

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 AUGUST 1	1 MONTH	12 MONTHS
THE TIMELESS PRECIOUS METAL FUND (EUR)	10.35	-2.82%	-40.45%
THE TIMELESS PRECIOUS METAL FUND (USD)	12.71	-5.35%	-50.62%
GOLD	1600.1	-1.03%	12.12%
SILVER	27.44	-3.00%	-27.21%
GOLD & SILVER INDEX - PHILADELPHIA (XAU)	149.11	-8.85%	-30.70%
AMEX GOLD BUGS INDEX (HUI)	403.46	-8.87%	-29.00%
GOLD MINERS INDEX - AMEX (GDM)	1168.72	-8.75%	-29.39%

Manager Report

This July the NAV of THE TIMELESS PRECIOUS METAL FUND lost 2.8% in EUR, or 5.3% in USD. The price of gold and silver closed 1%, respectively 3% lower. Gold and silver indices representing major companies lost about 8.8% on average over the reporting month. The pressure on mining stocks continues and they are being sold once again through the board by market participants. All financial markets had highly volatile trading last month. The only guidance, especially for the precious metals, seems to come from ECB and Fed announcements. Expectations of further quantitative easing in the USA have – for the time being - been disappointed. Nevertheless we still expect QE3 to happen this year. We believe this to be very bullish for gold. In the wake of higher gold prices the mining stocks should outperform global equity markets. We observe that investors currently are not rewarding companies with strong growth profiles. The risk-averse macro environment, as well as the seemingly regular project delays, higher capital expenditure (capex) and startup challenges of new projects are hurting the entire mining sector. THE TIMELESS PRECIOUS METAL FUND with its focus on junior mining companies with above-average growth potential should provide superior investment return, once the market rebounds.

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

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.

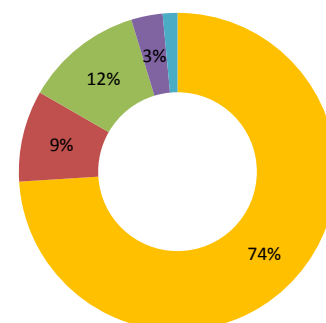
Top Five Gold Holdings

CENTRAL ASIAN MINERALS AND RESOURCES	12.0%
GOLD RESOURCE CORP.	4.4%
PARAMOUNT GOLD AND SILVER	4.4%
ROMIOS GOLD RESOURCES	4.3%
RIO ALTO MINING	4.2%

Top Five Silver Holdings

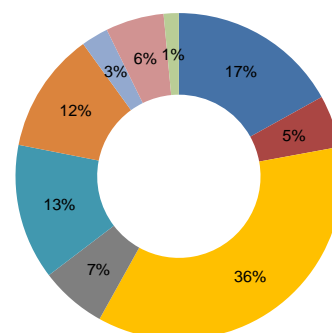
SILVERCREST MINES	6.1%
TAHOE RESOURCES	4.6%
OROCO RESOURCES	4.2%
FIRST MAJESTIC SILVER	3.9%
AURCANA	3.3%

Country Weightings by Incorporation



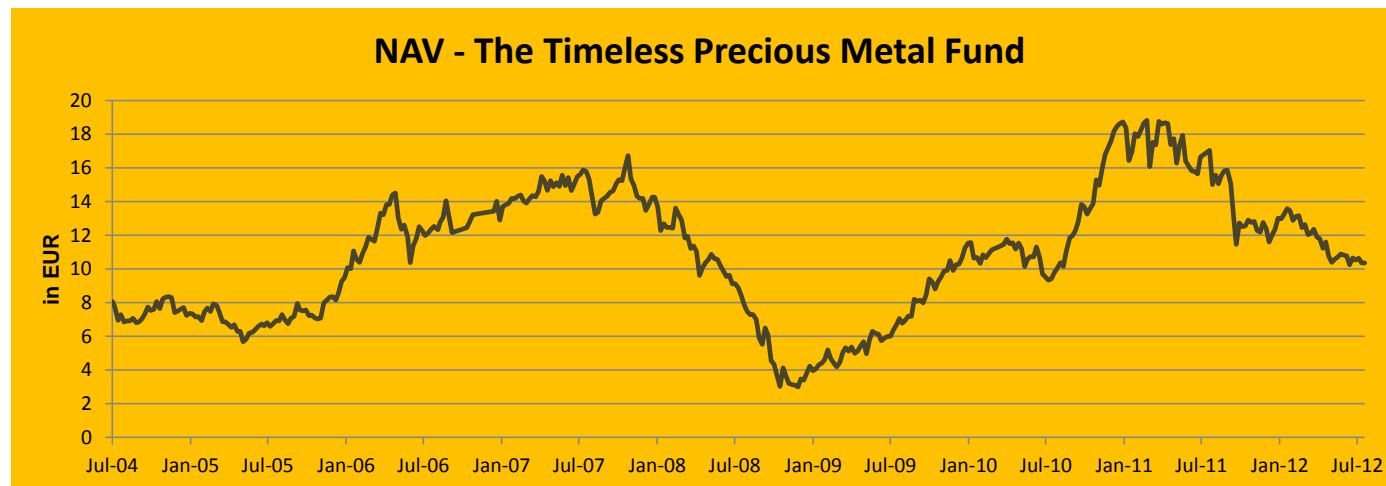
■ Canada ■ USA ■ UK ■ Australia ■ Cash

Country Weightings by Operations



■ Canada ■ Guatemala ■ Mexico
■ Peru ■ USA ■ Tajikistan
■ Turkey ■ 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	-13.75
THE TIMELESS PRECIOUS METAL FUND (USD)	72.98	15.16	-76.67	222.78	59.37	-34.21	-18.93
GOLD & SILVER INDEX - PHILADELPHIA	11.11	21.84	-28.54	35.85	34.67	-21.59	-15.44
AMEX GOLD BUGS INDEX	22.15	21.03	-26.13	42.16	33.36	-14.78	-16.97

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 (August 1, 2012)	11.8 Million €	Performance Fee:	18% p.a. ('high-watermark')
Custodian Bank:	Bank of Valletta, Malta	Legal Advisors:	David Griscti & Associates, 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

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