



U.S. Global Investors

Searching for Opportunities, Managing Risk

Sovereign Funds, Hedge Funds & Oil

Frank E. Holmes
CEO and Chief Investment Officer
U.S. Global Investors, Inc.

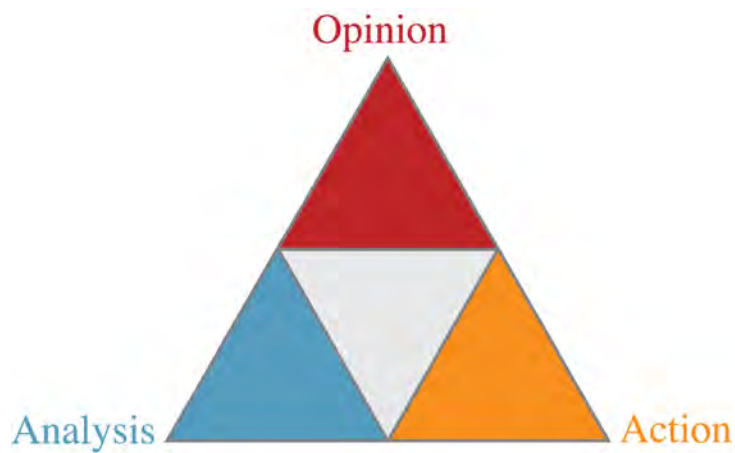
March 2008



www.usfunds.com



Dynamic Thinking Triangle

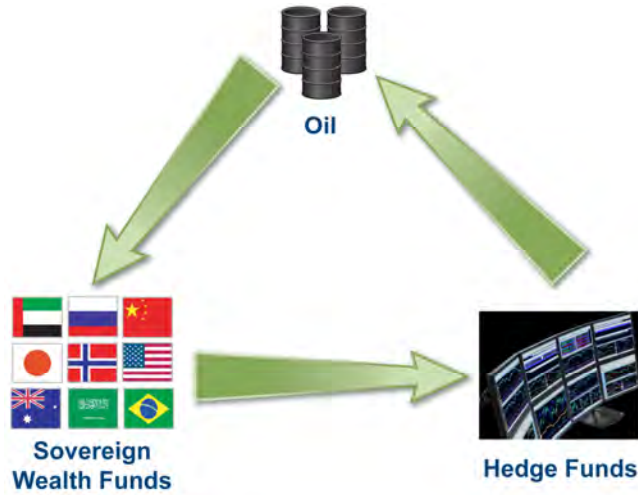


www.usfunds.com

2



Transaction Triangle



Government Wealth Accounts

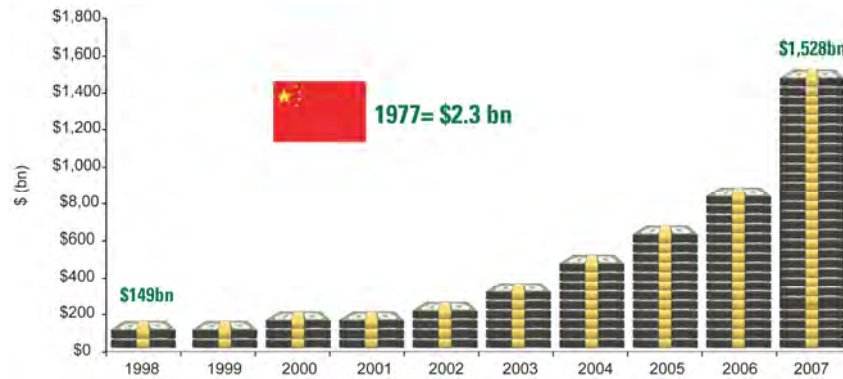


2007 Figures

Source: Peterson Institute, Alaska Permanent Fund, Australia Future Fund



China's Foreign Reserves

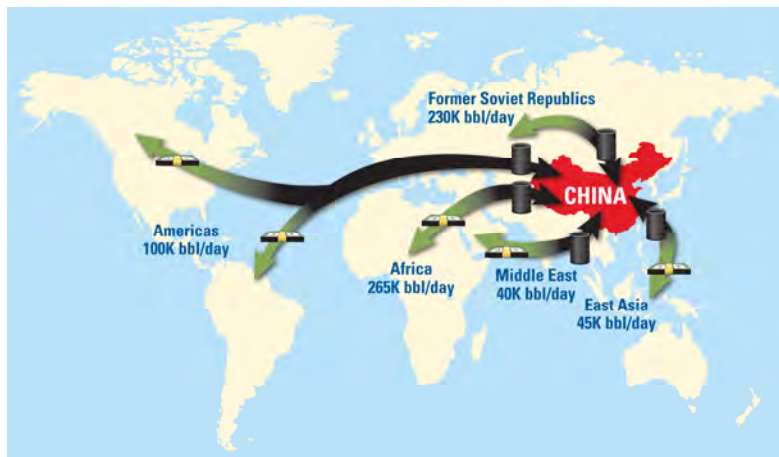


Source: State Administration of Foreign Exchange, People's Republic of China.



China's Oil Investments

Total Equity Production By Region



Source: Peterson Institute For International Economics



Sovereign Fund Acquisitions

Buyer	Target	Stake	Value
<i>Singapore</i> 	UBS	9 Percent	\$11.8 Billion
<i>Abu Dhabi</i> 	Citigroup	4.9 Percent	\$7.5 Billion
<i>China</i> 	Morgan Stanley	N/A	\$5 Billion
<i>China</i> 	Blackstone	10 Percent	\$3 Billion
<i>Abu Dhabi</i> 	Carlyle Group	7.5 Percent	\$1.35 Billion
<i>Dubai</i> 	Och-Ziff CM	9.9 Percent	\$1.1 Billion
<i>Dubai</i> 	HSBC	undisclosed	undisclosed



Hedge Funds And Oil

- More than 600 energy or energy-related fund hedge funds
Another 200+ commodity trading funds
- Various strategies
Long-short, directional, global macro
- Thrive on volatility
Leveraged positions, short-term outlook





SWF Impact

- Should we be afraid of sovereign wealth funds?
- Will they “replace Wall Street” in capital markets?



Market Turbulence

- How do SWFs and hedge funds affect oil prices?
- Should we expect more market volatility?



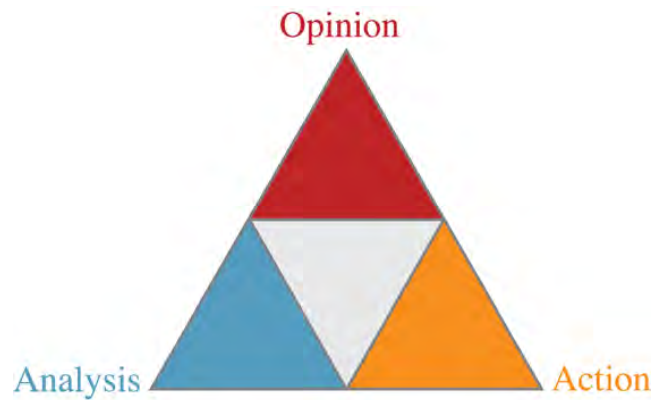


Goals and Objectives

- How important is transparency?
- What are the intentions, investment processes and accountability?
- What about reciprocity — “free” trade?



Dynamic Thinking Triangle





Disclosures

Frank E. Holmes

Frank Holmes is CEO and chief investment officer at U.S. Global Investors, Inc., a San Antonio-based investment adviser with nearly \$6 billion in mutual fund and offshore assets under management, with primary focus on natural resources and global emerging markets. He is also chairman of Endeavour Mining Capital Corp., a merchant banking company specializing in the international resources sector. A Toronto native, Mr. Holmes has received a number of investing awards and he is a sought-after speaker at national and international investment conferences. He is also a regular commentator on the financial television networks CNBC and Bloomberg, and has been profiled by Fortune, Barron's, The Financial Times and other publications.

All opinions expressed and data provided are subject to change without notice. Some of these opinions may not be appropriate to every investor. The following securities mentioned in the presentation were held by one or more of U.S. Global Investors' clients as of 12-31-07: Citigroup. 08-134