



GROW THIRD QUARTER 2019 Results Webcast

Frank Holmes, CEO and Chief Investment Officer

Lisa Callicotte, Chief Financial Officer

Holly Schoenfeldt, Marketing and Public Relations Manager



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May 2019 • 19-122

Today's Presenters



Frank Holmes



Lisa Callicotte



Holly Schoenfeldt

Forward-Looking Statements

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 the corresponding Form 10-Q filing for more detail on factors that could cause actual results to differ materially from any described today in 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.



About U.S. Global Investors (GROW)

- U.S. Global Investors, Inc. is an innovative investment manager with vast experience in global markets and specialized sectors.
- Founded as an investment club, the company became a registered investment adviser in 1968 and has a longstanding history of global investing and launching first-of-their-kind investment products, including the first no-load gold fund.
- U.S. Global Investors is well known for expertise in gold and precious metals, natural resources and emerging markets.



GROW Strengths



- Strive to be the “go-to” stock for exposure to emerging markets, resources, gold and digital currencies
- Debt-free, strong balance sheet with a reflexive cost structure
- Monthly dividend and return on equity discipline

Top Institutional Holders of GROW



1. Royce and Associates

8.75%



2. Perritt Capital Management

4.83%



3. Financial & Investment
Management Group

3.85%



4. BlackRock Institutional Trust
Company

2.61%



5. Toroso Investments, LLC

1.67%

Percentage of shares outstanding

Source: NASDAQ, Data as of March 2019

GROW Dividends — Paid Monthly

Consistently paid for more than

10 years

Current yield at share price of \$1.20 as of 04/22/2019

2.50%

Monthly dividend payment of \$0.0025

Approved through June 2019

Reviewed by the Board quarterly

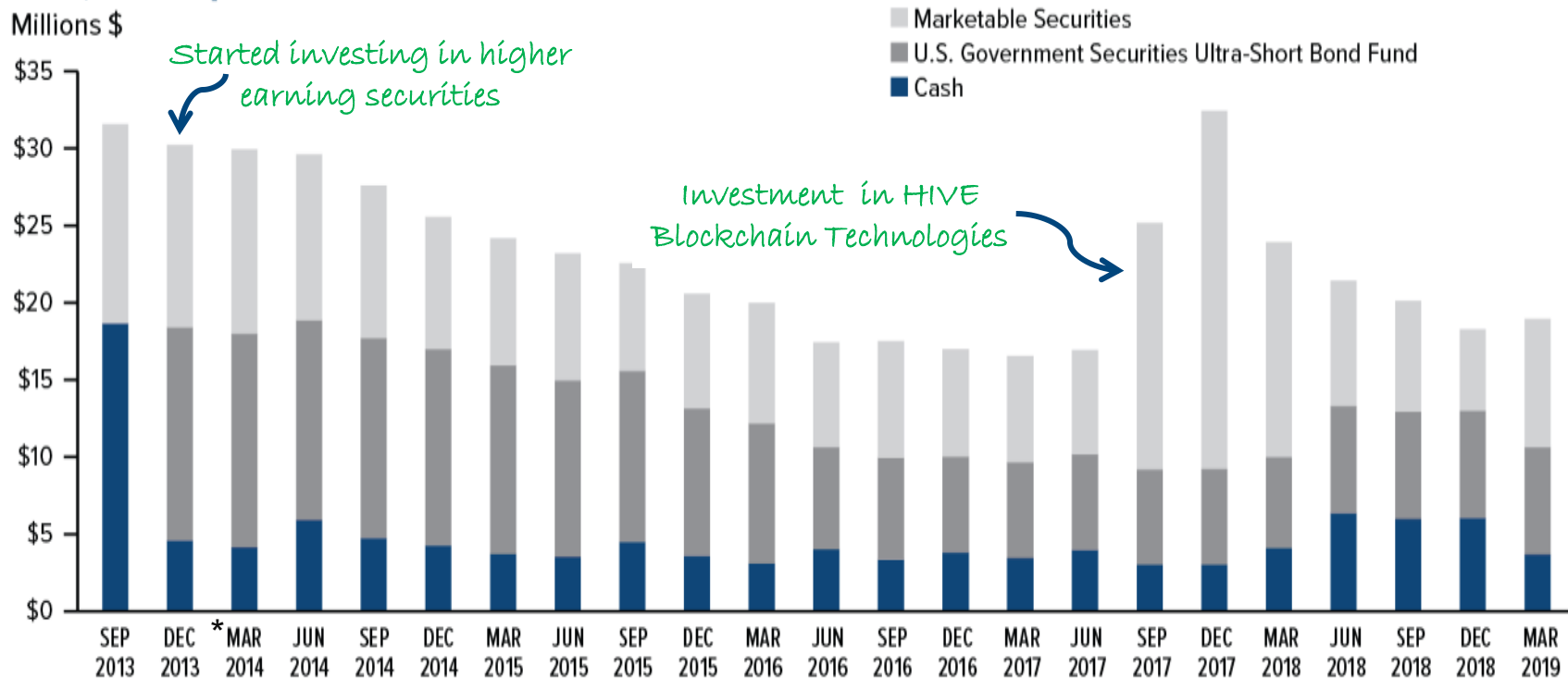


Share Repurchase Program in Motion

- The board approved a repurchase of up to \$2.75 million of its outstanding common stock on the open market through calendar year 2019
- For the quarter ended March 31, 2019, the Company repurchased 8,075 class A shares using cash of approximately \$9,000
- May be suspended or discontinued at any time

Balance Sheet Strength – No Debt

Cash, Cash Equivalents and Marketable Securities



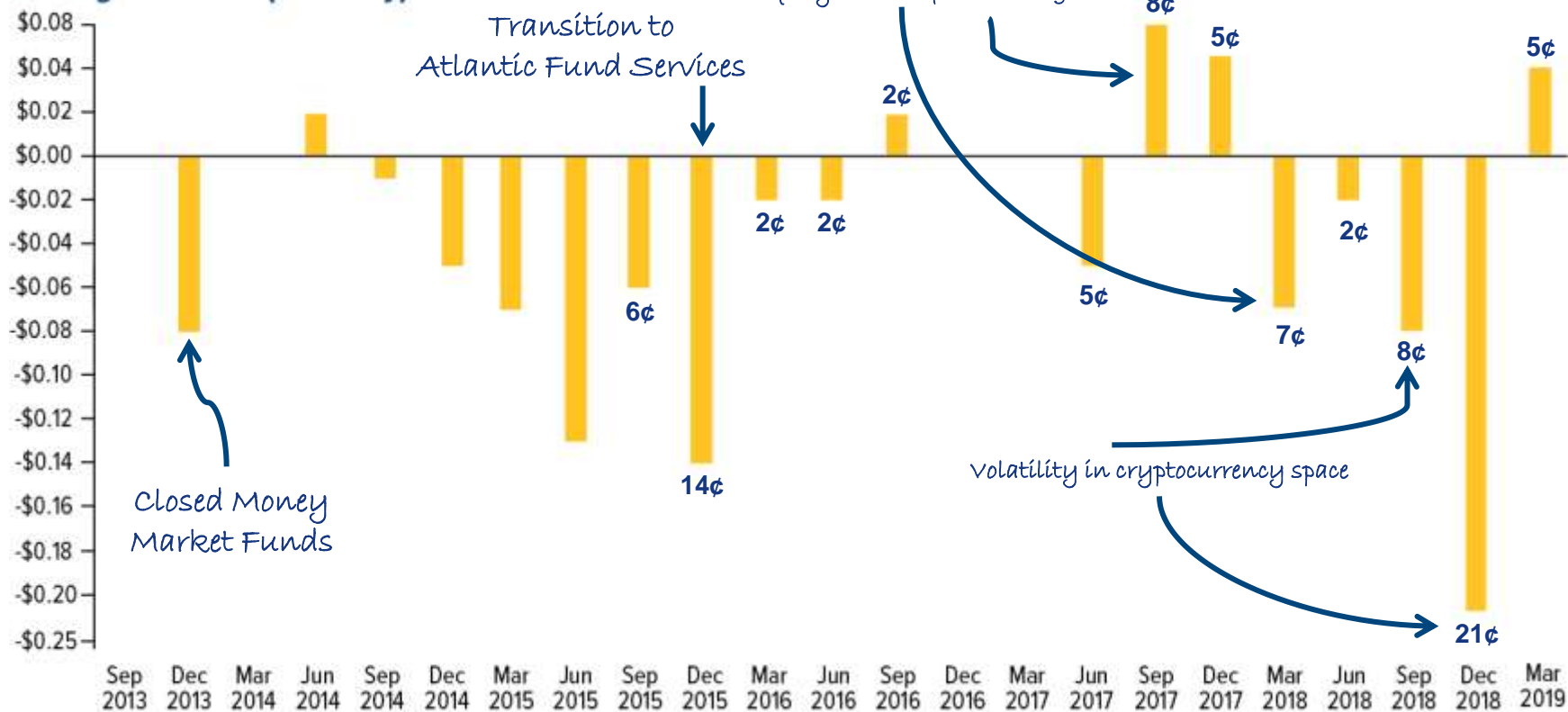
* The change in cash and cash equivalents was due to the company moving assets into the U.S. Government Securities Ultra-Short Bond Fund.



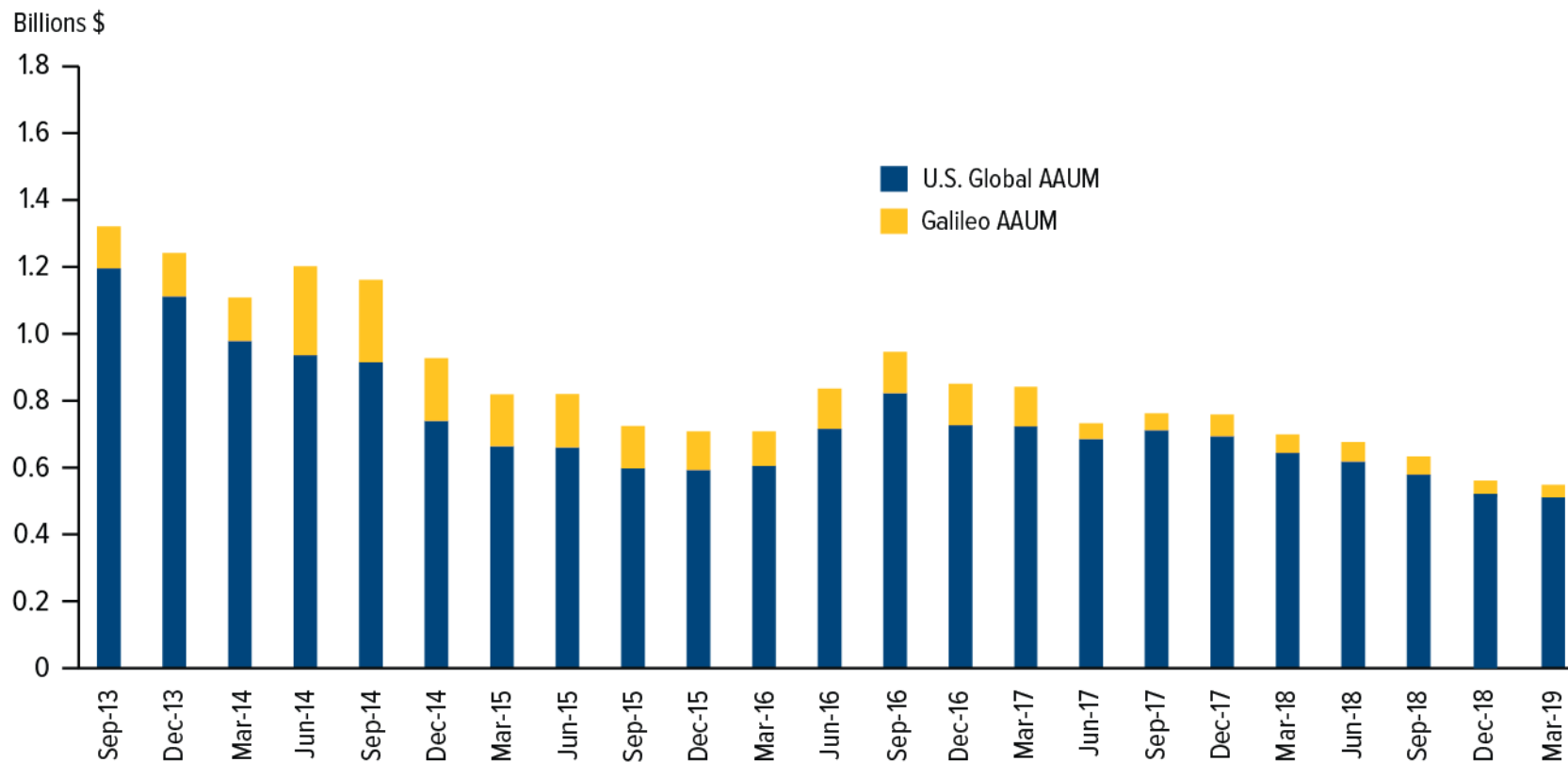
Earnings Per Share Quarterly

CORPORATE EVENTS IMPACTING EARNINGS

Earnings Per Share (Quarterly)

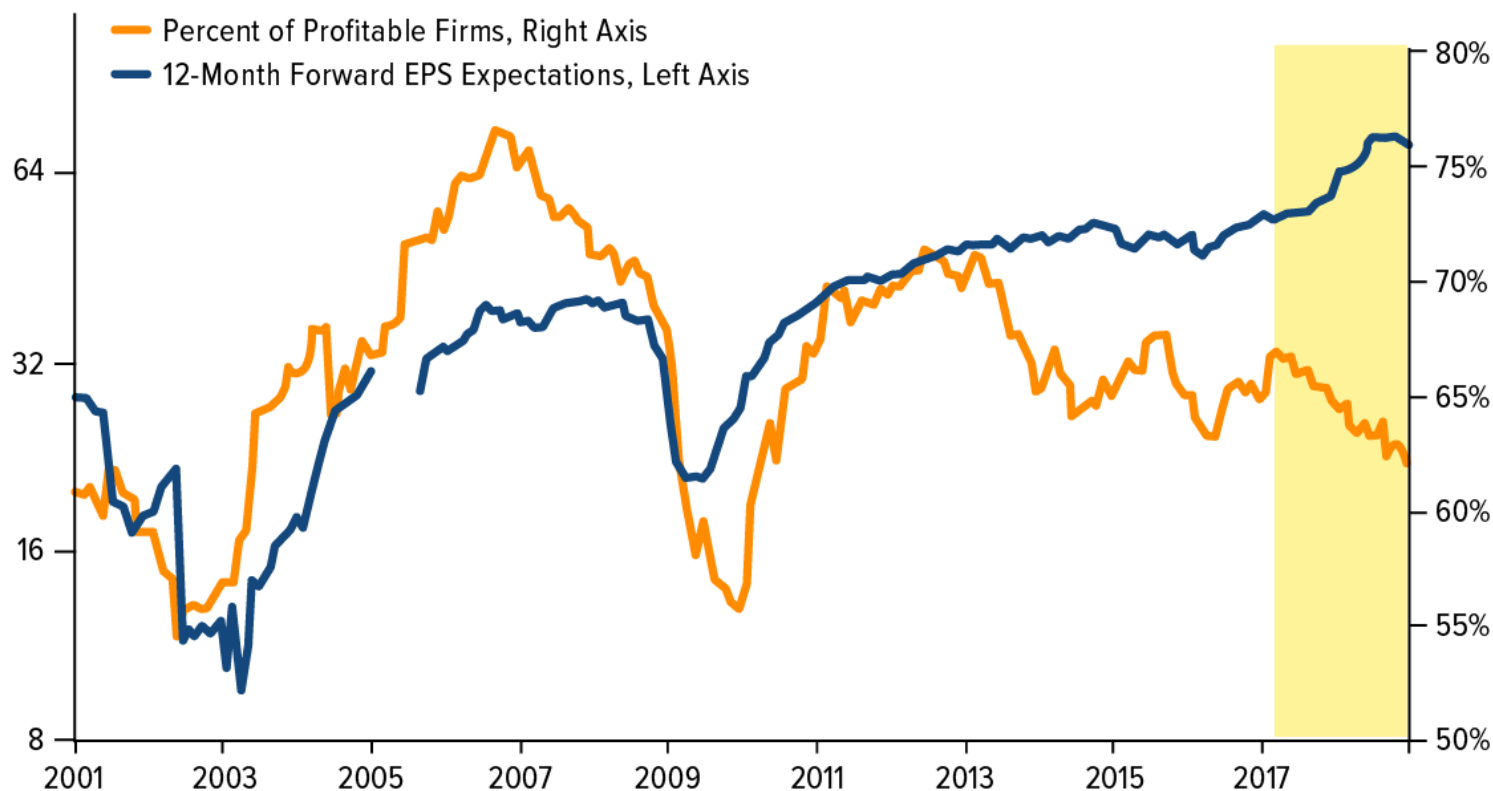


Quarterly Average Assets Under Management



Disconnect Between Expectations and Reality: More Small-Caps are Unprofitable, Historically Signaling a Slowdown

Profitable Firms In the Russell 2000 Index



Source: Bloomberg, U.S. Global Investors

Gold Demand: Fear Trade vs Love Trade



Gold Demand



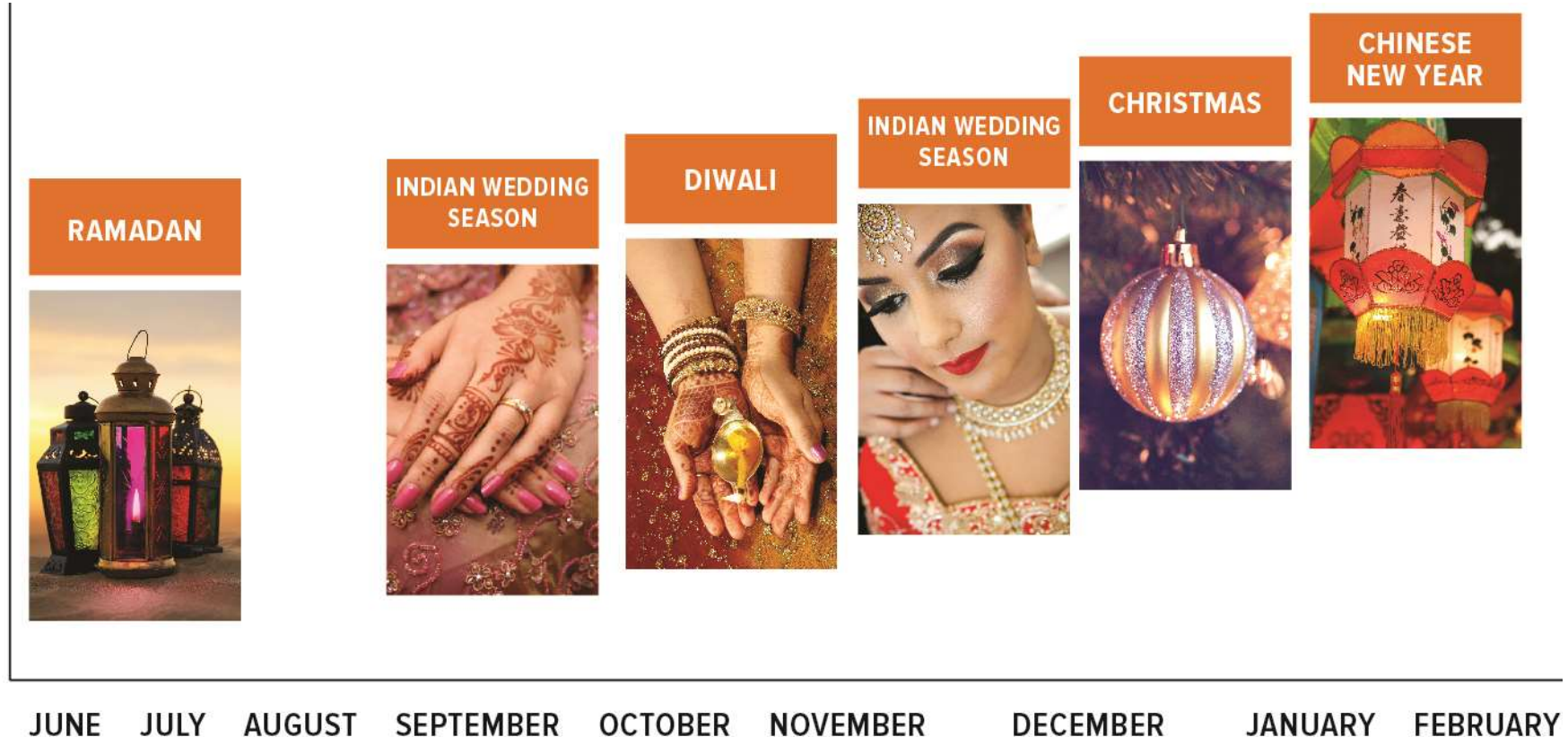
"Fear" Trade



"Love" Trade

Gold's Love Trade: Cultural Celebrations Prompting the Purchase of Gold

HOLIDAYS



Indian wedding season spans from September through year-end.



Gold's Fear Trade

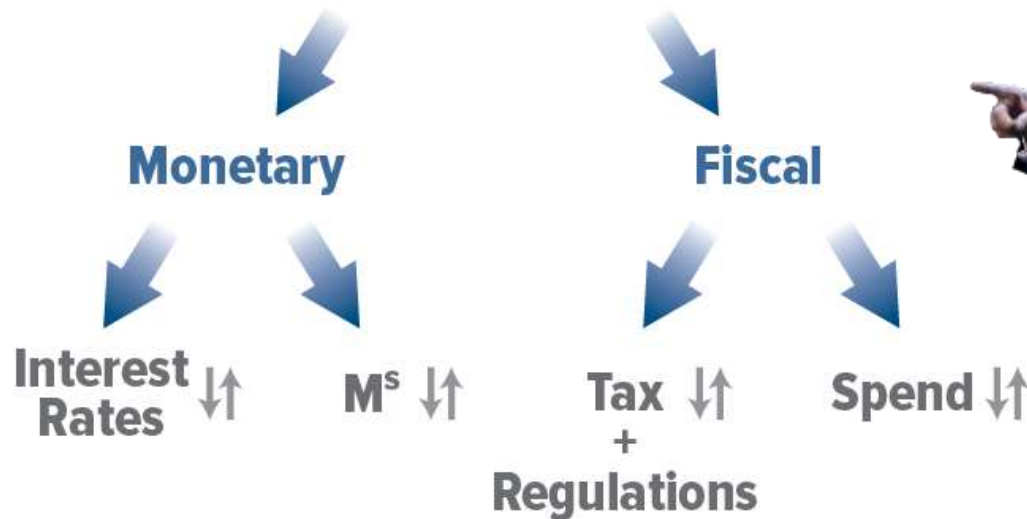
Government Policy



Jerome Powell, Chairman of the Federal Reserve



President Donald Trump



- Rising Interest Rates
- Unwinding QE

- Trade Wars
- Lower Corporate Taxes

Managing Expectations

See Our Managing
Expectations
Whitepaper at
usfunds.com



Understanding Volatility of Asset Classes

Standard deviation based on 10-year daily data as of 03/31/2019

	Daily	Rolling 1 Year
NYSE Arca Exchange Gold BUGS Index	±2%	±39%
MSCI Emerging Markets (HUI)	±1%	±24%
S&P 500 Index (SPX)	±1%	±13%
Gold Bullion	±1%	±17%
WTI Crude Oil	±2%	±32%

Source: Bloomberg, U.S. Global Investors

Past performance is no guarantee of future results. Standard deviation is a measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Standard deviation is also known as historical volatility.

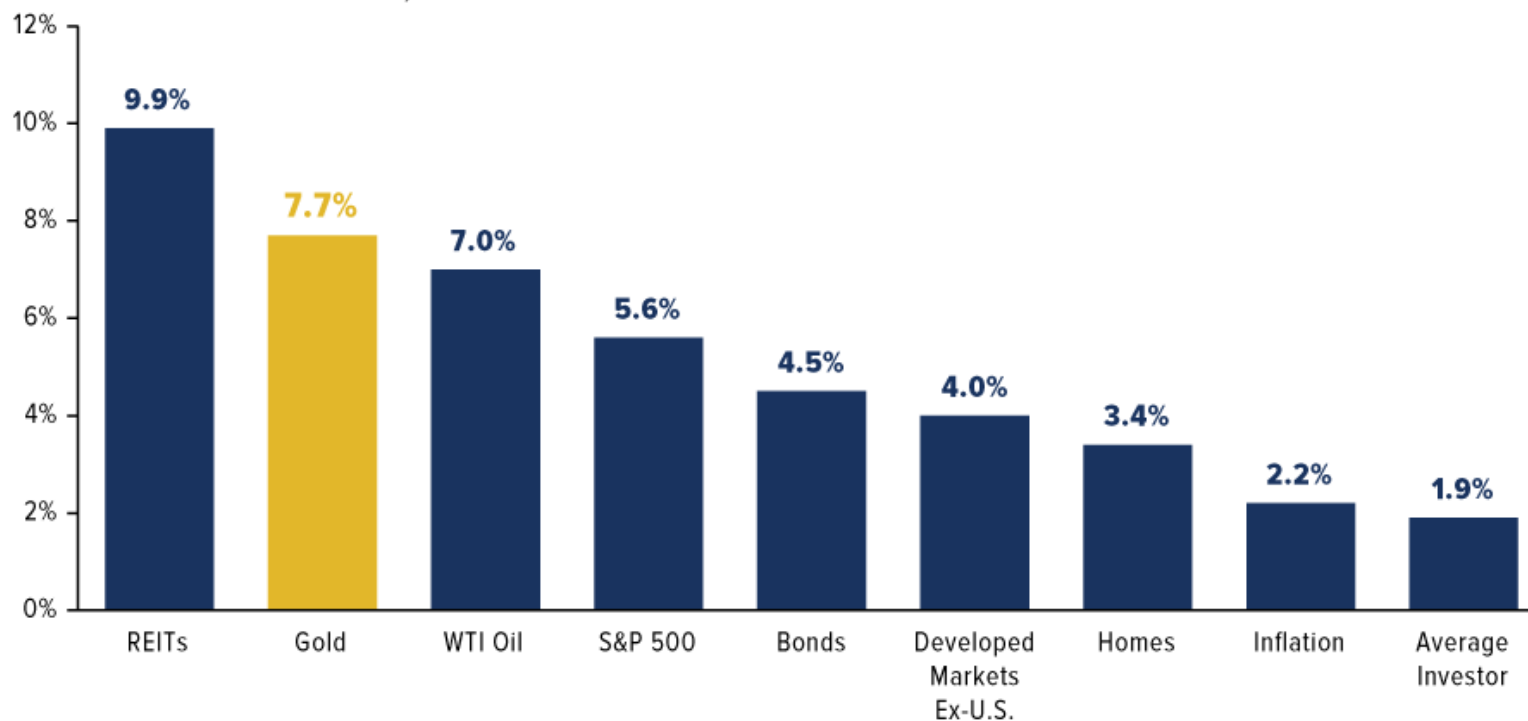


Gold Is the Second Best Performing Asset Since 1999



Gold Had the Second Highest Annualized Returns for the 20-Year Period

1999 – December 31, 2018



Past performance does not guarantee future results. **Source:** JPMorgan, Bloomberg, U.S. Global Investors



Meet the A.I. Company Revolutionizing Mineral Exploration



Frank Holmes Named Independent Chairman of GoldSpot Discoveries Inc.



Frank Holmes
Independent Chairman



Denis Laviolette
President, CEO & Director

Frank Holmes serves on the board of GoldSpot Discoveries Inc. as independent chairman and held common stock at March 31, 2019.

Solving the Big Data Problem



SKILL TO UNLOCK BIG DATA

Bridging the gap
between geoscience
and data science.



VALIDATING TECHNOLOGY WITH INDUSTRY LEADERS

Working with motivated
resource companies, with
regional-scale exploration
projects.



MONETIZATION STRATEGY

Monetization through
revenue services;
investments, JVs, NSRs
and Resource
Quantamental.

Sharing Insights With Financial Media and Industry Experts on a Range of Topics



Mining & Investment Latin America Summit



In the Blink of an Eye, Gold Stocks Jump Following Jackson Hole Meeting



For One-Day and Ten-Day Periods, Ethereum and Bitcoin Are More Volatile Than The Stock Market

Standard Deviation For One Year, as of 03/31/2019

	One Day	Ten Day
S&P 500 Index (S&P)	±1%	±3%
Gold Bullion	±1%	±2%
Bitcoin	±4%	±12%
Ethereum	±5%	±16%



Past performance is no guarantee of future results. Standard deviation is a measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Standard deviation is also known as historical volatility.

Major Events Suppressing The Price of Bitcoin

Bitcoin Price Through March 31, 2019

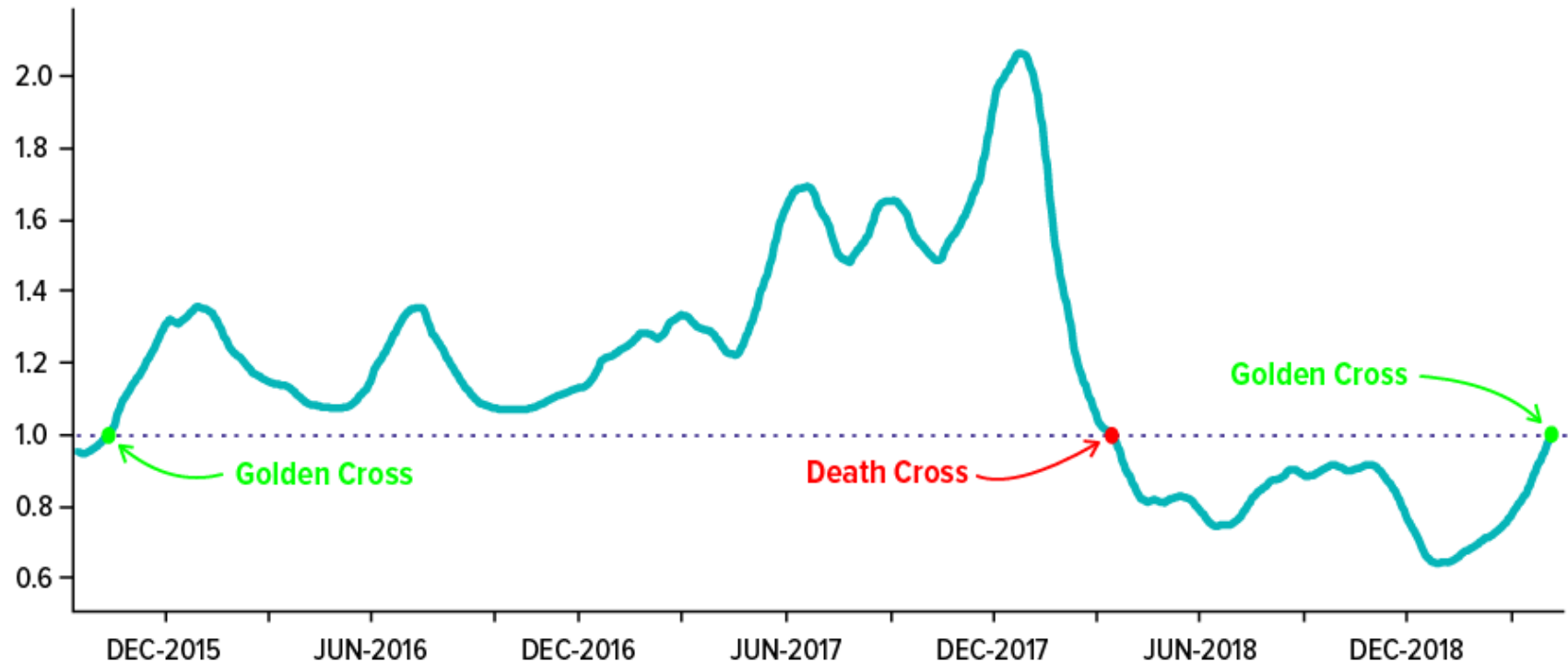


Source: Coindesk.com, U.S. Global Investors

April 2019: Bitcoin Forms First Bullish “Golden Cross” Since October 2015

Bitcoin Forms First Bullish Golden Cross Since October 2015

Bitcoin 50-Day Moving Average Versus 200-Day Moving Average



Source: Bitstamp, Bloomberg, U.S. Global Investors

In September 2017, U.S. Global Announced Strategic Investment in HIVE Blockchain Technologies Ltd. with Frank Holmes Becoming Chairman of Board



Frank Holmes has been appointed non-executive chairman of the Board of Directors of HIVE Blockchain Technologies. Both Mr. Holmes and U.S. Global Investors own shares of HIVE. Effective 8/31/2018, Frank Holmes serves as the interim executive chairman of HIVE.

Looking Ahead: HIVE 2.0

\$HVBTF



Grow coin inventory through ongoing mining at existing facilities



Assess opportunities to participate in the blockchain technology ecosystem



Evaluate and execute on accretive M&A opportunities



HIVE Trades Closely With Ethereum

HIVE Share Price Since Inception

September 2017 – March 2019



H I V E



Past performance is no guarantee of future results. Source: Bloomberg, U.S. Global Investors

U.S. Global Investors, Inc. (GROW) Income Statement – Financial Analysis



Lisa Callicotte
CFO

Evolution of Mark-to-Market: New Accounting Rule Contributes to Earnings Volatility

- Starting in fiscal 2019, some of our corporate investments are accounted for differently ¹
- No longer an available-for-sale (“AFS”) classification for equity securities
- At adoption, \$3.1 million in unrealized gains on former AFS investments was reclassified from other comprehensive income to retained earnings
- The impact to earnings of this change in the quarter ended March 31, 2019, was investment income of \$2.1 million, which was mainly related to the increase in market value of our investment in HIVE Blockchain Technologies Ltd. (“HIVE”)
- This income is related to unrealized gains on securities formerly classified as AFS, previously would have increased other comprehensive income
- As of March 31, 2019, the market value of the Company’s investment in HIVE is \$1.6 million higher than our cost



USGI's Investment in HIVE

**HIVE**

- Investments in securities at fair value, non-current
- 10 million shares
- 3 percent of outstanding shares
- Cost \$2.4 million
- Market value \$4.0 million as of March 31, 2019

Investments as of March 31, 2019

Consolidated Statements of Operations (Unaudited)

(dollars in thousands, except per share data)

Operating Revenues	Quarter Ended March 31,	
	2019	2018
Advisory fees	\$ 926	\$ 1,351
Administrative service fees	45	66
	<u>\$ 971</u>	<u>\$ 1,417</u>
Operating Expenses		
Employee compensation and benefits	\$ 774	\$ 983
General and administrative	983	923
Advertising	42	40
Depreciation and amortization	56	61
	<u>\$ 1,855</u>	<u>\$ 2,007</u>
Operating Loss	(884)	(590)



Consolidated Statements of Operations (Unaudited)

(dollars in thousands, except per share amounts)

	Quarter Ended March 31,	
	2019	2018
Operating Loss	\$ (884)	\$ (590)
Other Income (Loss)		
Investment income (loss)	2,094	275
Income (loss) from equity method investments	3	(927)
Other income	40	9
	<u>2,137</u>	<u>(643)</u>
Income (Loss) Before Income Taxes	1,253	(1,233)
Provision for Income Taxes		
Tax expense (benefit)	535	(168)
Net Income (Loss)	718	(1,065)
Less: Net Income (Loss) Attributable to Non-Controlling Interest	(61)	(5)
Net Income (Loss) Attributable to U.S. Global Investors, Inc.	<u>\$ 779</u>	<u>\$ (1,060)</u>
Earnings Per Share Attributable to U.S. Global Investors, Inc.		
Basic	\$ 0.05	\$ (0.07)
Diluted	\$ 0.05	\$ (0.07)
Basic weighted average number of common shares outstanding	15,132,408	15,144,068
Diluted weighted average number of common shares outstanding	15,132,408	15,144,068



Consolidated Balance Sheets

(dollars in thousands)

Assets	March 31, 2019 (Unaudited)	June 30, 2018
Current Assets		
Cash and cash equivalents	\$ 3,659	\$ 6,364
Restricted cash	1,000	1,000
Investments in securities at fair value	8,288	8,179
Accounts and other receivables	494	1,216
Note receivable	73	35
Prepaid expenses	343	328
Total Current Assets	13,857	17,122
Net Property and Equipment	1,799	1,970
Other Assets		
Investments in securities at fair value, non-current	7,178	7,086
Other investments	645	2,207
Equity method investments	228	283
Note receivable, non-current	143	199
Other assets, non-current	60	65
Total Other Assets	8,254	9,840
Total Assets	\$ 23,910	\$ 28,932



Consolidated Balance Sheets

(dollars in thousands)

Liabilities	March 31, 2019 (Unaudited)	June 30, 2018
Current Liabilities		
Accounts payable	\$ 111	\$ 198
Accrued compensation and related costs	246	645
Dividends payable	113	113
Other accrued expenses	720	817
Total Current Liabilities	1,190	1,773
Long-Term Liabilities		
Deferred tax liability	553	1,099
Total Long-Term Liabilities	553	1,099
Total Liabilities	1,743	2,872
Commitments and Contingencies (Note 12)		

Consolidated Balance Sheets

(dollars in thousands)

Shareholders' Equity	March 31, 2019 (Unaudited)	June 30, 2018
Shareholders' Equity		
Common stock (class A) - \$0.025 par value; nonvoting; authorized, 28,000,000 shares; issued, 13,866,691 shares at March 31, 2019, and June 30, 2018	347	347
Common stock (class B) - \$0.025 par value; nonvoting; authorized, 4,500,000 shares; no shares issued	-	-
Convertible common stock (class C) - \$0.025 par value; voting; authorized, 3,500,000 shares; issued, 2,068,857 shares at March 31, 2019, and June 30, 2018	52	52
Additional paid-in-capital	15,647	15,650
Treasury stock, class A shares at cost; 805,824 and 790,445 shares at March 31, 2019, and June 30, 2018, respectively	(1,891)	(1,878)
Accumulated other comprehensive income (loss), net of tax	(230)	1,858
Retained Earnings	7,680	9,513
Total U.S. Global Investors Inc. Shareholders' Equity	21,605	25,542
Non-Controlling Interest in Subsidiary	562	518
Total Shareholders' Equity	22,167	26,060
Total Liabilities and Shareholders' Equity	\$ 23,910	\$ 28,932



Significant Events

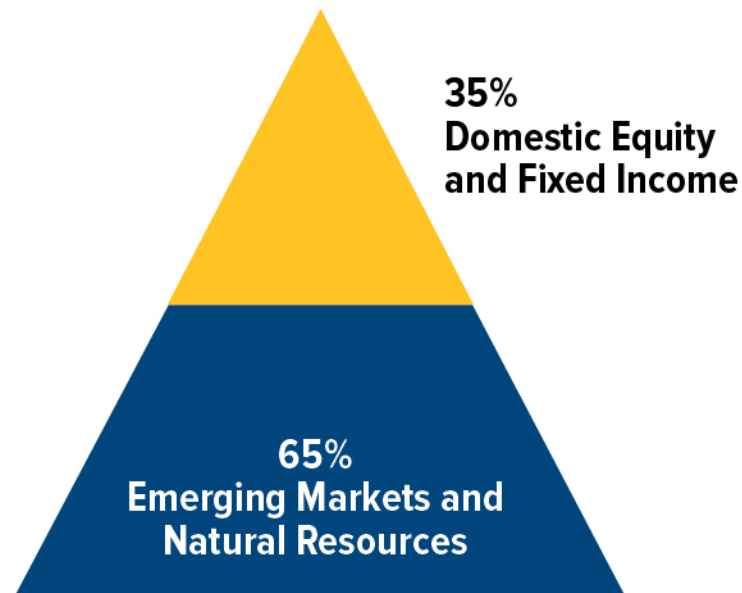


Holly Schoenfeldt

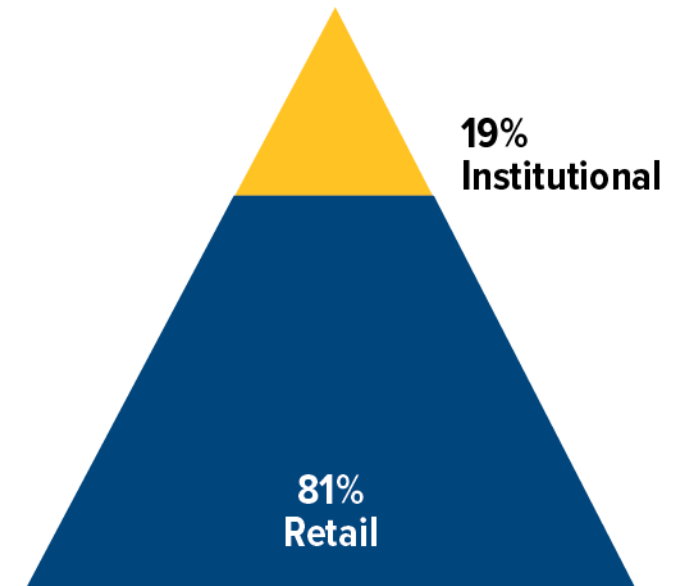
Marketing and Public Relations
Manager

Asset Breakdown — U.S. Global Investors Funds

Assets by Investment Objective



Assets by Distribution Channel



Data for SEC-registered mutual funds as of March 31, 2019

Viral Publicity Gained Through Media Interviews



Newsletter Recommendations for U.S. Global Investors Funds

MONEY MAP REPORT

 MONEY MAP PRESS

 Weiss
RESEARCH

 AGORA
FINANCIAL

 INVESTMENT U
The Educational Arm of The Oxford Club

 FutureMoney
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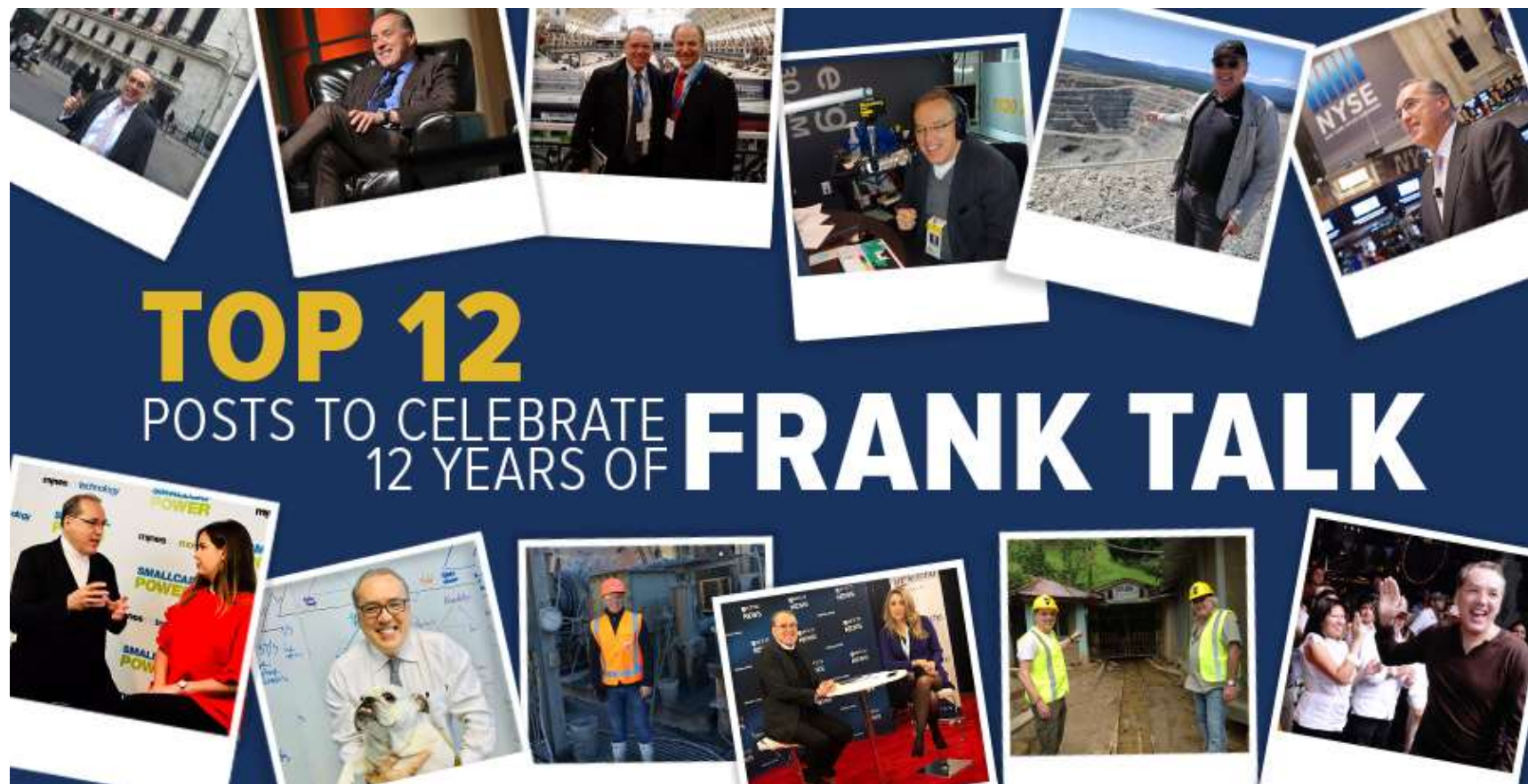
Branding and Marketing of GROW



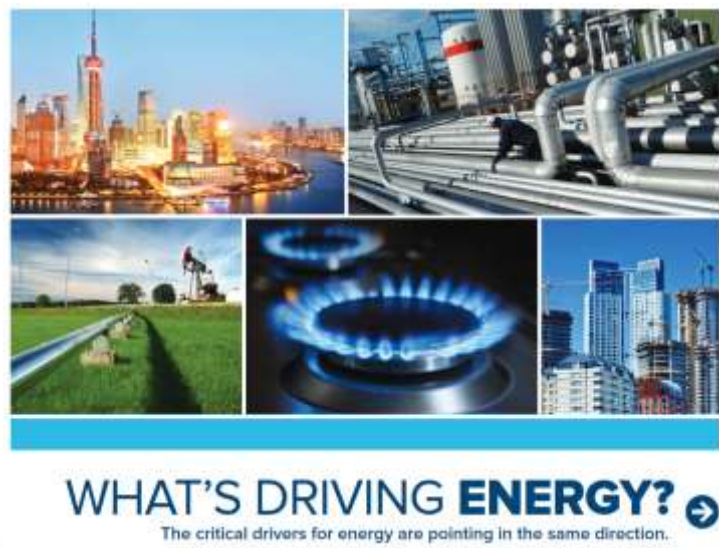
- 23 TV/Radio/Podcasts
- 38 Total Interviews
- 413 Web Mentions
- 24 Frank Talk Blog Entries
- 52 Newsletter Recommendations

Data from January – March 2019

Frank Talk Blog Turns 12 In 2019



Curiosity to Learn and Improve



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Download New Gold Report at
usfunds.com

Gold Game Film Continues Success on Kitco News



163 episodes

 **KITCO**® Kitco audience >30 million monthly visitors

 **The Street** TheStreet audience 7.8 million monthly visitors

Most Visited Frank Talk Posts During the Last Year



Top 10 Countries
With Largest Gold
Reserves

July 5, 2018



Top 10 Gold
Producing
Countries

June 12, 2018



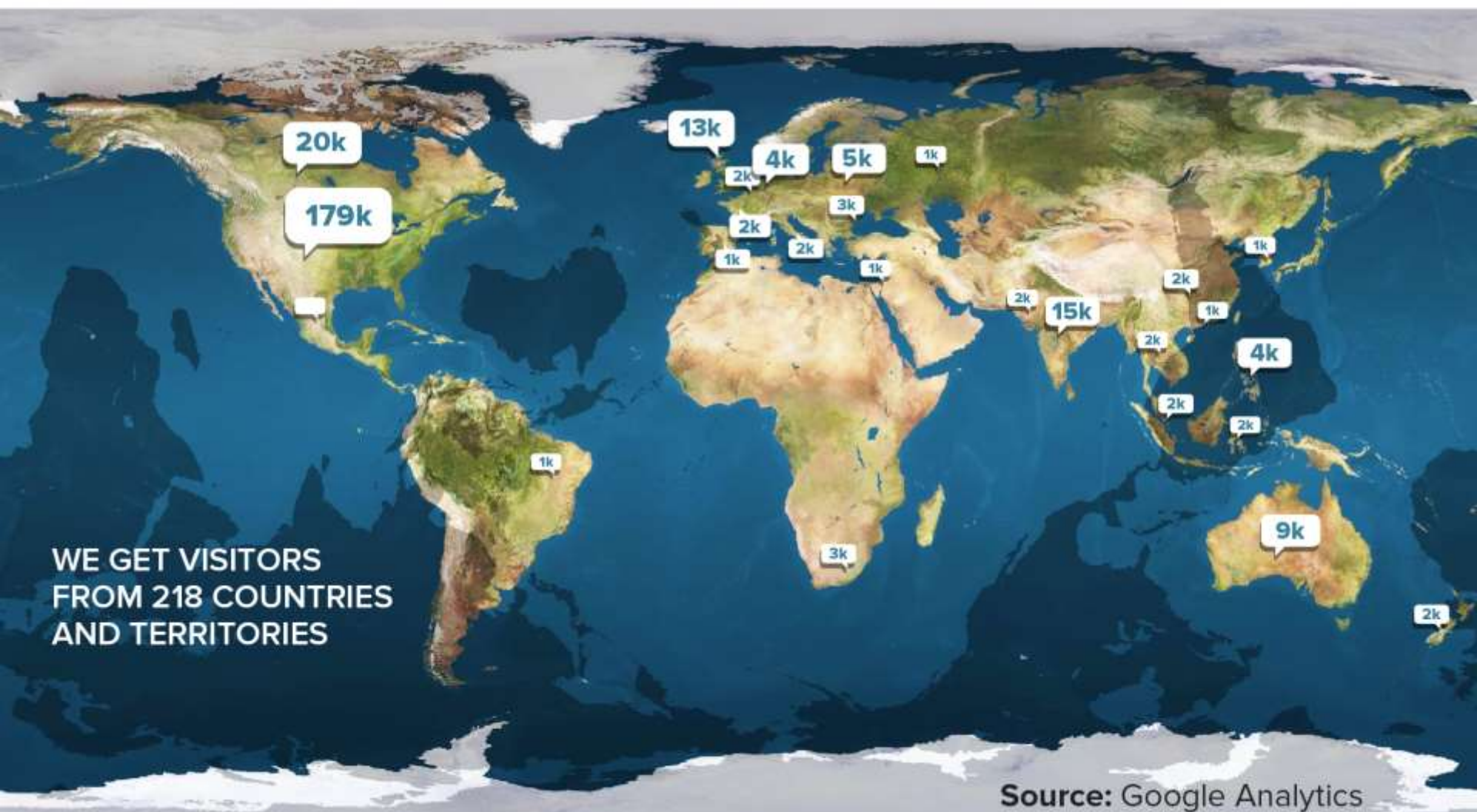
What Does It Take
To Be In The Top 1
Percent? Not As
Much As You Think

August 1, 2018

GLOBAL VISITORS TO USFUNDS.COM

503,000 Total Visitors

from March 31, 2018 - March 31, 2019



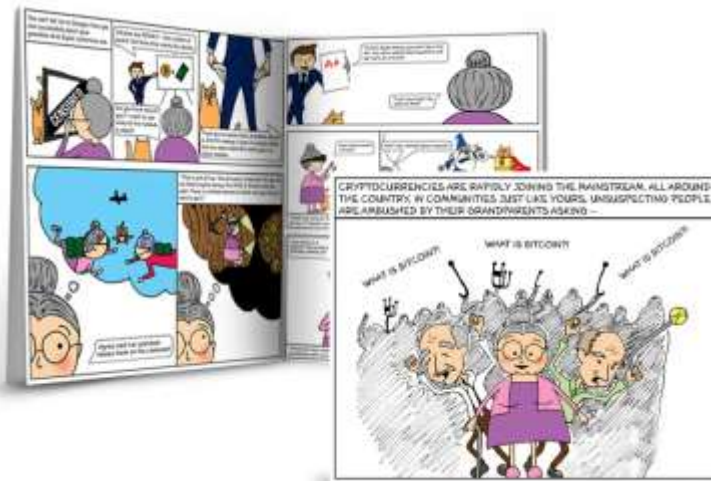
WE GET VISITORS FROM 218 COUNTRIES AND TERRITORIES

Source: Google Analytics

Recognition As an Industry Leader in Investor Education

85 STAR Awards, the education awards for the investment management industry

The Investment Management Education Alliance (IMEA) is a national industry association committed to investor education, and its STAR Awards program recognizes marketing communications efforts in the mutual fund industry. The awards competition is judged by industry professionals, and based on criteria including educational value, content, design and functionality.



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Anticipate Before You Participate in the Market. Download the whitepaper.



5 Reasons Why Short-Term Munis

In The News



Gold Is Closely Tracking Last Year's Price Action

Watch the Kitco interview.



Gold Moves Ahead of Trump Inauguration

Watch the Kitco News interview.



Gold Looks Undervalued Says Frank Holmes

Watch the CNBC Asia interview.



U.S. Global Investors' Gold-Oriented Funds Earn 5-Star Ratings from Morningstar

Read more.

Frank Talk

A blog by Frank Holmes, CEO and Chief Investment Officer, discussing current topics in global investing.



It Might Be Time to Grab the Commodities Bull by the Horns

Commodity investors have had to endure a dry spell for a while now, but those days are starting to look as if they might be behind us. We see encouraging... Read more.



"America Works... Never Bet Against America"

And like that, it happened. Despite the polls, despite what anyone believed was possible, including many of his own supporters, billionaire developer Donald J. Trump...

CLICK HERE

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Q & A

Disclosures

All opinions expressed and data provided are subject to change without notice. Some of these opinions may not be appropriate to every investor.

The NYSE Arca Gold BUGS (Basket of Unhedged Gold Stocks) Index (HUI) is a modified equal dollar weighted index of companies involved in gold mining. The HUI Index was designed to provide significant exposure to near term movements in gold prices by including companies that do not hedge their gold production beyond 1.5 years.

The Purchasing Manager's Index is an indicator of the economic health of the manufacturing sector. The PMI index is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment.

The S&P 500 Stock Index is a widely recognized capitalization-weighted index of 500 common stock prices in U.S. companies. The Russell 2000 Index is a small-cap stock market index of the bottom 2,000 stocks in the Russell 3000 Index. The U.S. Trade Weighted Dollar Index provides a general indication of the international value of the U.S. dollar.

Standard deviation is a measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Standard deviation is also known as historical volatility.

The Consumer Price Index (CPI) is one of the most widely recognized price measures for tracking the price of a market basket of goods and services purchased by individuals. The weights of components are based on consumer spending patterns.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

Cash Flow is a measure of the amount of cash generated by a company's normal business operations.

There is no guarantee that the issuers of any securities will declare dividends in the future or that, if declared, will remain at current levels or increase over time. Note that stocks and Treasury bonds differ in investment objectives, costs and expenses, liquidity, safety, guarantees or insurance, fluctuation of principal or return, and tax features.

None of U.S. Global Investors Funds held any of the securities mentioned in this presentation as of 03/31/2019.

Frank Holmes has been appointed non-executive chairman of the Board of Directors of HIVE Blockchain Technologies. Both Mr. Holmes and U.S. Global Investors own shares of HIVE. Effective 8/31/2018, Frank Holmes serves as the interim executive chairman of HIVE. Frank Holmes serves on the board of GoldSpot Discoveries Inc. as independent chairman and held common stock at March 31, 2019.

