

## Timeless Precious Metal: Investment Philosophy

THE TIMELESS PRECIOUS METAL FUND invests in listed mining companies of medium or small market capitalization, which have to fulfill the following criteria:

- Companies that are in production on the one hand, and have a high potential of adding new reserves and resources.
- Companies that are set to go into production and that have, at the same time, considerable exploration prospects.
- Companies that concentrate their exploration for precious metals in resource rich regions that have a positive track record.
- In addition we consider the experience and integrity of the mining company's management as another important investment criterion.
- Emphasis on operations in mining friendly countries and jurisdictions.

## Performance in %

% CHANGE	PRICE MAY 2	1 MONTH	12 MONTHS
THE TIMELESS PRECIOUS METAL FUND (EUR)	11.59	-4.37%	-33.31%
THE TIMELESS PRECIOUS METAL FUND (USD)	15.35	-5.10%	-40.38%
GOLD	1648.5	-0.71%	15.51%
SILVER	30.49	-4.87%	-19.12%
GOLD & SILVER INDEX - PHILADELPHIA (XAU)	162.50	-6.32%	-24.47%
AMEX GOLD BUGS INDEX (HUI)	437.1	-6.34%	-23.09%
GOLD MINERS INDEX - AMEX (GDM)	1262.58	-6.75%	-23.71%

## Manager Report

This April the NAV of THE TIMELESS PRECIOUS METAL FUND decreased by 4.4% in Euro and 5.1% in USD. The price of gold and silver closed 1%, respectively 5% lower. Gold and silver indices representing major companies lost about 6.4% on average over the reporting month. April continued to be a difficult month for the entire precious metals complex. Statistics from the US administration on the state of its economy remain trendless and the Fed continues with its wait-and-see politics. Furthermore the situation of the Spanish economy and potential change of politics in France have increased general risk awareness of investors; thus resulting in weaker precious metals and equities prices. Positive news came from the physical gold market. Central banks worldwide continue to be net buyers of gold. Senior and junior gold and silver mining shares lost roughly the same in April. THE TIMELESS PRECIOUS METAL FUND – fared better than all its benchmark indices. Thanks to our stock selection (based on some potential take-over candidates) we were able to outperform these indices by over 5% on an YTD basis.

The underperformance of gold and silver shares in relation to metal prices since 2007 is substantial. The breakdown of gold equities versus gold bullion since then is unprecedented. The XAU / Gold ratio has never over the past 30 years been so low. There remains a significant potential for this valuation gap to close in 2012. Valuations of the junior gold and silver mines in regards to their resources and future production are – based on current precious metals prices – on a historical low level.

Historically seen, over the long-term, gold shares outperform the gold price roughly three times as between 2001 and 2007. This, however, has not been the case since then. Looking over the next years, we believe the smaller gold miners are especially poised to outperform.

## Hedging Strategy

We currently have no currency hedges in place. We expect the Canadian Dollar to remain stable or stronger against the currencies of troubled countries in the Euro zone or the USA.

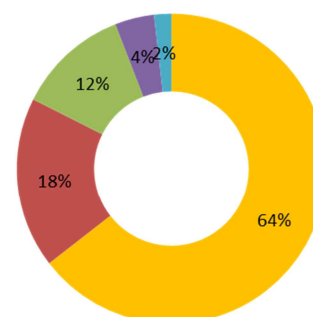
## Top Five Gold Holdings

GOLD RESOURCE	13.2%
CENTRAL ASIAN MINERALS AND RESOURCES	11.1%
ROMIOS GOLD	4.4%
MAUDORE MINERALS	4.3%
RIO ALTO MINING	3.7%

## Top Five Silver Holdings

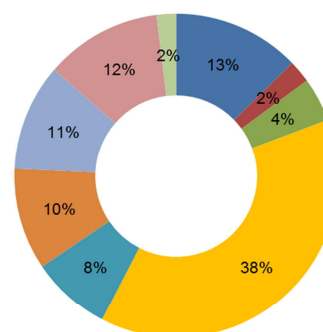
SILVERCREST MINES	4.8%
TAHOE RESOURCES	4.1%
OROCO RESOURCE	3.5%
SILVERMEX RESOURCES	3.1%
AURCANA	2.0%

## Country Weightings by Incorporation



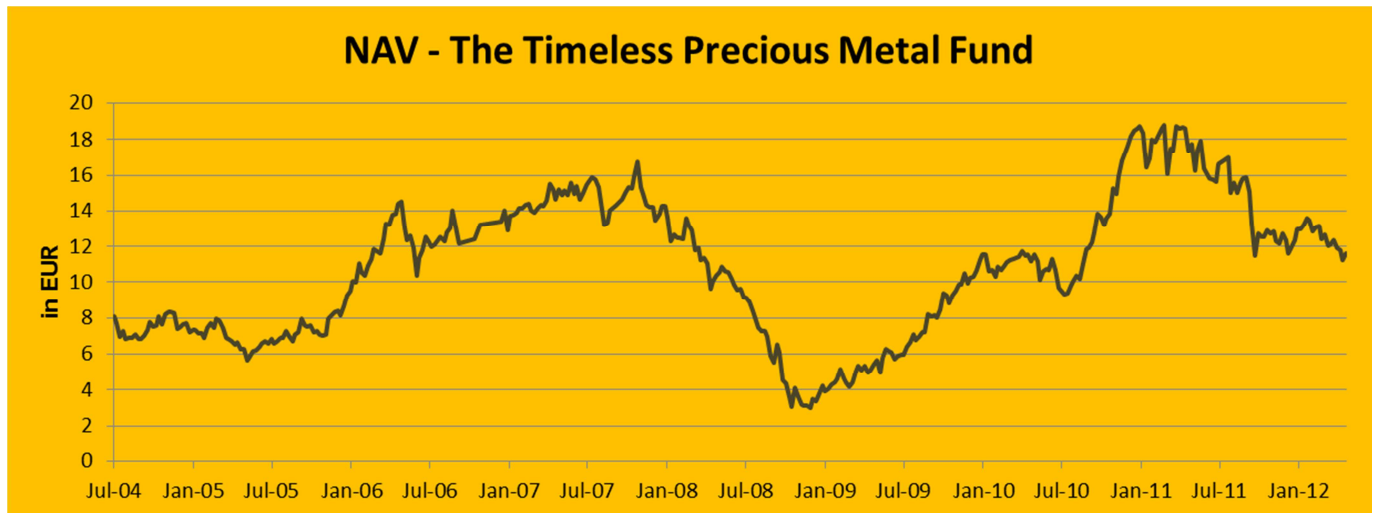
■ Canada ■ USA ■ UK ■ Australia ■ Cash

## Country Weightings by Operations



■ Canada ■ Turkey ■ Guatemala  
 ■ Mexico ■ Peru ■ USA  
 ■ Tajikistan ■ Other ■ Cash

## Fund Share Price Development (in EUR)



## Calendar Year Returns (%)

	2006	2007	2008	2009	2010	2011	YTD
THE TIMELESS PRECIOUS METAL FUND (EUR)	55.98	3.28	-75.56	214.45	73.26	-35.03	-3.42
THE TIMELESS PRECIOUS METAL FUND (USD)	72.98	15.16	-76.67	222.78	59.37	-34.21	-2.11
GOLD & SILVER INDEX - PHILADELPHIA	11.11	21.84	-28.54	35.85	34.67	-21.59	-7.85
AMEX GOLD BUGS INDEX	22.15	21.03	-26.13	42.16	33.36	-14.78	-10.04

## Fund Facts

ISIN :	MT0000072612	Bloomberg Code	TLPREME MV
Swiss Security N° / WKN:	1921952 / A0B8N9	Minimum Subscription:	EUR 10'000
Investment Manager:	P. ZIHLMANN INVESTMENT MANAGEMENT AG, Zurich, Switzerland	Subscription and Redemption:	weekly (Tuesday 4 pm CET)
Currency:	€ (Euro)	Issue commission:	max. 6.5%, min 1% (degressive based on subscription amount)
Domicile:	MALTA (EU)	Administrations Fee:	0.35% p.a.
License:	July 16, 2004	Management Fee:	2% p.a.
Size (May 2, 2012)	13.9 Million €	Performance Fee:	18% p.a. ('high-watermark')
Custodian Bank:	Bank of Valletta, Malta	Information & Marketing:	Sharp Advisory Ltd., Valletta, Malta
Administration Company:	Valletta Fund Services, Malta	Regulatory Authority	Malta Financial Services Authority (MFSA)
Auditors:	PriceWaterhouseCoopers, Malta	Web: www.timeless-funds.com	E-mail: info@timeless-funds.com
Legal Advisors:	David Griscti & Associates, Valletta, Malta		

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