



**MARKET STATISTICS**

Exchange: Symbol	NASDAQ: GROW
Price:	\$2.97
Market Cap (mm):	\$41.2
Enterprise Value (mm):	\$6.9
Shares Outstanding (mm):	13.97
Float (%):	80.7
Volume (3-month avg.):	~30k/day
52-week Range:	\$2.64-\$6.87
Industry:	Asset Management

**CONDENSED BALANCE SHEET**

(USD \$mm, except per share data)

Balance Sheet Date:	06/30/2022
Cash:	22.3
Cash/Share:	\$1.49
Debt:	\$0
Equity (Book Value):	\$56.5
Equity/Share:	\$3.78

**CONDENSED INCOME STATEMENTS**

(USD \$MS, except per share data)

FY - 06/30	Revenue	Operating Income	Net Income	EPS
FY20	\$4.5	\$(2.4)	\$(4.70)	\$(0.31)
FY21	\$21.7	\$8.2	\$32.0	\$2.12
FY 22	\$24.7	\$11.1	\$5.50	\$0.37
FY23E	\$19.3	\$5.3	\$3.0	\$0.21

**LARGEST SHAREHOLDERS**

Frank Edward Holmes	2,581,321
Royce & Associates	604,954
The Vanguard Group	594,256
Permit Capital Mgmt	575,630
Kanen Wealth Mgmt	456,885
Heartland Advisors	450,000
Blackrock Inc	288,489
SMH Capital Advisors	133,930
Geode Capital Mgmt.	112,846
Toroso Investments LLC	96,321

**STOCK CHART**



**COMPANY DESCRIPTION**

U.S. Global Investors is an innovative investment manager, specializing in thematic, specialized, and niche sectors. The firm was founded in 1968 and is based out of San Antonio, Texas. The Company has a long history of global investing and launching first-of-their-kind investment products including the first no-load gold fund. It is well known for its expertise in gold and precious metals, natural resources, airlines, emerging markets and cryptos. Frank Holmes is the CEO and CIO of U.S. Global Investors.

**COMPANY SUMMARY**

- **Well Positioned to Grow AUM:** U.S. Global Investors offers 8 innovative and thematic no-load mutual funds and 4 specialized ETFs to the retail investment community. The Company is well positioned to benefit from the growing demand of the retail public. As of June 2022, the current total AUM was \$2.9 billion.
- **GROW has Long History of Developing Innovative Products:** For over 50 years, GROW has offered specialized investment products, including The U.S. Global Jets ETF (JETS). JETS is the only Airline ETF available to investors, providing them the opportunity to invest in the global airline industry, including airline operators and manufacturers. The Company's newest ETF, the U.S. Global Sea to Sky Cargo ETF (SEA), invests in cargo ships and jets. SEA beat the S&P 500 Index and Nasdaq-100 Index from inception to August 2022.
- **Scalable Business Model:** The Company has a relatively fixed expense structure. As AUM grows, incremental revenues flow to the bottom line other than increased salaries and compensation. A small and experienced team combined with operating margins of 45%, presents GROW the ability to significantly scale the business and improve EPS.
- **Returning Capital to Shareholders:** The Company has a history of increasing dividends and share repurchases. During the years 2022 and 2021, the Company has repurchased 105,713 and 53,151, respectively, of its class A shares on the open market using cash of \$499,000 and \$314,000 respectively.
- **A Strong Balance Sheet with Cash Available for Opportunities:** The Company has high cash reserves of approximately \$23 million and no debt as of June 2022 allowing it to invest in lucrative opportunities available in the market. In addition, the Company owns their own office building, currently valued on the balance sheet at \$4.61 million, but recent appraisals indicate a higher valuation.
- **Investment in HIVE Blockchain:** The Company has an investment of warrants and convertible debentures valued at \$14.1 million in HIVE Blockchain Technologies Ltd. (NasdaqCM: HIVE), the first ever publicly traded cryptocurrency miner. HIVE uses 100% green energy to mine Bitcoin, realizing industry leading gross margins.
- **CEO/CIO Vested Interest:** CEO/CIO Frank Holmes, well-known in the gold industry, owns approximately 18% of the Company. Under his leadership, the Company has grown to an average AUM of \$3.9 billion.
- **Valuation** – We are using an EV/EBITDA multiple to value the Company. Using an EV/EBITDA multiple range of 4x to 6x, with a midpoint of 5x results in a valuation range of \$5.38 to \$8.07 respectively, with a midpoint of \$6.72.

## BUSINESS OVERVIEW

U.S. Global Investors is an innovative investment manager, specializing in thematic, specialized, and niche sectors. The firm is based out of San Antonio, Texas. What makes this asset manager unique is the category of asset classes in its AUM, unlike traditional asset investments. The Firm is well known for its expertise in gold and precious metals, natural resources, airlines, emerging markets and cryptos. Its offering includes:

Currently, U.S. Global Investors offers eight no-load mutual funds:

1. Global Luxury Goods Fund (USLUX)
2. Gold and Precious Metals Fund (USERX)
3. World Precious Minerals Fund (UNWPX)
4. Global Resources Fund (PSPFX)
5. China Region Fund (USCOX)
6. Emerging Europe Fund (EUROX)
7. Near-Term Tax-Free Fund (NEARX)
8. U.S. Government Securities Ultra-Short Bond Fund (UGSDX)

U.S. Global Investors offer four exchange-traded funds:

1. U.S. Global Jets ETF (NYSE: JETS)
2. U.S. Global GO GOLD and Precious Metal Miners ETF (NYSE: GOAU)
3. U.S. Global Sea to Sky Cargo ETF (NYSE: SEA)
4. U.S. Global Jets UCITS ETF (LSE: JETS)

During FY22, the total AUM as of June 30, 2022, was \$2.9 billion, down from \$4.2 billion as of June 30, 2021, due to a global stock market decline and higher interest rates.

### Exhibit 1: AUM with the Company

Airline and Cargo			
U.S. Global Jets ETF	JETS	\$ 2,453,268	\$ 3,616,805
U.S. Global Jets UCITS ETF	JETS	12,934	947
U.S. Global Sea to Sky ETF	SEA	7,568	-
<b>Total Airline and Cargo</b>		<b>2,473,770</b>	<b>3,617,752</b>
Gold and Natural Resources			
U.S. Global GO GOLD and Precious Metal Miners ETF	GOAU	76,609	102,635
<b>Total Gold and Natural Resources</b>		<b>76,609</b>	<b>102,635</b>
<b>Total ETF Clients</b>		<b>2,550,379</b>	<b>3,720,387</b>
U.S. Global Investors Funds			
Gold and Natural Resources			
Global Resources	PSPFX	57,385	70,758
World Precious Minerals	UNWPX	59,075	112,861
Gold and Precious Metals	USERX	111,953	158,378
<b>Total Gold and Natural Resources</b>		<b>228,413</b>	<b>341,997</b>
Emerging Markets			
Emerging Europe	EUROX	10,821	24,779
China Region	USCOX	7,624	12,546
<b>Total Emerging Markets</b>		<b>18,445</b>	<b>37,325</b>
International Equity			
Global Luxury Goods (formerly known as Holmes Macro Trends)	USLUX	39,508	54,058
<b>Total International Equity</b>		<b>39,508</b>	<b>54,058</b>
Bond			
U.S. Government Securities Ultra-Short Bond	UGSDX	35,490	39,079
Near-Term Tax Free	NEARX	35,671	36,763
<b>Total Bond</b>		<b>71,161</b>	<b>75,842</b>
<b>Total U.S. Global Investors Funds</b>		<b>357,527</b>	<b>509,222</b>
<b>Total AUM</b>		<b>\$ 2,907,906</b>	<b>\$ 4,229,609</b>

Source Company Reports

### Exhibit 2: Investment in Mutual Funds & Corporate Investments

(dollars in thousands)	June 30, 2022		
	Cost	Unrealized Gains (Losses)	Fair Value
<b>Equity securities at fair value</b>			
Equities - International	\$ 6,680	\$ (3,013)	\$ 3,667
Equities - Domestic	45	(45)	-
Mutual funds - Fixed income	12,313	(175)	12,138
Mutual funds - Global equity	929	(306)	623
<b>Total equity securities at fair value</b>	<b>\$ 19,967</b>	<b>\$ (3,539)</b>	<b>\$ 16,428</b>

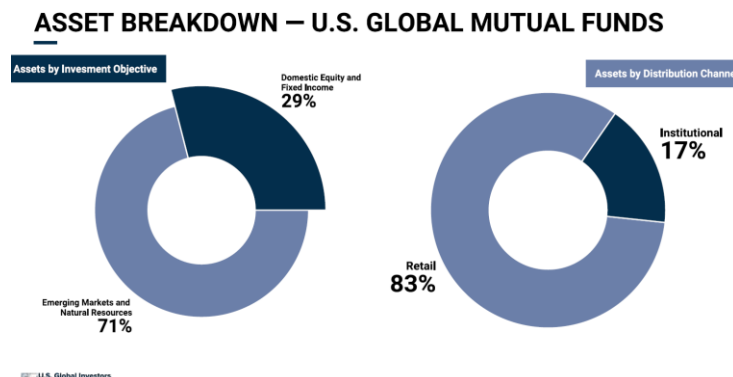
(dollars in thousands)	June 30, 2021		
	Cost	Unrealized Gains (Losses)	Fair Value
<b>Equity securities at fair value</b>			
Equities - International	\$ 7,076	\$ 3,922	\$ 10,998
Equities - Domestic	45	(45)	-
Mutual funds - Fixed income	6,313	9	6,322
Mutual funds - Global equity	929	9	938
<b>Total equity securities at fair value</b>	<b>\$ 14,363</b>	<b>\$ 3,895</b>	<b>\$ 18,258</b>

Source: Company Reports

### Breakdown of Mutual Fund Assets:

Most the Company's mutual funds' assets are in emerging markets and natural resources, while 26% are in domestic equity and fixed income. Currently, 82% of the Company's investors are retail and 18% are institutional.

### Exhibit 3: Breakdown of Mutual Fund Assets



Source: Company Reports

**Advisory Fees:** The Company offers advisory services to exchange-traded ETFs as mentioned above. The Company receives management fees of 0.6% of the average net assets of U.S. based ETFs and has agreed to bear all the expenses of ETF except for (NYSE: SEA) of which the Company has agreed to contractually limit the expenses. For U.S. Global Jets UCITS ETF, the Company charges 0.65% of average net assets as advisory fees and agrees to bear all the expenses.

Advisory fees, the largest component of the Company's operating revenues, are derived from two sources, base fees and performance fees. The other fees include administrative services provided by the Company to the Funds.

The Company recorded advisory and administrative fees of approximately \$24.7 million in FY22 and \$21.7 million in FY21.

**Exhibit 4: Operating Revenue Breakup**

	Year ended June 30,		\$	%
	2022	2021		
<i>(dollars in thousands)</i>				
ETF advisory fees:				
Airline and cargo ETFs	\$ 20,378	\$ 16,473	\$ 3,905	23.7%
Gold and natural resources ETF	584	654	(70)	(10.7)%
Total ETF advisory fees	20,962	17,127	3,835	22.4%
Investment advisory fees - USGIF:				
Gold and natural resources funds	\$ 2,851	\$ 3,606	\$ (755)	(20.9)%
Emerging markets funds	213	302	(89)	(29.5)%
International equity funds	499	407	92	22.6%
Bond funds	-	3	(3)	(100.0)%
Total investment advisory fees - USGIF	3,563	4,318	(755)	(17.5)%
Total advisory fees	24,525	21,445	3,080	14.4%
USGIF administrative services fees	189	209	(20)	(9.6)%
<b>Total Operating Revenues</b>	<b>\$ 24,714</b>	<b>\$ 21,654</b>	<b>\$ 3,060</b>	<b>14.1%</b>

Source: Company Reports

The other source of income for the Company (non-operating) is realized and unrealized gain/ losses based on sales of assets or mark-to-market investments respectively.

**Exhibit 5: Investment/ Other Income Breakup**

	Year Ended June 30,	
	2022	2021
<i>(dollars in thousands)</i>		
<b>Investment Income (Loss)</b>		
Realized gains on equity securities	\$ 1,848	\$ 16,566
Realized gains on debt securities	2,191	1,180
Unrealized gains (losses) on equity securities	(7,247)	9,909
Unrealized losses on embedded derivatives	(2,539)	-
Dividend and interest income	1,949	464
Realized foreign currency gains (losses)	(248)	219
<b>Total Investment Income (Loss)</b>	<b>\$ (4,046)</b>	<b>\$ 28,338</b>

Source: Company Reports

During the year ending 2022, the Company booked an investment loss of \$4mm vs a \$28mm gain from the previous year, which includes the sale of HIVE common stock. It includes unrealized losses which are the result of mark-to-market activity.

**Operating Expenses:** Total operating expenses increased \$112,000, or 0.8%, compared to the previous fiscal year. This increase was primarily attributable to increases in general and administrative expenses, offset by lower employee compensation.

**Exhibit 6: Operating Expenses Breakup**
**Operating Expenses**

	Year ended June 30,	
	2022	2021
<i>(dollars in thousands)</i>		
Employee compensation and benefits	\$ 6,059	\$ 7,369
General and administrative	6,911	5,704
Advertising	405	220
Depreciation and amortization	226	196
<b>Total</b>	<b>\$ 13,601</b>	<b>\$ 13,489</b>

Source: Company Reports

**Important Highlights:**

**Launch of SEA ETF:** The Company has launched the U.S. Global Sea to Sky Cargo ETF (SEA) that is 70% invested in cargo ships and 30% in cargo jets due of the systemic risk in supply exchange. This is providing tremendous pricing power to the cargo-related industries and these companies are reporting high historic earnings. Approximately 80% of the volume of the world's trading goods is carried by China and developing countries. This percentage could be even higher, and with continued supply line disruptions and the invasion of Ukraine, that only gave them more pricing power. The smart-beta ETF beat the S&P 500 Index and Nasdaq-100 Index from inception to August 12, 2022.

**Exhibit 7: Performance of SEA**


Source: Bloomberg & US Global Investors Inc

**Company's Investment in HIVE:** HIVE Blockchain Technologies (NasdaqCM: HIVE) is the first publicly traded crypto miner, listed on the Toronto Venture Exchange in 2017. HIVE uses 100% green energy to mine both Bitcoin and Ethereum, with a committed ESG strategy since day one. The Company's investment in HIVE includes \$15 million in 8% interest-bearing convertible notes, payable in quarterly installments with a final maturity in January 2026 and warrants to purchase 1 million common shares with a strike price of CAD\$15 per share. The convertible notes have a conversion price of \$11.70. As of the period ending June 2022, the notes have been paid down to \$10.6 million, and the warrants have impacted the Company's non-realized mark-to-market volatility.

Due to the widespread selloff in digital currencies and assets, including Bitcoin and Ethereum, there has been significant volatility in the market price of HIVE, which has materially impacted the fair value of the Company's investment.

For FY2021, HIVE reported record revenues of \$68 million, up 40% from the prior year. The Company mined over 697 Bitcoin and over 7,100 Ethereum with gross mining margins of 90%. Digital assets on the balance sheet were \$168 million.

**Experienced Management with Vested Interest:**

Frank Holmes has been the Chief Executive Officer of U.S. Global Investors since 1989, when he bought a controlling interest of the Company. He became Chief Investment Officer in 1999. He oversaw the Company's penetration into the ETF industry with the launch of JETS. Mr. Holmes is well known in the gold industry, guiding the launch of the Company's second ETF, the U.S. Global GO GOLD and Precious Metal Miners ETF (NYSE: GOAU). Under his leadership, the Company has grown to an average AUM of \$3.9 billion.

**Share Purchase Program:** The Company announced in February 2022 that it approved an increase to the limit of its annual share buyback program from \$2.75 million to \$5.0 million. During FY22, the Company bought back 105,713 class A shares using cash of \$499,000. This represents an approximately 68% increase from the number of shares that were repurchased in FY21 and a 44% increase in the amount of cash used. As of November 2, 2022, approximately \$4.6 million remains available for repurchase under this authorization. The Company uses an algorithm to buy back stock on down days. Additionally, The

Company has consistently paid a monthly dividend to shareholders since June 2007. GROW increased its dividends by over 200% in 2021 and currently pays a dividend yield of 3.10%. While there is no guarantee that the Company will continue increasing dividends, its historically high dividend yield supports that the stock is undervalued.

### GROW ETF Fund Outlook:

JETS has suffered from negative conditions in the airline industry due to the decline of airline stocks due to rising fuel prices, signs of a stagnating economy, and a growing shortage of pilots. Once, investor sentiment improves, upside exists across the entire industry resulting in increased AUM.

SEA is well positioned to benefit the high demand and shortage of supply side that should drive higher earnings for cargo companies. Global shipping routes and seaports continue to see significant supply chain issues, which hurts consumers but could be a windfall for shareholders. Due to elevated shipping rates, carriers are forecasted to turn in their most profitable year ever in 2022. Total net income for the industry could be as high as \$256 billion, according to estimates by Blue Alpha Capital, which would be an impressive 73% above the industry's profits last year

GOAU is poised to grow AUM due to the potential increase in gold prices as a hedge against inflation.

### Exhibit 8: Product-wise Performance

Total Annualized Returns as of 06/30/2022:

FUND	ONE-YEAR	FIVE-YEAR	TEN-YEAR	SINCE INCEPTION	EXPENSE RATIO
U.S. Global Sea to Sky Cargo ETF (SEA) NAV	n/a	n/a	n/a	-1.30% (01/19/2022)	Gross: 1.90% Net: 0.60%
U.S. Global Sea to Sky Cargo ETF (SEA) Market Price	n/a	n/a	n/a	-0.90% (1/16/2022)	Gross: 1.90% Net: 0.60%
U.S. Global Sea to Sky Cargo Index	n/a	n/a	n/a	-10.46% (1/16/2022)	n/a
S&P 500 Index	-10.62%	11.31%	12.93%	9.54% (12/30/1927)	n/a
NASDAQ 100	-20.43%	16.33%	17.24%	13.75% (2/1/1985)	n/a

Source: Company Reports

**Business Timeline:** Exhibit 9 captures the important historical events of the Company.

### Exhibit 9: Business Timelines:

Year	Event
1968	Company registered with SEC
1974	First No-Load Precious Metals fund
1980	More funds were added
1984	Gone Public
1989	Frank Holmes becomes CEO
1994	China Region Fund
1996	Company renamed to U.S Global Investors
1997	Emerging Europe Fund
1999	Frank Holmes becomes CIO
2006	Number One on Investors Business Daily 100
2007	Taking the lead in charity
2013	U.S Government Securities Ultra-Short Bond Fund
2015	U.S Global Jets ETF (JETS)
2017	Launched Second ETF
2017	Investment in "Hive Blockchain Technologies"
2018	Frank Holmes become executive chairman of "Hive Blockchain Technologies"
2020	Global Luxury Goods Fund

Source: Company Website

## MARKET OVERVIEW

At the end of 2021, there were approximately 8900 registered investment companies and 2700 ETFs of varying sizes and investment policies.

Success in the investment advisory business substantially depends on the Company's ability to market the funds and exhibit performance. The Company's operating revenues are highly correlated to the level of assets under management 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 fees on certain equity fund products may also impact revenues, either positively or negatively. Various products may have different fees, so changes in 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.

## Risks

**Market Risk:** Covid-19 had adverse effects on the global economies that have led to adverse effects on the financial markets as well. This may reoccur and can hurt the AUM and revenues as well. Global factors like the Russia-Ukraine war have also negatively affected the global economies which could continue to affect the market volatility leading to uncertainties and hence affecting the revenue of the Company.

**Operational Risk:** The flow of operations for the Company could be impacted because of the occurrence of any natural global pandemics and other unpredictable events that could adversely affect their operations. Loss of any key management personnel again poses a greater financial and operational risk. Leakage of sensitive information and higher insurance premiums to hedge those risks could lead to more financial losses.

**Financial Risk:** Some of the prominent risks in this area are: Poor investment performance could lead to a decline in revenues. The Company's clients can terminate their agreements with the Company on short notice, which may lead to unexpected declines in revenue and profitability. Difficult market conditions can adversely affect the Company by reducing the market value of the assets they manage or causing shareholders to make significant redemptions. Further, the Company has exposure to the cryptocurrency markets through its investments which are very volatile in nature.

**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 impact their valuation and thus the revenue received by the Company.

**Regulatory Risk:** The Company is subject to a variety of government regulations, foreign and domestic federal securities laws, any non-compliance with any of those laws could lead to penalties, and sanctions which could affect the Company's reputation and affect its revenue and earnings.

**Governance Risk:** One person substantially owning all the voting stock and controlling the outcome of all the matters requiring a vote of shareholders may influence the value of non-voting stocks. Franck Holmes, the CEO is the beneficial owner of 99% of Class C convertible common stock and controls the outcome of all issues requiring a shareholder vote.

**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 materially impact the Company's investments in debt securities carried at fair value included on the balance sheet and gains (losses) recognized in investment income.

## INCOME STATEMENT

Because it's difficult to predict the stock market, AUM, or gains and losses for the Company's ETF products, we have based our FY2023 revenue estimates on the most recently reported AUM of \$2.9 billion. The company's advisory fees range from .60 to .65 for select products. We are modeling 65 basis points advisory fees in our revenue assumptions.

## VALUATION

The Company has a \$40.1 million market cap, with \$22.3 million in cash (\$1.49/share), and no debt. We believe the proper way to value GROW is through an EV/EBITDA multiple to account for their strong cash position and clean balance sheet. As can be seen in Exhibit 10, GROW is trading at 3.21x estimated EV/Forward EBITDA compared to the mean average of 8.23x. Given GROW's smaller market cap and less liquidity, we would apply a discount to the comparable companies. Using an EV/EBITDA multiple range of 4x to 6x, with a midpoint of 5x results in a valuation range of \$5.38 to \$8.07 respectively, with a midpoint of \$6.72.

The Company is also undervalued using other metrics:

**Enterprise Value to Forward Revenue:** GROW is currently trading at 1.04x forward revenue versus the mean average for the comps of 2.98x, while also generating higher gross profit margins. Asset managers have also historically traded at as EV/Revenue. IF GROW were to trade at an EV/Forward Revenue range of 1.5x to 2.5x, with a midpoint of 2x, this would equate to a stock price range of \$3.41 to 4.70 respectively, with a midpoint of \$4.05.

**Price to Book:** GROW is currently trading at 0.8x P/B whereas T. Rowe is trading at 4.6x.

### Exhibit 10: Comparison of Companies

#### Comparative Analysis

U.S. Global Investors, Inc.

(all figures in \$ USD M, except per share information)

Company Comp Set	Trading Multiples									Margin Statistics			
	EV/Revenues	EV/EBITDA	EV/EBIT	P/Diluted EPS Before Extra	P/TangBV	EV/Forward Revenue	EV/Forward EBITDA	Forward P/E	LTM Gross Margin %	LTM EBITDA Margin %	LTM EBIT Margin %	LTM Net Income Margin %	
T. Rowe Price Group, Inc. (NasdaqGS:TROW)	3.3x	6.4x	7.1x	10.6x	4.6x	3.75x	9.11x	13.38x	60.1%	50.2%	45.8%	33.26%	
WisdomTree Investments, Inc. (NasdaqGS:WETF)	2.9x	10.5x	11.4x	59.2x	NM	2.98x	11.72x	18.00x	47.4%	25.8%	25.6%	4.72%	
Virtus Investment Partners, Inc. (NasdaqGS:VRTS)	1.5x	3.8x	4.6x	9.0x	NM	1.94x	4.89x	6.68x	49.0%	37.6%	31.6%	15.97%	
Invesco Ltd. (NYSE:IVZ)	2.0x	6.2x	7.3x	6.9x	NM	2.98x	7.35x	8.07x	34.3%	28.0%	25.0%	19.67%	
U.S. Global Investors, Inc. (NasdaqCM:GROW)	0.3x	0.7x	0.7x	8.2x	0.8x	1.04x*	3.21x*	14.9x*	75.5%	46.5%	45.0%	22.25%	
<b>Summary Statistics</b>													
<b>Mean</b>	2.5x	6.3x	7.2x	9.8x	n/a	2.98x	8.23x	10.73x	48.2%	32.8%	28.6%	17.82%	

\*Based on Stonegate estimates

All values in millions, except per share data and ratios.

Values converted at today's spot rate.

Source: Capital IQ, Stonegate Capital Partners

**BALANCE SHEET**
**U.S. Global Investors, Inc.**  
**Consolidated Balance Sheets (USD\$ Ms)**  
**Fiscal Year: Jun**

<b>ASSETS</b>	<b>FY 2020</b>	<b>FY2021</b>	<b>FY 2022</b>
<b>Assets</b>			
Cash & Cash Equivalents	1.9	14.4	22.3
Restricted Cash	1.0	1.0	1.0
Investment in securities at fair Value	6.3	6.3	12.1
Accounts & other Receivables	1.0	2.5	1.8
Tax Receivable	-	2.1	0.4
Total assets held related to discontinued operations	-	-	-
Prepaid Expenses	0.3	0.4	0.4
<b>Total Current Assets</b>	<b>10.5</b>	<b>26.8</b>	<b>38.0</b>
Property & Equipment	1.5	1.4	1.4
<b>Net Property &amp; equipem nt</b>	<b>1.5</b>	<b>1.4</b>	<b>1.4</b>
Investment in equity Security at fair value, non-cur	5.1	11.9	4.3
Deferred Tax Asset, Long Term	-	-	0.3
Investments in available for sale debt securities at fair	-	17.0	11.4
Investment in held to maturity debt Securities	-	1.0	1.0
Other Investments	1.3	3.5	4.0
Equity method Investments	0.2	0.5	-
Right of use Assets	0.1	0.0	-
Financing lease, right of use assets	-	-	0.1
Other Assets, non-current	0.1	0.1	0.2
Other assets	6.8	34.1	21.3
<b>Total Assets</b>	<b>18.8</b>	<b>62.3</b>	<b>60.7</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Accounts Payable	0.0	0.1	0.1
Accrued Compensation & Related costs	0.4	1.6	1.9
Dividends Payable	0.1	0.2	0.3
Lease Liability, Short-term	0.1	0.0	0.0
Other accrued expenses	1.0	1.3	1.8
Notes Payable Current	0.4	-	-
Total liabilities held related to discontinued operation	-	-	-
Taxes payable	-	1.9	-
<b>Total Current Liabilities</b>	<b>2.0</b>	<b>5.2</b>	<b>4.1</b>
<b>Long Term Liabilities</b>			
Lease Liability, Long-Term	0.0	-	0.1
Deffered Tax Liability	-	2.8	-
<b>Total Long Term Liabilities</b>	<b>0.0</b>	<b>2.8</b>	<b>0.1</b>
<b>Shareholders' Equity</b>			
Common Stock (Class A)	0.3	0.3	0.3
Common Stock (Class B)	-	-	-
Convertible Common Stock (Class C)	0.1	0.1	0.1
Additional Paid in Capital	15.6	15.7	16.4
Treasury Stock	(1.9)	(2.2)	(2.6)
Accumulated other Comprehensive income (loss), net	(0.0)	6.6	4.3
Retained Earnings	2.6	33.8	38.0
<b>Total Stockholders Equity</b>	<b>16.8</b>	<b>54.3</b>	<b>56.5</b>
Non-Controlling Interest	-	-	-
<b>Total Liabilities and Shareholders' Equity</b>	<b>18.8</b>	<b>62.3</b>	<b>60.7</b>

Source: Company Reports, Stonegate Capital Partners

**INCOME STATEMENT**
**U.S. Global Investors, Inc.**
**Consolidated Statements of Income (in M\$, except per share amounts)**
**Fiscal Year: Jun**

	FY 2020	FY 2021	FY 2022	FY 2023 E
Advisory Fees	4.3	21.4	24.5	19.1
Administrative Service Fees	0.2	0.2	0.2	0.2
<b>Total revenues</b>	<b>4.5</b>	<b>21.7</b>	<b>24.7</b>	<b>19.3</b>
<b>Operating expenses</b>				
Employee Compensation & Benefits	2.8	7.4	6.1	6.3
General & Admin	3.7	5.7	6.9	6.8
Advertising	0.2	0.2	0.4	0.5
Depreciation & Amortization	0.2	0.2	0.2	0.2
Total Operating Expenses	<b>6.9</b>	<b>13.5</b>	<b>13.6</b>	<b>13.8</b>
<b>Operating Income (Loss)</b>	<b>(2.4)</b>	<b>8.2</b>	<b>11.1</b>	<b>5.3</b>
Investment Income (Loss)	(2.2)	28.3	(4.0)	-
Income (Loss) from equity investments	(0.1)	0.3	(0.2)	-
Gain on forgiveness of PPP loans	-	0.4	-	-
Other Income	0.1	0.1	0.2	-
<b>Income (Loss) before income tax</b>	<b>(4.6)</b>	<b>37.4</b>	<b>7.1</b>	<b>5.3</b>
Income tax expense	(0.2)	5.5	1.6	2.3
<b>Net income (loss)</b>	<b>(4.5)</b>	<b>32.0</b>	<b>5.5</b>	<b>3.0</b>
Loss from continuing Operations	(0.3)	-	-	-
Net loss attributable to non-controlling	(0.1)	-	-	-
<b>Net loss attributable to U.S.Global Investors,</b>	<b>(4.9)</b>	<b>32.0</b>	<b>5.5</b>	<b>3.0</b>
<b>Basic EPS (loss)</b>	<b>\$ (0.31)</b>	<b>\$ 2.12</b>	<b>\$ 0.37</b>	<b>\$ 0.21</b>
<b>Diluted EPS (loss)</b>	<b>\$ (0.31)</b>	<b>\$ 2.12</b>	<b>\$ 0.37</b>	<b>\$ 0.21</b>
Basic shares outstanding	15.11	15.07	15.01	13.97
Diluted shares outstanding	15.11	15.07	15.01	13.97

*Source: Company Reports, Stonegate Capital Partners estimates*



## IN THE NEWS

**November 1, 2022** – U.S. Global Investors Announces Share Repurchases Increased Year-Over-Year In October

**October 24, 2022** – U.S. Global Investors Announces Fourth Quarter Gold Webinar And Participation In Schwab IMPACT Conference

**October 6, 2022** – U.S. Global Investors Changes Record Date And Payment Date For October Dividend

**October 5, 2022** – U.S. Global Investors Repurchased Substantially More Of Its Stock Year-Over-Year In September, Authorizes Monthly Dividend Through December

**September 12, 2022** – U.S. Global Investors Provides Update on Its Stock Buyback and Dividend Programs

**September 1, 2022** – U.S. Global Investors Announces Results for Fiscal Year 2022

**July 29, 2022** – U.S. Global Investors Provides July Updates on Its Stock Buyback and Dividend Programs.

**July 1, 2022** – U.S. Global Investors Provides Update on Enhanced Stock Buyback and Dividend Programs, Responds to Proposal.

**June 16, 2022** – U.S. Global Investors Shares Details of Its Annual Shareholder Meeting, Announces Continuation of GROW Dividends and Stock Repurchase in April-May.

**May 20, 2022** – U.S. Global investors continues dividends in May.

**May 9, 2022** – U.S. Global Investors Reports Financial Results for the Third Quarter of 2022 Fiscal Year.

**May 6, 2022** – U.S. Global Jets ETF (JETS) Makes a Landing in Ameriprise's \$1.2 Trillion Trading Complex.

**April 26, 2022** – U.S. Global Investors Continues GROW Dividends in April, Shares Update on Increased Stock Buyback Program.

**March 17, 2022** – U.S. Global Investors Continues GROW Dividends, Paying Monthly Since June 2007.

**Feb 25, 2022** – U.S. Global Investors Increases Share Buyback Program.

**Feb 17, 2022** – U.S. Global Investors Announces Second-Quarter Net Income of \$3.6 Million, an Increase of 50% from Previous Quarter.

**Jan 27, 2022** – U.S. Global Investors Launches Smart-Beta 2.0 SEA ETF on the New York Stock Exchange and Amends Its Form 10-Q.

## CORPORATE GOVERNANCE

**Frank E. Holmes – CEO and Chief Investment Officer** - Mr. Frank Holmes is the CEO and chief investment officer of U.S. Global Investors (NASDAQ: GROW). Mr. Holmes purchased a controlling interest in U.S. Global Investors in 1989 and became the firm's chief investment officer in 1999. Under his guidance, the Company's mutual funds have received recognition from Lipper and Morningstar over the years. In 2015, Mr. Holmes led the Company into the exchange-traded fund (ETF) business with the launch of the U.S. Global Jets ETF (NYSE: JETS), which invests in the global airline sector. In 2017, the firm launched its second ETF, the U.S. Global GO GOLD and Precious Metal Miners ETF (NYSE: GOAU), focusing on gold royalty companies.

**Lisa Callicotte – Chief Financial Officer** – Callicotte joined U.S. Global Investors in 2009 as controller and was promoted to chief financial officer in July 2013. Ms. Callicotte is responsible for oversight of all financial statements and related disclosures for internal use and external filings with the appropriate regulatory bodies. In addition, she is responsible for monitoring pertinent GAAP, SEC, and FINRA rules for relevant accounting and regulatory matters. Ms. Callicotte previously worked for Ernst & Young LLP for 12 years, leaving as a senior manager. She graduated from Texas A&M University with a Bachelor of Business Administration and a Master of Science in Accounting. She has been a Certified Public Accountant since 1999.

**Ralph P. Aldis, CFA – Portfolio Manager** - Ralph Aldis rejoined U.S. Global Investors as a senior mining analyst in November 2001. He is responsible for analyzing gold and precious metals stocks in his role as a portfolio manager. In 2011, 2015, and again in 2018, Mr. Aldis was named a U.S. Metals and Mining "TopGun" by Brendan Wood International. In 2016 he and Frank Holmes were named Best Americas Based Fund Manager by the Mining Journal. Mr. Aldis received a master's degree in energy and mineral resources from the University of Texas at Austin in 1988 and a Bachelor of Science in geology, from Stephen F. Austin University in 1981, graduating *cum laude*. Mr. Aldis is a member of the CFA Society of San Antonio.

**Joanna Sawicka –Portfolio Manager-** Joanna Sawicka joined U.S. Global Investors in 2007 as an investment reporting administrator and in 2015 was promoted to research analyst. In 2020 she was promoted to portfolio manager. Ms. Sawicka is responsible for managing the Emerging Europe Fund, the China Region Fund, and the Global Luxury Goods Fund. Before joining U.S. Global Investors, she worked for Soros Fund Management in New York and JP Morgan in San Antonio. Ms. Sawicka holds a bachelor's degree in finance with a specialization in investments from Baruch College, City University of New York.

**Michael Matousek – Head Trader** - Michael Matousek joined U.S. Global Investors in January 2008 and was soon promoted to head trader. With close to 25 years' worth of industry experience, Mr. Matousek is responsible for overseeing the management of the firm's ETFs. Before joining U.S. Global Investors, Mr. Matousek functioned as a proprietary trader, was the director of institutional sales and trading for a broker-dealer and established a proprietary trading group. Mr. Matousek has been a Chartered Market Technician (CMT) for over 18 years. He received his Bachelor of Science degree in law enforcement and a minor in accounting.

## IMPORTANT DISCLOSURES AND DISCLAIMERS

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