GROW Q1 Webcast 2025

Holly Schoenfeldt: [00:00:00] Good morning, everyone, and thank you for joining us today for our webcast announcing U. S. Global Investors results for the first quarter of fiscal year 2025. As seen on slide number two, the presenters for today's program are Frank Holmes, U. S. Global Investors CEO and Chief Investment Officer, Lisa Callicott, Chief Financial Officer, and myself, Holly Schoenfeld, Director of Marketing.

On slide number three. During this webcast, we may make forward looking statements about our relative business outlook, any forward-looking statements and all other statements made during this webcast that don't pertain to historical facts are subject to risks and uncertainties that may materially affect actual results.

Please refer to our press release and corresponding form 10-Q filing for more detail on factors that could cause actual results to differ materially from any described today and forward-looking statements. Any such statements are made as of today and U. S. Global investors accepts no obligation to update them in the future on slide number four.

This is another slide we like to highlight that kind of goes along with our disclosure or our safe harbor slide. I'll speak about it briefly. And if Frank wants to jump in, please feel free. But this is what we call the DNA of volatility graphic. What it does, is allows investors to manage their expectations of various asset classes. So, if you see what it's showing is the standard deviation over a year for various industries from large caps, to gold, to airlines, and then of course the GROW stock. And so what's most important is to realize that over a one-day and a 10-day period, it's essentially a nonevent for GROW stock to go up or down two percent and then subsequently up or down four percent. But then if you look at more volatile assets, for example, if you look like at the company like high, which deals directly with Bitcoin, that fluctuation has historically seen bigger swings, Frank.

I don't know if you want to add any other color on this slide.

Frank Holmes: No, I think it's very helpful. And the derivative of this is that we're in the fund business and a lot of our funds are in the gold business. So as you can see from this visual our biggest fund is airlines. And so it's a nonevent for those assets to go up or down 6 percent over a 10 day rolling period, and gold is plus or minus 6%.

We are less than that over a 10-day period. But it's just helpful to put that in context. That each asset class has its own unique DNA of volatility and to manage those expectations, as Holly said, it's important to understand them. We update this on a regular basis because government policies over time can change an industry or category.

And so it's helpful. I further like to point out to investors is that we used to trade off of money market funds, rates were very high and we had big growth in our government agency fund, and it went from basically nothing to a billion dollars in assets, and that was the sort of the correlation, but we were known for gold and then our gold assets took off and we started to trade as a stock ,or highly correlated around, what gold was doing and what the fund flows were in and out of our gold funds.

Then it became predominantly off of Bitcoin and Hive when we made the initial investment in Hive in 2017, because we realized they weren't going to allow an ETF in the crypto industry. And it was only this year that it was allowed. And now this week we've elected a future president who is pro the Bitcoin ecosystem.

So I think we were way ahead of our time, but with that, HIVE, at one time was a unique investment. We were early and we caught that wave, and we were having this tremendous volatility around Bitcoin. That's not happened today. Because we have a Hive structure now. And so that is very different composition of our key investments.

And I'm happy to see that all these other ETFs have enjoyed success and grown. But it's taken them something like seven years before this. This event took place. I think that the industry now follows what the airline index is doing where the flow fund flows are, which is moving around.

And I hope during this presentation to give you some color on the airline industry and gold because gold is making all time highs.

Holly Schoenfeldt: I can take it back briefly. On this slide, as always, to our loyal shareholders that are tuning in. We invite you to email us at info@usfunds.com and we would love to send you one of our hats seen here and we actually have some new go gold hats on the way.

So like I said, shoot us a message with your mailing address. We're happy to get you some USGI Swag. On the next slide before I hand this over to Frank, I will briefly review our company. U. S. Global Investors is an innovative investment manager specializing in smart beta 2.0 thematic products. We have vast experience in global markets and specialized sectors, and we use a quantum mental strategy to create the smart beta 2.0 funds.

The company was originally founded as an investment club, becoming a registered investment advisor in 1968. The company has a long standing history of global investing and launching first of their kind investment products, including the first no load gold fund. We're well known for our thematic investing in gold and precious metals, natural resources, airlines, and luxury goods.

Now slide number seven, I would like to hand the presentation over to CEO Frank Holmes. Frank.

Frank Holmes: Thank you, Holly. We have over 30 years experience, with a unique global footprint, particularly that grew out of gold in the world of gold and looking for gold mining assets. And the big growth in the past 30 years has been in Africa and Latin America and in certain little regions of North America, in particular, Canada the two states with Nevada. And we saw a success in pockets in, from Quebec and Ontario and in British Columbia. But the big growth in the gold mining industry was in emerging countries.

And with the rise of GDP per capita with China embracing capitalism and having a cultural affinity for gold, it led to a new world, especially this century, year 2000, and we'd look after the great tech bubble Commodities in particular gold started to get this, what I call the love trade. And that led us to open up a China region fund which we had incredible success with.

And then a, there's this, a sort of a anti-China concerns. And rightfully so we, we've shut that down. There's just no interest and it led us into other emerging countries. And with that, in that journey we have created three ETFs because that's the new technology in the mutual fund 40 act industry.

And they've been related to our global travels. But it's always, as Holly said, a smart beta 2. 0, which means that you have a very quantitative, regressional work that's a minimum of 10, 000 hours of studies. Going back over a decade to look at what is the ideal portfolio construction for up and down cycles in the economy and what are the industry specific factors that you start are best for stock picking and you try to create a portfolio that recalibrates every quarter and so we've been very successful in creating sustainable products.

And with that, we have 100, 000 readers in 80 countries, and we've won many award winning financial bloggers as we've grown the sort of footprint of sharing our global knowledge and trade with our weekly investor alert. Next, please. So we want to thank those shareholders, in particular, the Vanguard group that we show up in their index.

They own 5. 32%. Franklin Investments which is interesting, have bought 5.21%. And Parrot Capital has been a loyal, investor in the micro-cap and small cap sector. And so I like to thank them all for continuing to be strategic investors with us. Next please. So this is a nice visual because I want to go from a macro point of view for shareholders to recognize is that micro caps struggle to keep pace with large caps.

And this is a classic example of looking since 2020 just before or I guess COVID onset, you can see is the SMP as far outperformed iShares micro cap stocks. Next please. And then when you go and look at the big cap stocks, something else is really quite interesting is the difference between market cap weighted S& P 500 versus equally weighted S& P 500.

And you can see here that the market cap only of the S& P 500 is up almost 12 percent more than the equally weighted. So then it lends itself to what stocks are leading that charge. And you can see that Tesla and Google and Microsoft and Apple and Facebook and Tesla…they've been the big seven stocks that have skewed the overall tech, then particularly the technology of the S &P 500.

And so it's not just the micro caps, it's also the big caps. And there you have seven stocks dominating the overall performance. And then we want to go back and look at how we've done over five years and there's the Russell micro cap index. So we have outperformed it. And there are times in this journey where we far outperformed it.

You can see that huge spike that happened going into COVID. And that was a combination of the Jets ETF going from 40 million to 4 billion in assets. And since then, that sort of decline has been people taking their profits off of jets. And even though jets as a stock price has not returned to his pre COVID, even though More people are flying today than pre covid.

And I'll explain that more in detail. So try to understand that we've had this big run and that big run as you can see here was a combination of bitcoin and our investment in hive Exploding during this period, along with assets coming into the complex. So the real important part is relative to having a great product that is sustainable and is thematic enough that it attracts a lot of investor investors.

Next, please. So often when you're my age, you get [00:12:00] this question and good corporate governance is succession planning. And and I always like to say that Warren Buffett's my hero for many reasons, but 94 year old Warren Buffett, is now sitting on more than 325 billion in cash and he is still blowin and going.

And so I often like to run in the morning five kilometers, which is about three miles. So staying healthy is important. And I want to keep my brain and my body as robust as possible. So there's no *immediate* succession that's necessary or planned for today.

Another sort of sage advice out of Warren Buffett is that stock buybacks, they benefit all shareholders, not just the biggest shareholders. Increasing dividends benefits the biggest shareholders on that income distribution, whereas the thought process is that when you're buying shares and you're shrinking the market cap that all shareholders benefit.

And it's a combination, which I'll explain in a few seconds, but I think that we're going to demonstrate to you that we've been very strong at buying the stock back because we've lived through these cycles before. We've lived where you have a hot product or you get a theme. So correct, such as creating the first Eastern European fund that went from 4 million to 1.

4 billion. And that fund is, has such difficulty with. Putin first invading Crimea, and then going back and then coming back again and invading Ukraine. American appetite for anything in Eastern Europe or that region is close to Putin. Is really not happening, and they would rather speculate in technology stocks like NVIDIA and keep that risk domestic.

So that is something that I've witnessed on, and I think there's a wonderful book by John Sorwecki on the wisdom of crowds, and it's important to be able to capture that. But I would say, share with you that the other unique ETF products we've created are see the sky. It really captures emerging markets and global trade as global trade picks up the global GDP picks up shipping explodes because 80 percent of everything is shipping.

So we've consolidated our exposure to Asia and to Eastern Europe by having a unique smart beta 2. 0 for cargo airplanes, and predominantly for shipping higher end products across oceans. And the other part is to recognize that we are with all our cash makes us undervalued.

So we are just going to be in our sort of consistent basis, no extreme big moves, except for working and analyzing our products and looking to come up with new, exciting products. Next place. So often you're asked, like, why do you buy back your stock [00:15:00] besides Warren Buffett's sage advice? We believe that the US global is deeply undervalued.

We believe that by buying stock back, it's going to enhance shareholder value. And we believe that during this sort of lull that's taken place in particular, coming into this very challenged election cycle with so much negativity. Thank God is behind us. That we offer to the shareholders, a very strong shareholder yield of 9.

34%. And that is a combination of stock buyback and dividends. Next, please. So the number of shares repurchased over the past three period, as you can see, that as you, as grow has gone down in, in overall stock price it's made it for, as a long term vision just prudent to increase our stock buybacks because we believe.

Is deeply undervalued, but we're not going to go do something that is the [00:16:00] payroll of cash. And as some shareholders have tried to take our cash from us and pay some big one time price or a big dividend, which would really only enrich me, not enrich the company and be able to deal with these sort of negative cycles that you can have when you have cyclical thematic products.

So we believe we're undervalued. And and we are showing that conviction by a very pragmatic and thoughtful way of buying back more stock. Next place. So dividends. It's interesting that dividends quite often in the quant world that there's a model that looks at the five year government treasuries.

And what is that yield? That's a safe yield for five years against what the dividend yield is today. Or can that your dividend grow faster than what the five year yield is? So stocks, and this was my first time in 1978 when I got hired and went into this business and graduated from [00:17:00] university was to have a very simple today would be laughed at, but it was a quant model using old technology, but it was looking at five year government yields and stocks that were, that had this capacity to grow and had a yield that was higher and they all performed.

That's why I bring this to your attention that the negativity is and the fun flows of negativity towards the airline industry which is predominantly sentiment has impacted the valuation of the stock. So the yield today. Is higher than the five year treasury yield and that it makes it a very attractive proposition and another rational reason for us buying back our stock next place.

So we're going to take a look at the first quarter of 2025. Some of the strengths is that we have a strong balance sheet, including cash and other investments. Shareholder value, the company to use the buyback stock, as I've just mentioned, and pay his monthly dividend and [00:18:00] gold's record performance of gold, reaching all time highs and the company's gold focus as funds have grown modestly year over year on total assets.

We're not seeing, the big flows that you would normally see. In gold and gold stocks. But I believe that when we look at global debt structures and the continues of printing money and many of the countries in the g20 Still believe in modern monetary theory as a way to stimulate the economy That gold and other alternative asset classes will continue to be an important part of a diversified portfolio.

So that's why we think that we're rightfully positioned for the world of gold. Next please. So go gold theme. We write about it every week. It's always been this sort of idea of having 10% allocated towards gold and nice, beautiful gold jewelry as gifts for love. And the other 5 percent in our [00:19:00] gold funds to be able to capture this run.

But you can see the total assets have modestly grown. Next please. And put that in context, in 2007, Those assets were 2 billion. So that's the potential leverage is almost a 10 fold a bagger going back to 2007 levels for gold stocks. So I, if gold continues with this March it was up to standard deviations over 60 trading days.

And yes, I had corrected. And I think it's just a wonderful buying opportunity as the dollar surged with the election results. It's just normal for the short term mean reversion, but gold as an asset class I believe will continue as it has this century outperform the S and P 500. And gold royalty companies which I've always logged, like Franco Nevada, have outperformed Berkshire Hathaway since it went public [00:20:00] in 2008.

And other funds, stocks that we own in our funds, like Triple Flag, it's also outperformed. And it went public just after 2019, in that time frame area. And that's one of the newer royalty companies by that was the Dahmer sure was Elliott management as a hedge fund. And they wanted to create their own royalty company and because it's unique model and you can see that it too has been very successful outperforming majority of gold stocks, this has gone public.

Rule of three strategy and tactics create sustainable thematic products using a smart beta 2. 0 strategy back testing up to 10, 000 hours and then continuously testing every quarter manage to preserve cash for future growth opportunities and market corrections and M& A activity to acquire other funds.

We look at deals, we get deals sent to us and And still we see this sort of a lot of land valuations and other [00:21:00] Companies that own mutual funds of what they think they're really worth. And when I sometimes I get the question and I say then why don't you buy our assets? If you think that's what your funds are worth and it's so it's just what it isn't in the industry that people are still holding onto old valuation metrics for mutual funds.

Mutual funds Will slowly over time be replaced with ETFs. That's just an ongoing evolution. They do provide a less expensive but you need more assets to break even. And you have seen that originally it was more index ETFs. And now we've seen active ETFs explode. In valuations, smart beta 2.

0 is in between both. It is a rules based discipline of looking at an industry that recalibrates every quarter versus just buying market cap index up an industry. And what we have witnessed, which is very positive [00:22:00] in this sort of the adoption of ETFs has been the sort of idea that having active ETFs and the seeding of them and the funding them.

It's evolved. It's evolved just like Bitcoin ETFs evolved and finally got off the launching pad this year. Next, please. So the shareholder value is a simple algorithm dividends plus buybacks, the debt reduction divided by market cap gives you what the shareholder value is. We don't have a debt issue.

So we have lots of cash. So we're buying back stock and we're maintaining that dividend. And when you take a look at the relative valuation it is a very attractive shareholder yield. Next please. And I say that because it's 9. 34%. Next please. The U. S. Global investors committed to returning value to shareholders when compared to Treasury yields 10 year Treasury yield is 3.

81. Five years, 3. 58. Our [00:23:00] dividend itself is higher than the five year and the overall stock buyback. When you combine it there is a better value proposition buying grow a long term. Next, please. So I like to look at some basic comps and give you a quick idea that wisdom tree they've have what, over a hundred billion dollars in assets and they've had some significant growth in new products in this past year.

And sometimes it's like having a hot technology or a hot car design. It's like having a heart, a hot thematic ETF that sort of garners the interest of investors. And It's recognizing that, but wisdom tree is 100 percent ETFs and they're priced to book trades on a higher multiple versus Invesco, which 40 percent of their assets are QQQ, which is a monster of an ETF that covers basic Nasdaq stocks.

And you can see that they've had their challenges with their other funded asset groups and [00:24:00] the return on their assets have been negative. We've been slightly higher and and that goes up and down. Going back a couple of years back global, U. S. Global had the highest return on assets pre tax margins, They've shrunk because the funds are shrunk and it's a pretty simple math of how many funds do you need to break even.

And the dividend yield as you can see, Invesco's stock is more significantly down. So therefore their yield is higher. And they're, you take a look at wisdom tree that they traded a higher price to book. So when you look as a GARP investor, price to book is important. So automatically it would show up as Invesco and us global.

And then when you look at return on assets, then it would be us global and it'd be wisdom tree. If you're looking at pre tax margins, then you're back to Wisdom tree, if you're looking for dividend yield, you'd be best go. So it's the magic of the matrix that you create which your long [00:25:00] term vision what's your faith in the company that how they function and what they do.

I think that's what makes that determination. If you're just a peer by the cheapest price, the book, then you're going to look at the Vesco. If you're looking for who has the highest return on assets, you're going to a wisdom tree. If you're looking for dinner, you're going to look at a Vesco. I think the value proposition is right along the middle and that's us global.

Next, please. So when we look at the recent purchase, we've made 520, 000. I think that it represents the Cisco represents 40 percent of market cap. Now what that really means is that the board has approved for us To be able to buy up to approximately 14 percent of the shares. Lisa, you can correct me on that is, is when she speaks, et cetera, but roughly it is, it's a, it's capital to that, which we have in our balance sheet to, to consistently buy back the stock without any [00:26:00] overreaching on one day or one week, just a consistent as it's under value to be buying back the stock.

Next please. So quarterly webcasts on our thematic products gold and interest rates, understanding the interest rate influence on mining stocks. We did a presentation recently on that. And we also did one on why now's the time to consider airline stocks. And just after that What's interesting for me to share with you is that Spirit jumped 68%.

It's after Spirit had fallen Dr. Over the past year, especially with not being able to merge with JetBlue and all of his problems, it had fallen over 80% and it had this big pop and what we see with that is that people were long hedge funds. Our Jets ETF and short the stock and all of a sudden they got an extension on their debt refinancing and there was massive short covering and and we see that we see the fund flows.

And so what we're trying to [00:27:00] share with you is that when you look at the ecosystem of investors and jets, it's retail. It's it's people that trade off the oil price. It's people that use it. Hedge funds to go long jets, the short various airlines. There are GARP investors that doing asset allocation because the airline industry is a growth industry at a very reasonable price.

So you have the, a very robust trading around jets as a proxy. We further launched it in Columbia and and we're expanding that and the marketing in Latin America so that so that we have a broader interest in our product lineup. What we did this past six months was to merge our jets, which was listed in London.

With another group and create a trip and trip is basically has an expanded universe that has more tourism involved with it. But it's really the backbone is the Jetson. So that [00:28:00] has more of a critical mass listed over there that we become the global experts in the airline industry, like we are in the world of gold.

Next please. So the TSA numbers hit all time high they were roughly running or clearing 2. 5 million people before COVID, fell down to 80, 000 people in a day and what I don't think that's right, it was in December 2019 that was in March of

2019 and it grew, and Warren Buffett got out, he was worried, he was turning 90 years old, and and there was such a negative aspect of it, but the millennials and Generation Z seem to be the big speculators, and we had tremendous fun flows coming in, and jets went from about 11 up to 28 and then to start getting these redemptions, which was really interesting because, The TSA numbers had not reached even close to three million people.

So you're seeing that the stock still, I believe [00:29:00] has another close to 10 on the upside to go to pre COVID numbers and the airline industry remains in the summer had incredible traffic. So it's a very positive, inexpensive industry that's critical for global economic growth.

Activity. Next, please. And we are the go to people. We have the unique product. And it is outperformed the benchmark, which we first started with was to beat the New York Stock Exchange Global Airline Index. There's been one or two other ones that try to come out, but they do not have the smart beta 2.

0. And I believe that's a very important discipline of stock selection to outperform the index. And so what have we seen this quarter since we did our presentation? Unitas also announces a buyback 1. 5 billion dollar buyback. Jets all of a sudden pops. 10 percent of jets was in United Airlines [00:30:00] and United Airlines now is up 36%.

And so I keep reiterating like for the webcast, but going into the election, the sentiment was so pervasively negative. That's just a headwind. And we just continue to be positive and constructive and balanced in how we tell this jet story. Next please. Airline stocks this century have outperformed the S& P from September to November.

So we really tried to highlight that at the beginning of October, that the math suggests that there's a higher probability of the airlines outperforming they have. In fact, what's really interesting is that the best time to buy is late spring early summer. When it lags the overall S and P because six months later, the math is so much in your favor that it trades higher.

And it's just a interesting for the traders that we have that come in and out. Like I mentioned, there's oil traders. That [00:31:00] oil prices are rising. They're out of jets. Oil prices falling. They're into jets. Then you have individual hedge fund managers that are going longer, short individual names, and they want to what's called a Paris trade and just becomes the proxy.

Next, please. So the smart beta 2. 0 ETF versus the New York ARCA Global Airline Index, it's all performed by 26%. Since we launched this after, and you got to remember that there's no fees for the global ARCA index, there's fees with us. But we still outperformed. And I think that's really a compelling story of the smart beta 2.

0. Next please. Then just buying market cap. You can see here that it's outperformed this year by 13 percent after fees. So it does work. And that's why I try to highlight to investors that the number I showed you just earlier with United Airlines was a shorter timeframe. This is year to date.

And so there's been [00:32:00] during the summer such negative news, but the oil prices were falling and the world is coming to an end and all this negative narrative and the airlines are trading at six times and five times earnings. It just didn't make sense when the markets trading at 22 to 25 times. Next, please.

So go gold theme. We're positioned for the Google theme. And I think it's this idea I mentioned earlier as modern monetary theory, please subscribe to invest alert. You can get more information and insightful and on YouTube, we have insightful explanation of what's going on that go gold will continue to be a unique asset class next place.

The big wind behind it. It's not a headwind as a tailwind and that is the global debt climbs. It's just, it just continues to be a currency debasement. And that this visual is one of the most shared documents that are out there [00:33:00] for the Bitcoin ecosystem. The Bitcoiners and the crypto around the world just say that there's no pulling back in MMT.

And the global debt continues to climb. So one country versus another will just debase its currency faster than the other. And you can see that when you take a look at the next visual, please. So when we look at CPI, the U S is 3. 9, but when you look at global nominal GDP is a 7. 8 gold is slightly ahead of global nominal GDP, which is basically being fueled by debt.

And then you want to take a look at how well gold is done in some of these big countries currencies. Next, please. Oh, sorry. That's it's okay. It's also this sort of deficit, U. S. deficit spending continues to make alternative assets like gold attractive. That's called the fear trade. The love trade, which is 60 percent of gold demand, is more [00:34:00] correlated to rising GDP per capita.

India is surging, China is on the ropes but they've turned in that corner of that GDP per capita is, In India and China, when you combine them are 40 percent of the world's population. You throw in Southeast Asia, the Middle East, and now we're pushing more than you're pushing about 60 percent of the world's population.

And I think it's important to recognize that there's a cultural affinity. Gold is given 24 karat gold jewelry. For birthdays for wedding season. There's two big wedding seasons in India. We have the season of lights, Diwali season very significant consumption of 24 karat gold jewelry. Next, please.

This is the visual I wanted to show, share with you. So the gold theme, gold's historic rise as a global phenomena who's had the biggest debt spending for as a percentage of GDP has been Japan. And look how strong gold is done for Japanese [00:35:00] investors. And if you look at the euro, you can see India.

Why do Indian women basically have six times the amount of gold that's at Fort Knox? Because they trust gold more than they trust government policies for money printing. And and that's just as a a hedge. against currency debasement. The U. S. is 32 percent. You can see China, interesting enough, is similar and a lot has to do with China's, its currencies come down and I think that number is interesting because it's probably going to change after the election cycle here of a strong dollar but they're doing everything in China to try to manage Their currency against the U.

S. Dollar for trade and against the Euro, and they predominantly export their products to Europe and America, and there's a transition taking place. So what is the theme? Go gold brick countries want to attack the U. S. Dollar. And the only way they can get [00:36:00] credibility is by buying gold. And so we're seeing central banks around the world.

Continue to be buying gold. So gold we believe is going to continue to be a unique and special asset. Next please. So now we have what grows trading at our assets of 1. 5 billion. Lisa's going to give you what our earnings were, our operating income. It's down we've lost money. We've made money from an earnings point of view following all the gap rules, but from an operating point of view, we've lulls before.

And we think that what's behind this is the election cycle and sentiment. And I think we've seen the airlines have a big pop like financials did yesterday. And so the capital markets are going to open up for capital formation and private sector job creation. And innovation.

So I think going forward is it's a very positive for capital markets. [00:37:00] And we are a deep value proposition for that sector. And now I'd like to turn it over to Lisa, please, our CFO.

Lisa Callicotte: Thank you, Frank. Good morning. First, I'll start with our financial highlights on the next slide. Our quarterly average assets under management were $1.5 billion and our operating revenues were $2.16 million and net income $315, 000. The next slide shows a breakout of our earnings. We have operating earnings that consist of our advisory fees and services. And we have other earnings, which mainly consist of both realized and unrealized gains and losses on our investment holdings.

So both our advisory earnings and our investment earnings fluctuate based on stock market forces. On the next slide, we see how these two components impact our earnings per share. Our operating earnings are based on average assets under management for the period, and our investment earnings are based on the change in the market value of our investments.

So both can fluctuate based on market forces, including investor sentiment, and our earnings per share also fluctuates. Next, we see the effect of the decrease of our average assets under management. That decreased revenue and had an impact on our operating income. Our challenge is to raise our average assets under management, which Frank discussed, and how he is positive that we'll be able to work on that going forward.

But at our current expenses, we estimate that at about $1. 9 billion in average assets are operating income would be positive. The next slide shows more information about our quarter ending September 30th, 2024. We see that our quarterly operating revenues were $2. 2 million for the quarter, which was a decrease of $976, 000 or 31%from the $3.1 million in the same quarter last year. The decrease is primarily due to a decrease in our average assets under management in our JET ETF, and our operating expenses decreased $202,000 or 7%, mainly due to a decrease in employee compensation of $193, 000 or 15%. And this was primarily due to decreases bonus accruals, and it was somewhat offset by increases in salaries.

On the next slide, we see operating loss for the quarter ending September 30th, 2024 is $559, 000 compared to operating income of $215, 000 for the same quarter last year. Our income, our other income for the quarter, was $995, 000 compared to a loss of $456, 000 in the prior year. This was a change of $1. 5 million.

It was primarily due to net investment income for the current period versus net investment loss for the prior period. Net income after taxes for the quarter was 315, 000 or two cents per share, which is a favorable change of 491, 000 compared to a net loss of 176, 000 or a loss of one penny per share for the same quarter in fiscal year 2024.

Moving to the next page, we see that we still have a strong balance sheet, which includes high levels of cash and investments that will allow us to weather through this period where we have lower AUM. Cash and cash equivalents was $27 million at September 30, 2024, and our current investments were $9. 7 million.

On the next slide is a detail of our other assets. And the total of all of our investments in other assets is approximately another $7. 8 million. The next slide shows our liabilities, and they have decreased from June 30, 2024 by approximately $240, 000 and we have no long-term debt. The next slide shows our stockholder equity detail and at September 30, 2024, the company had a net working capital of $38.2 million and a current ratio of 21 to 1. With that, I'll turn it over to Holly.

Holly Schoenfeldt: Thank you, Lisa. All right. On the first slide of my section, I want to point out a quick stat about our website traffic during the first quarter of 2025, which is actually quarter ending September 30th of 2024. So as you can see on this map, we had over 407, 000 Readers from around the world, visit us funds.

com on a year over year basis. Many repeat visitors, but even more new visitors, which is great. Who find our content from third party syndication on the next slide. We're proud to report that we [00:42:00] continue to provide original timely market YouTube channel. We know one of the best ways to reach new and existing shareholders is through YouTube.

Through education, and we find this as one of the best ways to do so if you haven't had a chance to watch some of these, I invite you to find our YouTube channel, check them out, and be sure to hit subscribe. On the next slide, I want to highlight some of our most popular FrankTalk blogs so far in the quarter ending September 30th.

As you can see here, the topics of gold and commodities, as well as anything having to do with global markets in the recent election, For some of the most popular topics and as a reminder and something we are very proud of the frank talk blog Is actually one of the very first financial blogs out there and this year it celebrated its 17th year in publication All right.

On the next slide. This was another one of the topics of a recent Frank talk blog that we put out, which you may have read. [00:43:00] And the topic had to do with hedge fund manager, Paul Tudor Jones's recent comment about decentralized assets. So he actually told CNBC that he is long, both gold and Bitcoin.

And this is one of the things that Frank has been writing about for several years now in the Frank talk blog. So we wrote a special piece about it and we're happy to see Frank's thoughts as well as our complex's thoughts on these assets be validated by another big name in the industry. So I just wanted to point that out.

As we move to the next slide, in October, The marketing team is happy to report that it's been awarded another star award from the Investment Management Education Alliance, bringing our total to 94. Now, this award was presented for excellence and education for investors and was specifically for our Jets ETF marketing campaign throughout the year, so we're very humbled and excited to receive that finally on the next slide.[00:44:00]

This is just a quick snapshot of our total subscriber growth over 12 months. As you can see, not only are our major social platforms growing consistently, so is the frank talk blog and the investor alert subscriber list. So this is something we're also very proud of, and they serve as an excellent way to communicate to our shareholders and potential shareholders.

And finally, on the last slide in my section, I encourage you, as always, to follow us on these platforms. So you're up to date with what's going on, not only with grow, but our funds. And of course, the broader market as a reminder to everyone today, if you have questions about what we just presented, Please feel free to email those to info at us funds.

com and we will gladly follow up with you to get anything clarified that you may need more information on. So thank you so much for tuning in today. That concludes our webcast summarizing the first quarter of fiscal year [00:45:00] 2025.