertible debentures, which is to be realized in net investment income (loss) ratably using the effective interest method until maturity, conversion, or other disposition. The warrants were recorded at the estimated fair value of $5.9 million on the purchase date, and upon expiration in January 2024, a realized loss of $5.9 million was recognized in net investment income (loss). During the fiscal year ended June 30, 2024, and 2023, $3.0 million in principal payments were received for the debentures, and $1.1 million and $1.7 million, respectively, was included in net investment income (loss) as realized gains on debt securities. The Company recorded $854,000 and $1.2 million in interest income from HIVE investments during the fiscal year ended June 30, 2024, and 2023, respectively. The Company earned other income from HIVE for consulting fees in the amount of $150,000 and $120,000 during the fiscal years ended June 30, 2024, and 2023, respectively. The Company had $207,000 and $43,000 of receivables from HIVE included in the Consolidated Balance Sheets within receivables as of June 30, 2024, and 2023, respectively. Frank Holmes, a director and Chief Executive Officer of the Company, is the executive chairman of HIVE, for which he received director fees from HIVE during fiscal years 2024 and 2023. Mr. Holmes held shares and options of HIVE at June 30, 2024, and 2023. From August 2018 through January 2023, Mr. Holmes was Interim CEO of HIVE.

As discussed in Note 4, the Company has an investment in Sonar that had a carrying value of approximately $362,000 at June 30, 2024, and 2023. The Company earned lease income from Sonar in the amount of $8,000 and $16,000 during the fiscal years ended June 30, 2024, and 2023, respectively. Roy D. Terracina, Director and Vice Chairman of the Board of Directors for U.S. Global, has served as the CEO of Sonar since July 2021.

NOTE 18. COMMITMENTS AND CONTINGENCIES

The Company continuously reviews all investor, employee, and vendor complaints, tax claims, 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 various 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. Excluding reserves for uncertain tax positions, the Company recorded no accruals for contingencies as of June 30, 2024, or 2023.

The Board of Directors has authorized a monthly dividend of $0.0075 per share from July through September 2024, 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 to September 2024 will be approximately $313,000.

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

There have been no disagreements with accountants on accounting and financial disclosures during the two most recent fiscal years. BDO USA, LLP, now known as BDO USA, P.C., was the independent registered public accounting firm to U.S. Global Investors, Inc. (the "Company") from July 2022 through September 2022. Grant Thornton LLP was the independent registered public accounting firm to the Company from December 2022 through fiscal year 2023, and fiscal year 2024.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. Disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that the Company 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 officer, as appropriate, to allow timely decisions regarding required disclosure. 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, 2024. Based on that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were not effective as of June 30, 2024, due to the existence of the material weakness in internal control over financial reporting described below (which we view as an integral part of our disclosure controls and procedures).

Notwithstanding the material weakness, we believe that the Consolidated Financial Statements included in this annual report on Form 10-K fairly present, in all material respects, our financial position, results of operations and cash flows as of the date, and for the period, presented, in conformity with U.S. GAAP.

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, 2024. 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 concluded that, due to the material weakness described below, the Company's management did not maintain effective internal control over financial reporting as of June 30, 2024.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Material weakness over regulatory compliance and remediation efforts:
The material weakness in internal controls over financial reporting that was disclosed in our annual report on Form 10-K as of and for the year ended June 30, 2023, was not remediated as of June 30, 2024. The deficiency is the result of the inadequate design of controls related to complying with tax regulatory requirements. In particular, we determined that our controls were not designed and operating effectively to ensure new tax regulatory requirements were identified, reviewed for applicability and implemented on a timely basis. The control deficiency creates a reasonable possibility that a material misstatement of our Consolidated Financial Statements would not be prevented or detected on a timely basis, and constitutes a material weakness in our internal control over financial reporting.

Management, with the oversight of the Audit Committee, is currently in the process of designing and implementing a remediation plan intended to address this material weakness. During the fiscal year ended June 30, 2024, remediation efforts included engaging a third-party specialist to perform services related to tax regulatory compliance. The material weakness will not be considered remediated until such time management designs and implements effective controls that operate for a sufficient period of time and has concluded, through testing, that these controls are effective.

Remediation of previously reported material weakness over fair value measurements. The material weakness in internal controls over financial reporting that was disclosed in our annual report on Form 10-K/A-2 as of and for the year ended June 30, 2022, was remediated as of June 30, 2024. The deficiency was the result of the inadequate design of controls to measure the fair value of the Company's investments and overreliance on the work of a third-party specialist resulting in undetected errors in the valuation of certain investments. Management designed and implemented measures to remediate the control deficiencies contributing the material weakness, which included taking steps to enhance its evaluation of the qualifications of third-party specialists, more accurately define the scope of work to be performed by such specialists, and improve the review process for work products prepared by specialists. Based on these remediation actions, as well as testing the operating effectiveness of the controls over a sustained period of financial reporting cycles, management, with the oversight of the Audit Committee, has concluded that the controls are effective.

Changes in Internal Control over Financial Reporting. Other than as described above, 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, 2024, 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. Limitations inherent in any control system include the following:

- Judgments in decision-making can be faulty, and control and process breakdowns can occur because of simple errors or mistakes.
- Controls can be circumvented by individuals, acting alone or in collusion with others, or by management override.
- The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.
- Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with associated policies or procedures.
- The design of a control system must reflect the fact that resources are constrained, and the benefits of controls must be considered relative to their costs.

Because of such inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, 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 99.81 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.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

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	69	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 and its subsidiaries. Mr. Holmes served as Chairman of the Board of HIVE Digital Technologies Ltd., formerly HIVE Blockchain Technologies Ltd., since August 2017, Interim Executive Chairman from August 2018 to December 2020, Executive Chairman since December 2020, and Interim CEO from August 2018 to January 2023. He also served on the board of Thunderbird Entertainment Group Inc. (formerly Thunderbird Entertainment, Inc.) from June 2014 to March 2021. Mr. Holmes served as Chairman of the Board of GoldSpot Discoveries Corp. from February 2019 to May 2020 and as a director from February 2019 to June 2020. Mr. Holmes served as Director of Meridian Global Gold & Resources Fund Ltd. from December 2003 to November 2017; and Director of Meridian Global Energy & Resources Fund Ltd. from April 2006 to November 2017.
Jerold H. Rubinstein	86	Chairman of the Board of Directors since February 2006 and Director of the Company since October 1989. Mr. Rubinstein has served as Director and Chairman of Salton Sea Industries from June 2016 to June 2020. Mr. Rubinstein served as Director and Chairman of the Audit Committee of CKE Restaurants from June 2006 to July 2010 and April 2011 to December 2017. He also served as Director and Chairman of the Audit Committee of Greenwood Hall, Inc. from November 2016 to June 2017.
Roy D. Terracina	78	Director of the Company since December 1994 and Vice Chairman of the Board of Directors since May 1997. Mr. Terracina is the owner of Sunshine Ventures, Inc., a company formed to hold investments, since January 1994 and has served as Chief Executive Officer and Board Chair of the Sonar Company since July 2021.
Thomas F. Lydon, Jr.	64	Director of the Company since June 1997. Mr. Lydon has served as Vice Chairman of VettaFi from May 2022 to April 2024; President of Global Trends Investments since April 1996; co-CEO of ETF Flows LLC from February 2019 to August 2021; Board Member of VettaFi from August 2021 to January 2024; Independent Trustee of Guggenheim Investments since February 2012; and Independent Director of Harvest Volatility Edge Trust from December 2017 to December 2018.
Lisa C. Callicotte	51	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 and its subsidiaries.

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 2024 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 four 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. All directors attended the 2023 fiscal year 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 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 five 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. Grant Thornton LLP, U.S. Global's independent registered public accounting firm for the fiscal year ended June 30, 2024, is responsible for performing an independent audit of U.S. Global's 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 Grant Thornton LLP. The committee has discussed with Grant Thornton 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 2024 audited financial statements. The Audit Committee has received the written disclosures and the letter from Grant Thornton LLP required by applicable requirements of the PCAOB regarding the independent accountant's communications with the committee concerning independence and has discussed with Grant Thornton 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, 2024.

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.

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.

Director Interaction with Stockholders. The Company's Corporate Governance Guidelines provide the process by which stockholders and other interested parties may contact the non-management members of the Board. These guidelines are contained on the Company's website in the "Policies and Procedures" section of "About Us."

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.

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 and the CFO, ("Named Executive Officers" or "NEOs"), as well as our directors in fiscal year 2024. 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 provides 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. The Compensation Committee has a charter that is available for review on our website at www.usfunds.com by clicking "About Us," followed by "Policies and Procedures."

The individuals listed below are the CEO and CFO, who are the only NEOs for the fiscal year 2024.

Name	Title
Frank E. Holmes	Chief Executive Officer and Chief Investment Officer
Lisa C. Callicotte	Chief Financial Officer

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.

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 2024 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 audit results and the cost of living in San Antonio. Occasionally, Ms. Callicotte receives discretionary bonuses for the completion of projects.

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 Company has no written policy for allocating between cash and equity, or current and long-term compensation for the CEO and other NEOs. The Compensation Committee administers the stock option plans.

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 independent 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, 2024, no stock options were granted under this plan. As of June 30, 2024, under this amended plan, 1,964,400 options had been granted, 883,000 options had been exercised, 852,400 options had expired, 229,000 remained outstanding, and 488,000 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, 2024, no stock options were granted under this plan. As of June 30, 2024, 583,300 options had been granted; 257,000 shares had been exercised; 324,300 options had expired; 2,000 options remained outstanding; and 141,000 options are available for grant.

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;
- All participants, including executive officers, in the Employee Stock Purchase Plan are subject to stock ownership and holding guidelines.

Compensation Clawback Policy

Effective December 1, 2023, the Board adopted a Compensation Clawback Policy (the "Clawback Policy") to provide for the recoupment of certain Incentive-Based Compensation (as defined in the Clawback Policy) in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws. The Clawback Policy is intended to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Rule 10D-1 promulgated under the Exchange Act, and applicable Nasdaq listing standards, and the policy applies to current and former Executive Officers (as defined in the Clawback Policy). Pursuant to the Clawback Policy, in the event the Company is required to prepare an accounting restatement to correct material noncompliance with any financial reporting requirement under federal securities laws, the Board shall reasonably promptly recover any excess Incentive-Based Compensation received by any Covered Executive. The Clawback Policy is filed with the SEC as Exhibit 97 of this Annual Report.

In connection with the preparation of its Consolidated Financial Statements for the fiscal year ended June 30, 2024, the Company determined that its previously issued Consolidated Financial Statements as of and for the fiscal year ended June 30, 2023, contained an error. Based on management's evaluation of the accounting error under the SEC Staff's Accounting Bulletins Nos. 99 ("SAB 99") and 108 ("SAB 108") and interpretations thereof, the Company concluded the error is not material, either on an individual or aggregate basis, to the Company's previously reported financial statements. The Company has corrected this accounting error as of and for the fiscal year ended June 30, 2023. The Company did not record certain liabilities as required by FASB Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" (codified under ASC 740-10) ("FIN 48") as of June 30, 2022. The error was corrected in the Company's Consolidated Financial Statements as of and for the year ended June 30, 2023, through retained earnings as of July 1, 2022.

The Compensation Committee was informed that the immaterial adjustment to the previously issued consolidated financial statements was related to uncertain tax positions. The Compensation Committee noted that the Incentive-Based Compensation is based on pre-tax income. Therefore, there was no excess Incentive-Based Compensation paid or to recover related to the immaterial adjustment to the previously issued consolidated financial statements.

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, and tuition reimbursement.

401(k) Plan

We offer a 401(k) plan covering substantially all employees, including NEOs. Participants may contribute a portion of their base salary and cash incentive compensation, up to a limit imposed by the Internal Revenue Code, which is $23,000 in calendar year 2024. An additional “catch-up” pretax contribution of up to $7,500 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 contribute to Roth and/or traditional 401(k) accounts.

Profit Sharing

The 401(k) plan allows 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. The Company made a profit-sharing contribution of $100,000 in fiscal year 2024 and $200,000 in fiscal year 2023.

Savings Plans

We also have a program pursuant to which we offer employees an opportunity to participate in savings programs using mutual funds managed by us. 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. A similar savings plan utilizing Uniform Gifts to Minors Act (“UGMA”) accounts is offered to all employees to save for minor relatives and is matched at a maximum of $15 per month per child. The Company match, reflected in base salary expense, aggregated in all programs to $12,000 in fiscal years 2024 and 2023.

Employee Stock Purchase Plan

We also have a program whereby eligible employees can purchase treasury shares, at market price. During fiscal years 2024 and 2023, employees purchased 24,460 and 19,981 shares of treasury stock from us, respectively. The Company matches these contributions on a limited basis. The Company match, reflected in base salary expense, was $49,000 and $42,000 in fiscal years 2024, and 2023, 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 2024 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)

As amended by the Tax Cuts and Jobs Act enacted in December 2017, 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, CFO and our three other most highly compensated executive officers.

Compensation of Named Executive Officers

The following table sets forth for the fiscal year ended June 30, 2024, 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	Non-Equity Incentive Plan Compensation	All Other Compensation	Total
		($)	($)	($) 1	($) 2,3	($)
(dollars in thousands)						
Frank E. Holmes						
Chief Executive Officer	2023	434	97	468	168	1,167
Chief Investment Officer	2024	472	23	107	184	786
Lisa C. Callicotte						
Chief Financial Officer	2023	172	96	-	55	323
	2024	187	80	-	52	319

1. *The amounts consist of cash incentive compensation awards earned for services. The amounts were paid pursuant to the senior executive bonus programs.*
2. *For fiscal year 2024, represents amounts paid by us on behalf of or to Mr. Holmes as follows: (i) $64 in insurance, (ii) $38 in matched contributions, (iii) $29 in paid time off payout, (iv) $13 in profit-sharing, (v) $8 in memberships, and (vi) $32 in miscellaneous items.*
3. *For fiscal year 2024, represents amounts paid by us on behalf of or to Ms. Callicotte as follows: (i) $11 in profit-sharing, (ii) $21 in matched contributions, (iii) $11 in paid time off payout, and (iv) $9 in miscellaneous items.*

Outstanding equity awards as of June 30, 2024, for the named executive officers are detailed in the table below. Columns were omitted if they were not applicable.

Outstanding Equity Awards at Fiscal Year-End

	Option Awards			
Name	Number of Securities Underlying Unexercised Options - Exercisable	Number of Securities Underlying Unexercised Options - Unexercisable	Option Exercise Price ($)	Option Expiration Date
Frank E. Holmes	50,000	-	$ 6.05	6/21/2031
Lisa C. Callicotte	2,000	-	$ 2.74	3/21/2028
Lisa C. Callicotte	50,000	-	$ 6.05	6/21/2031

The Pension Benefits, Nonqualified Deferred Compensation, and Option Exercises and Stock Vested Tables were omitted because they were not applicable.

Compensation of Directors

The compensation of directors is subject to a minimum of $16,500 in any quarter. 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. We may grant non-employee directors options under our 1989 and 1997 Stock Option Plans. Director compensation for the fiscal year ended June 30, 2024, is detailed in the table below. Columns that were not applicable were omitted.

Director Compensation

Name	Fees Earned or Paid in Cash (1)	Total
(dollars in thousands)		
Jerold H. Rubinstein	$ 196	$ 196
Roy D. Terracina	$ 85	$ 85
Thomas F. Lydon, Jr.	$ 85	$ 85

1. *The difference in fees earned was primarily due to Mr. Rubinstein receiving an additional amount per month for added responsibilities as chairman.*

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 August 21, 2024, there were 2,068,549 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	99.81%
7900 Callaghan Road		
San Antonio, TX 78229		

Class A Common Stock (Nonvoting Stock)

On August 21, 2024, there were 11,612,094 shares of the Company's class A common stock 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 (%)
Vanguard Group, Inc. – Valley Forge, PA	617,936	5.32%
Royce & Associates, LP – New York, NY	604,954	5.21%

Security Ownership of Management

The following table sets forth, as of August 21, 2024, 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 directly owns the number of shares indicated in the table and has sole voting power and investment power with respect to all such shares.

Beneficial Owner	Class C Common Stock		Class A Common Stock	
	Number of Shares	%	Number of Shares	%
Frank E. Holmes, CEO, Director	2,064,560	99.81%	534,644	4.60%
Lisa C. Callicotte, CFO	-	-	29,999	0.26%
Jerold H. Rubinstein, Director	-	-	2,800	0.02%
Roy D. Terracina, Director	-	-	63,800	0.55%
Thomas F. Lydon, Jr., Director	-	-	17,500	0.15%
All directors and executive officers as a group (five persons)	2,064,560	99.81%	648,743	5.59%

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]	229,000	$ 6.05	488,000
1997 Non-Qualified Stock Option Plan [2]	2,000	$ 2.74	141,000
Employee Stock Purchase Plan [3]	N/A	N/A	58,337
Total	231,000		687,337

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 has not been filed.*

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

See Note 17, Related Party Transactions, to the Consolidated Financial Statements of this Annual Report on 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 year ended June 30, 2024, rendered by Grant Thornton LLP.

	Fiscal year ended June 30,	
(dollars in thousands)	**2024**	**2023**
Audit fees [1]	$ 440	$ 332
Audit-related fees [2]	-	-
Tax fees [3]	74	76
Total fees	$ 514	$ 408

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.*
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 Grant Thornton LLP in the fiscal year ended June 30, 2024, were pre-approved by the Audit Committee.

U.S. Global Investors

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 quarter 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)
4.1	Description of Capital Stock, incorporated by reference to the Company's Form 10-K for the year ended June 30, 2019 (Edgar Accession No. 0001185185-19-001226)
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	Distribution Agreement dated December 10, 2015, by and between U.S. Global Investors Funds and Foreside Fund Services, LLC, incorporated by reference to the Company's Form 10-Q for the quarter ended December 31, 2015, filed February 12, 2016 (EDGAR Accession No. 0001185185-16-003686)
10.3	Novation to the Distribution Agreement dated December 10, 2015, by and between U.S. Global Investors Funds and Foreside Fund Services, LLC, incorporated by reference to U.S. Global Investors Funds, Post-Effective Amendment No. 127, filed April 28, 2017 (EDGAR Accession No. 0001398344-17-005412)
10.4	Distribution Services Agreement dated December 10, 2015, by and between U.S. Global Investors, Inc. and Foreside Fund Services, LLC, incorporated by reference to the Company's Form 10-Q for the quarter ended December 31, 2015, filed February 12, 2016 (EDGAR Accession No. 0001185185-16-003686)
10.5	Amended and Restated Administrative Services Agreement dated December 9, 2015, by and between U.S. Global Investors Funds and U.S. Global Investors, Inc., incorporated by reference to the Company's Form 10-Q for the quarter ended December 31, 2015, filed February 12, 2016 (EDGAR Accession No. 0001185185-16-003686)
10.6	Distribution Plan Pursuant to Rule 12b-1 adopted December 9, 2015 by the Board of Trustees of U.S. Global Investors Funds, incorporated by reference to the Company's Form 10-Q for the quarter ended December 31, 2015, filed February 12, 2016 (EDGAR Accession No. 0001185185-16-003686)
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	2010 Stock Incentive Plan, amended May 26, 2020, incorporated by reference to the Company's Form 8-K filed on May 28, 2020 (EDGAR Accession No. 0001185185-20-000741)
10.10	(A) Advisory Agreement with ETF Series Solutions dated February 19, 2015, incorporated by reference to Post-Effective Amendment 53 filed April 22, 2015 (EDGAR Accession No. 0000894189-15-001923)
	(B) Amended Schedule A to Advisory Agreement with ETF Series Solutions, incorporated by reference to Post-Effective Amendment 210 filed June 8, 2017 (EDGAR Accession No. 0000894189-17-003025)
	(C) Amended Schedule A to Advisory Agreement with ETF Series Solutions, incorporated by reference to Post-Effective Amendment 755 and Amendment 756 filed October 28, 2021 (EDGAR Accession No. 0000894189-21-007557)
14.01	Code of Ethics for Principal Executive and Senior Financial Officers, adopted December 15, 2003, and amended February 17, 2016, incorporated by reference to the Company's Form 10-Q for the quarter ended March 31, 2016, filed on May 12, 2016 (EDGAR Accession No. 0001185185-16-004512)
14.02	Code of Ethics, incorporated by reference to the Company's Form 10-Q for the quarter ended December 31, 2019 (EDGAR Accession No. 0001185185-20-000164)
21	List of Subsidiaries of the Company, included herein.
23.1	Grant Thornton LLP consent of independent registered public accounting firm for Form 10-K for U.S. Global Investors, Inc., included herein.
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.
97.	U.S. Global Investors, Inc. Compensation Clawback Policy, included herein.
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

Table of Contents

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 10, 2024

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 10, 2024
/s/ Thomas F. Lydon, Jr. THOMAS F. LYDON, JR.	Director	September 10, 2024
/s/ Jerold H. Rubinstein JEROLD H. RUBINSTEIN	Chairman, Board of Directors	September 10, 2024
/s/ Roy D. Terracina ROY D. TERRACINA	Director	September 10, 2024
/s/ Lisa C. Callicotte LISA C. CALLICOTTE	Chief Financial Officer	September 10, 2024

Exhibit 21 — Subsidiaries of the Company, Jurisdiction of Incorporation, and Percentage of Ownership

1. U.S. Global Investors (Bermuda) Ltd. - incorporated in Bermuda and wholly owned by the Company

2. U.S. Global Investors (Canada) Ltd. – incorporated in Canada and wholly owned by the Company

3. U.S. Global Indices, LLC – incorporated in Texas and wholly owned by the Company

Exhibit 23.1 — Consent of Grant Thornton LLP

Consent of Independent Registered Public Accounting Firm

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

We have issued our report dated September 10, 2024, with respect to the consolidated financial statements, included in the Annual Report of U.S Global Investors, Inc. on Form 10-K for the year ended June 30, 2024. We consent to the incorporation by reference of said report in the Registration Statements of U.S. Global Investors, Inc. on Form S-8 (No. 333-25699 and 033-33012).

/s/ Grant Thornton LLP
Dallas, Texas
September 10, 2024

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 10, 2024
/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 10, 2024
/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, 2024, 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 10, 2024
/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, 2024, 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 10, 2024
/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.

U.S. GLOBAL INVESTORS, INC.
COMPENSATION CLAWBACK POLICY
(Adopted: December 1, 2023)
(Amended: June 10, 2024)

Introduction

The Board of Directors (the "Board") of U.S. Global Investors, Inc. (the "Company") believe that it is in the best interests of the Company and its shareholders to adopt this Compensation Clawback Policy (this "Policy") to provide for the recoupment of certain Incentive-Based Compensation (as defined below) in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws. This Policy is intended to comply, and shall be interpreted to be consistent with, Section 10D of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Rule 10D-1 promulgated under the Exchange Act and Nasdaq Listing Rule 5608 (together the "Clawback Listing Standards").

Administration

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee (the "Committee"). The Committee will administer this Policy and shall make all determinations with respect to this Policy, consistent with applicable law and this Policy; *provided*, that this Policy shall be interpreted in a manner consistent with the requirements of Section 10D of the Exchange Act, Rule 10D-1 and the Listing Standards. Compliance with this Policy shall not be waived by the Committee, the Board, or the Company in any respect. Any interpretations and determinations made by the Committee shall be final and binding on all affected individuals.

Covered Executives

This Policy applies to the Company's current and former executive officers, as determined by the Board in accordance with the definition of executive officer set forth in Rule 10D-1 and the Listing Standards (each, a "Covered Executive" and collectively, "Covered Executives").

For the avoidance of doubt, this Policy applies to Incentive-Based Compensation received by a Covered Executive (a) after beginning services as a Covered Executive; (b) if that person served as a Covered Executive at any time during the performance period for such Incentive-Based Compensation; (c) while the Company had a listed class of securities on a national securities exchange.

Incentive-Based Compensation

For purposes of this Policy, "Incentive-Based Compensation" means that such compensation is granted, earned, or vested based wholly or in part upon the attainment of a "Financial Reporting Measure".

A "Financial Reporting Measure" is a measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, including any measure that is derived wholly or in part from such measure.

A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the Securities and Exchange Commission (the "SEC").

An example of a Financial Reporting Measure is net income. If a Covered Executive bonus is based on net income and the Company restates its financial statements and net income changes, a calculation would be performed to determine if any excess Incentive-Based Compensation was paid to any Covered Executive. Compensation based on Company culture and loyalty is not considered to be based on a Financial Reporting Measure.

Recoupment; Accounting Restatement; Amount Subject to Recovery

In the event the Company is required to prepare an accounting restatement of its financial statements due to the Company's material noncompliance with any financial reporting requirement under the federal securities laws (a "Big R" restatement), including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a "little r" restatement), the Board shall reasonably promptly recover any excess Incentive-Based Compensation received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an accounting restatement, in addition to any transition period (that results from any change in the Company's fiscal year) within or immediately following such three completed fiscal years. (the "Recoupment Period").

The "date on which the Company is required to prepare an accounting restatement" is the earlier to occur of (a) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an accounting restatement or (b) the date a court, regulator or other legally authorized body directs the Company to prepare an accounting restatement, in each case regardless of if or when the restated financial statements are filed.

U.S. GAAP permits certain retrospective changes to previously issued financial statements that do not represent error corrections and, therefore, would not trigger a recovery analysis. Examples include:

- Change in accounting principle
- Change in reportable segment information due to a change in the structure of an issuer's internal organization
- Reclassification due to a discontinued operation
- Change in reporting entity
- Adjustment to provisional amounts in connection with a prior business combination
- Stock splits, reverse stock splits, stock dividends, or other changes in capital structure

Incentive-Based Compensation is deemed received in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.

The amount to be recovered will be the excess (if any) of the Incentive-Based Compensation paid to the Covered Executive based on the erroneous data over the Incentive-Based Compensation that would have been paid to the Covered Executive had it been based on the restated results, as determined by the Board and shall be computed without regard to any taxes paid by the Covered Executive with respect to such excess Incentive-Based Compensation.

Without limiting the forgoing, for Incentive-Based Compensation based on the Company's stock price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in the accounting restatement, (a) the amount shall be based on the Company's reasonable estimate of the effect of the accounting restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received and (b) the Company shall maintain documentation of the determination of that reasonable estimate and provide such estimate to Nasdaq.

Method of Recoupment

The Committee will determine, in its sole discretion, the method for recoupment of excess Incentive-Based Compensation hereunder which may include, without limitation:

- cancelling outstanding vested or unvested awards or any portion thereof;
- seeking reimbursement of all or part of any cash or equity-based award;
- seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;
- cancelling or offsetting against any planned future cash or equity-based awards; and/or taking any other remedial and recovery action permitted by law, as shall be determined by the Committee in its sole discretion in accordance with the applicable Clawback Listing Standards.

Impracticability

The Company shall recover any excess Incentive-Based Compensation in accordance with this Policy unless such recovery would be impractical as determined by the Committee in accordance with the applicable Clawback Listing Standards.

No Indemnification

The Company shall not indemnify any Covered Executive against the loss of any excess Incentive-Based Compensation.

Effective Date

This Policy shall be effective as of the date first set forth above (the "Effective Date") and shall apply to all Incentive-Based Compensation that is received by Covered Executives on or after October 2, 2023.

Amendment; Termination

The Board may amend or terminate this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to comply with applicable law or any rules or standards adopted by a national securities exchange on which the Company's securities are listed.

Other Recoupment Rights

Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any compensation plan or policy, employment agreement, equity award agreement, stock options award agreement, long term cash incentive award agreement, performance-accelerated restricted shares award agreement, stock appreciation rights award agreement, or other similar agreement or instrument and any other legal remedies available to the Company.

Public Disclosures

The Company shall make all required disclosures and filings with respect to this Policy in accordance with the requirements applicable to the Company, including any disclosures required in connection with SEC filings.