

U.S. Global Jets Index (JETSX)

Methodology Revision, Effective June 2020

The index tracks the performance of airline companies across the globe with an emphasis on domestic passenger airlines. The universe of airline companies is screened for investibility (e.g., must be listed on a securities exchange), a minimum market capitalization of \$100 million, and liquidity (minimum average daily value traded). U.S. Global Investors, Inc., the fund's investment adviser (the "Adviser"), generally expects the index to include 39 airline companies. The index is rebalanced and reconstituted quarterly in March, June, September, and December.

At the time of each reconstitution of the index, each of the four largest U.S. or Canadian passenger airline companies, as measured primarily by their market capitalization and, to a lesser extent, their passenger load factor, receives a 10 percent weighting allocation of the index. Each of the next five largest U.S. or Canadian passenger airline companies receives a 4 percent weighting allocation of the index.

The remaining airline companies meeting the index criteria are then scored based on multiple fundamental factors. Their score is primarily driven by their cash flow return on invested capital (CFROIC) with additional inputs based on sales per share growth, gross margins, and sales yield. Each of the five U.S. or Canadian companies with the highest composite scores receives a 3 percent weighting allocation of the index, and each of the 25 non-U.S. and non-Canadian companies with the highest composite scores receives a 1 percent weighting allocation of the index.

An airline company is excluded from the index if (i) its common stock is listed solely on a securities exchange in a country that does not allow the transfer of securities "free of payment" (e.g., Brazil, China, India, Russia, South Korea, Taiwan) and (ii) no depositary receipts for such company are listed on a securities exchange in a country other than those listed above.