

SEVENS REPORT *alpha*

Webinar #21: Is Now the Time for Commodities?

Date: Thursday, June 7, 2018

Host: Tom Essaye

Guest: Frank Holmes, CEO/CIO of U.S. Global Investors

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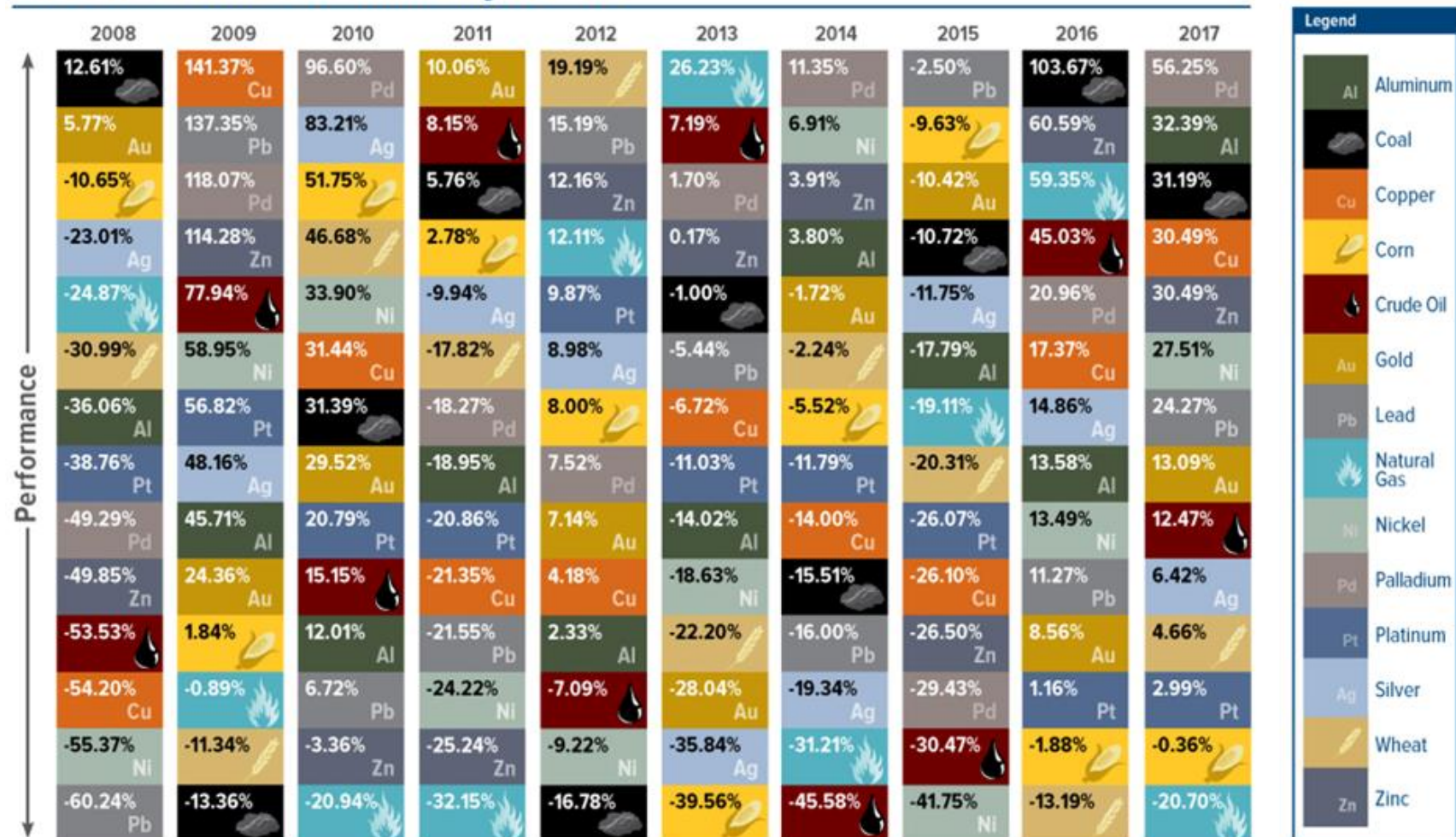
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Goals for Today's Webinar

- Frank Holmes, CEO/CIO of U.S. Global Investors
 - Individual Commodity Performance Review
 - Dollar Bull or Dollar Bear
 - Gold Has Crushed the S&P 500 This Century
 - Oil Rally May Still Have Legs
 - Simple Asset Allocation Strategies That Work

A Look Back: How Did Commodities Fare in 2017?

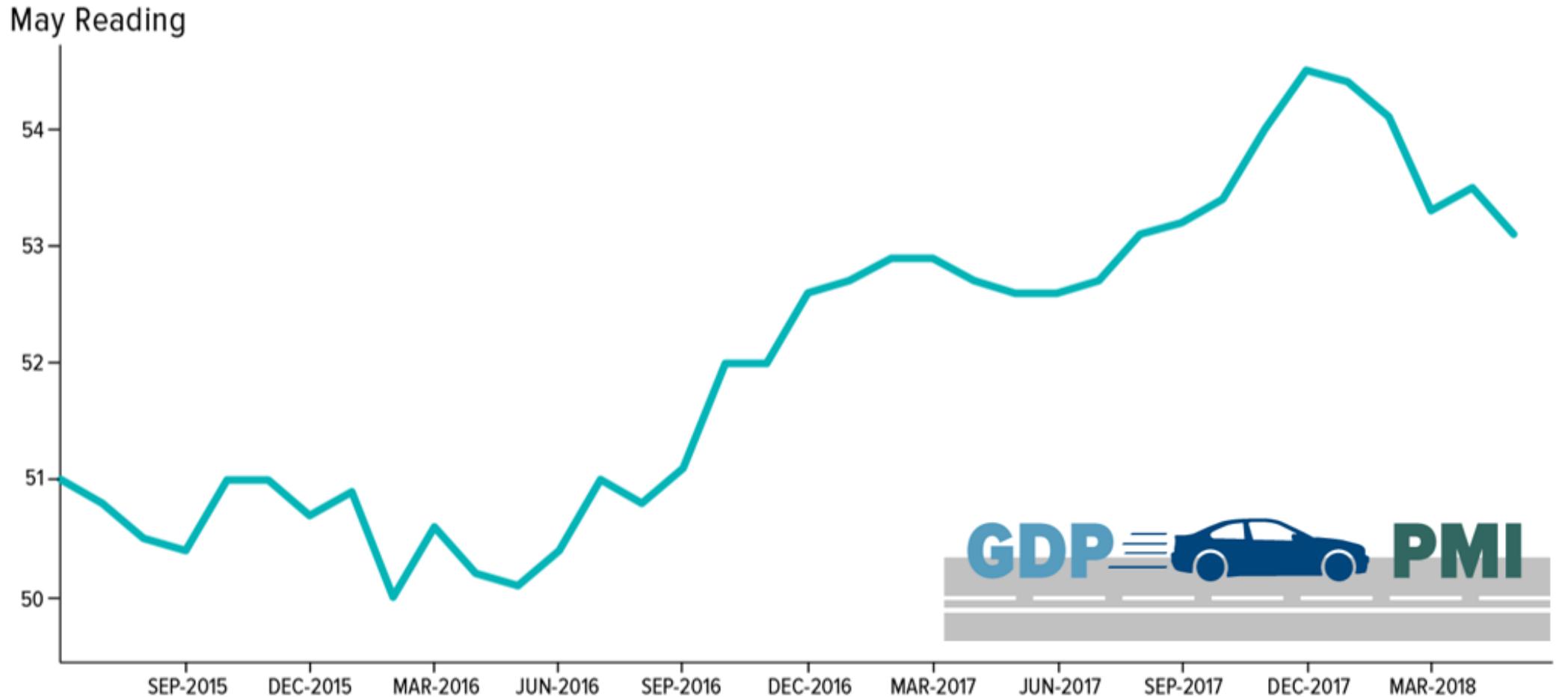
The Periodic Table of Commodity Returns



Returns are based on historical spot prices or futures prices. Past performance does not guarantee future results.

Source: Bloomberg and U.S. Global Research

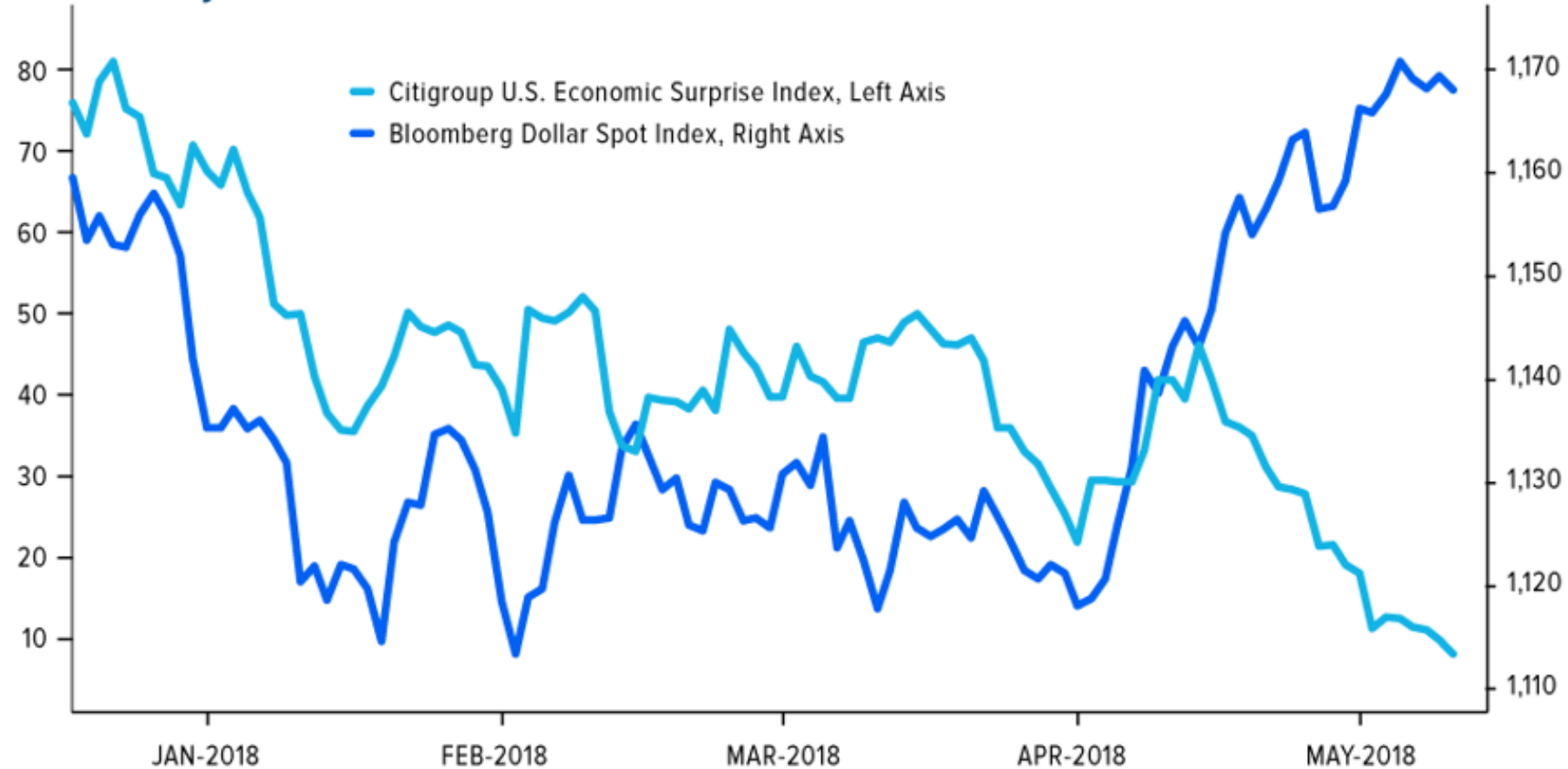
Global PMI Slightly Lower in May



Source: Bloomberg, U.S. Global Investors

Could the U.S. Dollar Rally That Hurt Commodities Be Over?

Are The Days Of A Dollar Bull Market Over?



Source: Bloomberg, U.S. Global Investors

Did You Know? For More Than a Decade, Gold Has Outperformed the Stock Market

Gold Price Has Beaten the Market So Far this Century

Indexed at 100 March 31, 2000, as of March 31, 2018



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

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

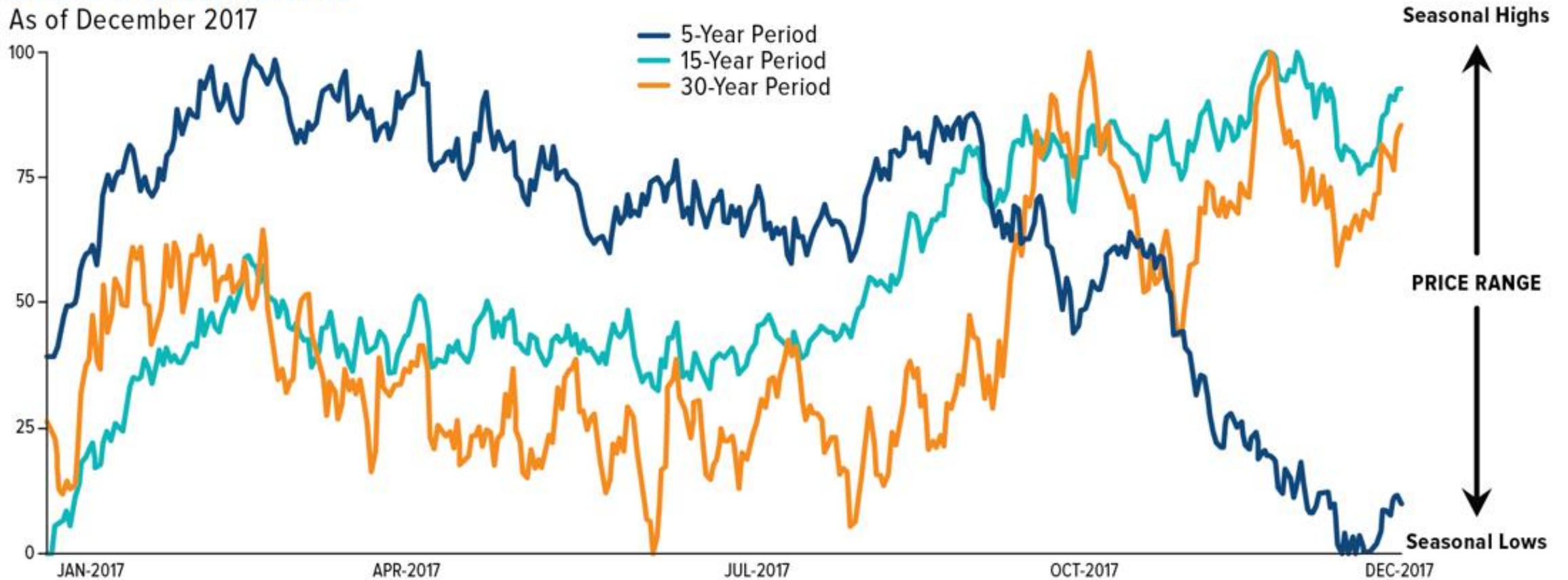


Indian wedding season spans from September through year-end.

Gold's Historical Patterns

Gold Historical Patterns

As of December 2017

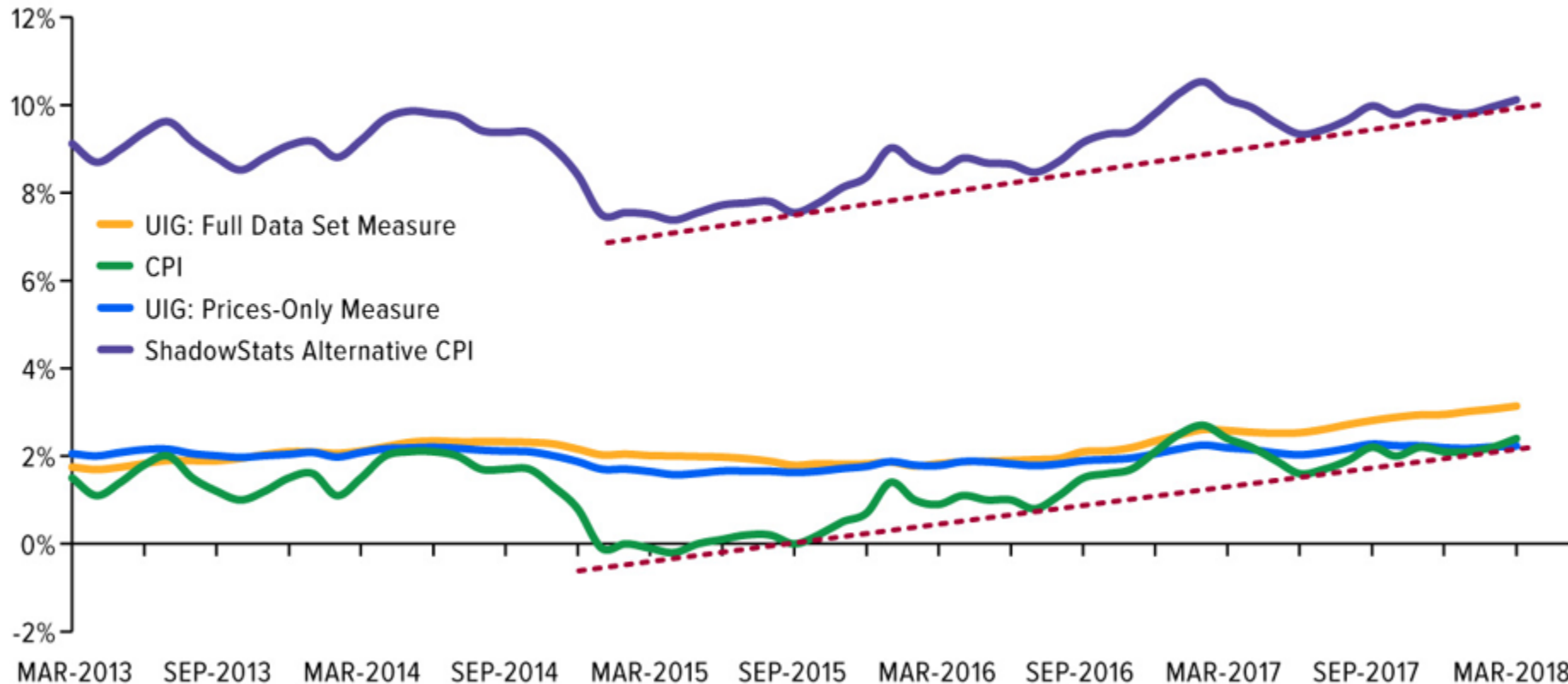


Source: Moore Research Center, U.S. Global Investors

Go Gold: No Matter Which Gauge You Look At, Inflation Is Trending Up

No Matter Which Gauge You Use, Inflation Is on the Rise

Year-over-Year Percent Change, Five Years Through March 2018



Source: New York Fed, ShadowStats, U.S. Global Investors

WHAT ABOUT OIL?

THIS RALLY COULD
HAVE FURTHER
TO GO

Gasoline

Self Serve

REGULAR
UNLEADED

ARM 9
10

PLUS
UNLEADED

LEIG 9
10

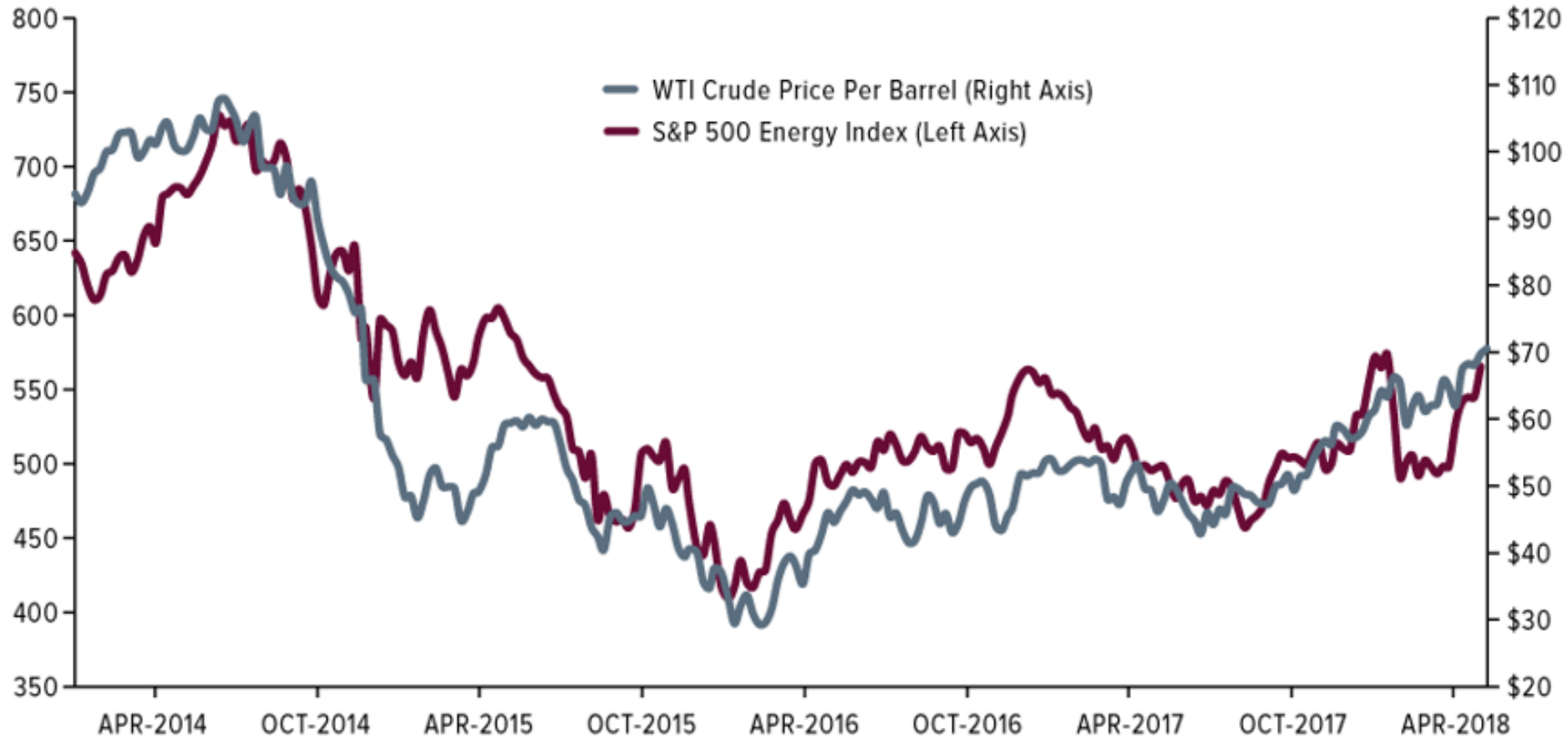
SUPREME
UNLEADED

OMG 9
10

Energy the Best-Performing Sector for Three-Month Period

Energy Stocks Are Recovering Alongside Oil Prices

January 2014 – May 2018

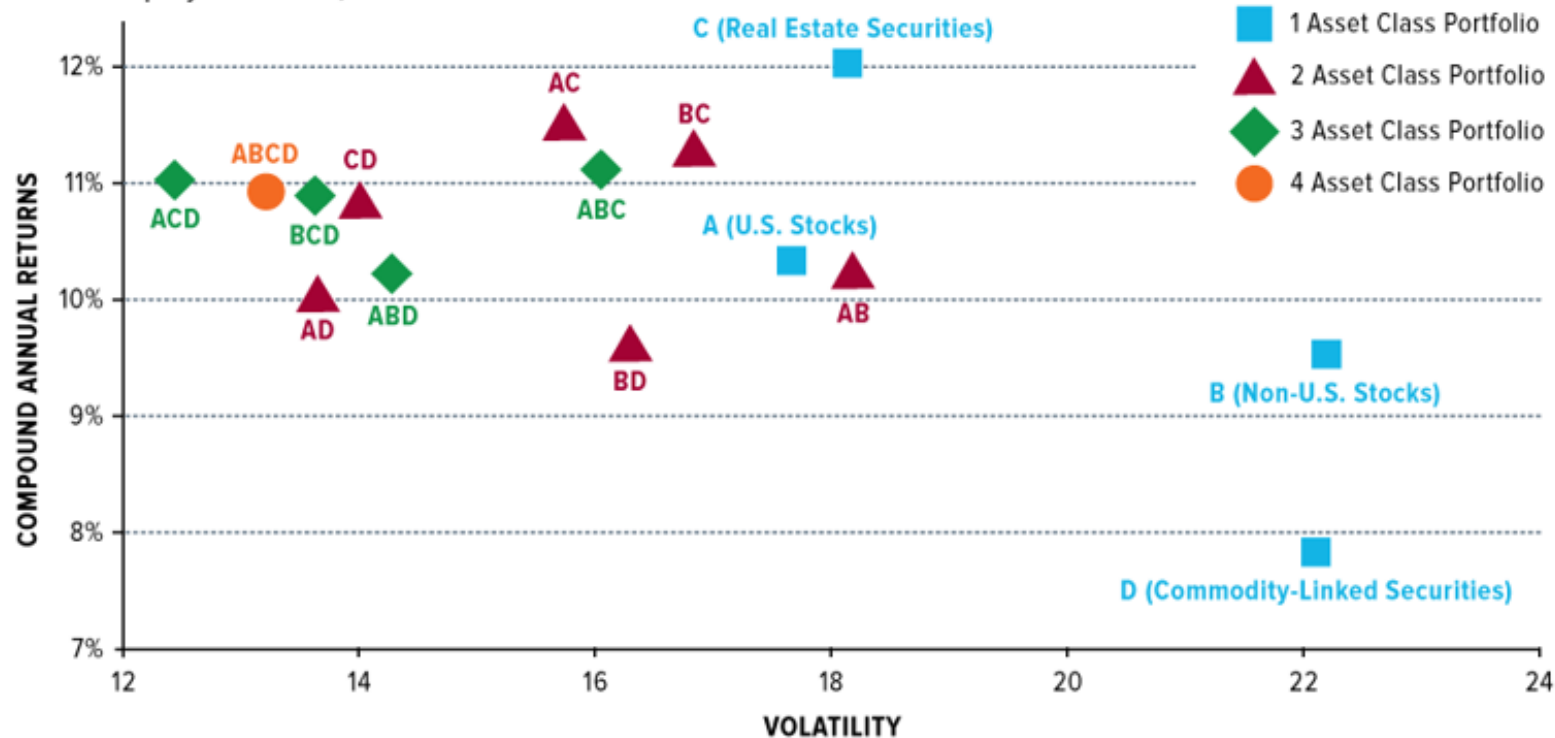


Source: Bloomberg, U.S. Global Investors

Roger Gibson: Asset Allocation Works... 25% to Each Asset Class, Rebalance Annually

Asset Allocation Works

Fifteen Equity Portfolios, 1972 – 2015



U.S. Stocks = S&P 500 Index

Non-U.S. Stocks = MSCI EAFE Index

Real Estate Securities = FTSE NAREIT Equity REITs Index

Commodity-Linked Securities = S&P GSCI (1972-1991), Bloomberg Commodity Index (1992-2015)

Source: Roger C. Gibson ("Asset Allocation and the Rewards of Multiple-Asset-Class Investing"), U.S. Global Investors

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