

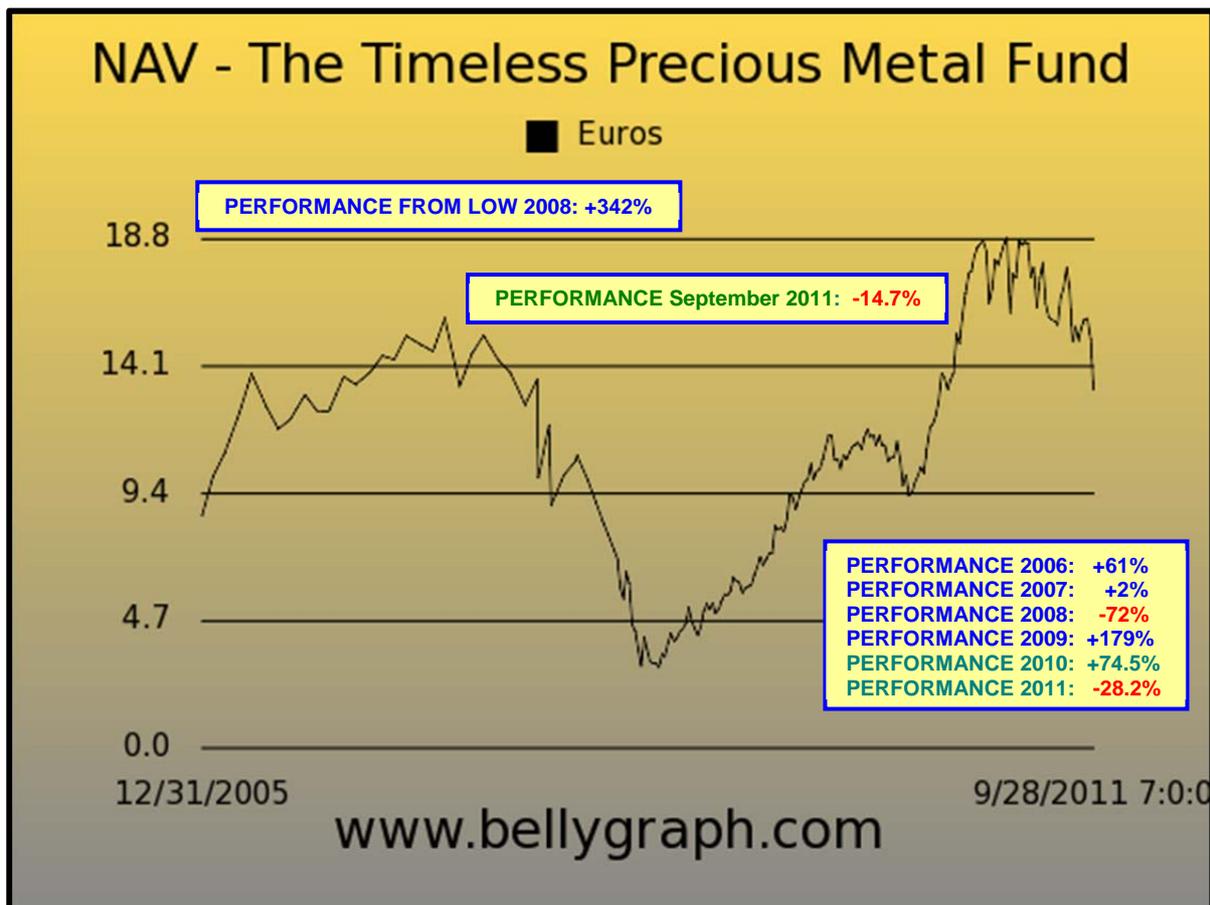


THE TIMELESS PRECIOUS METAL FUND

MONTHLY REPORT AS OF SEPTEMBER 30, 2011

PERFORMANCE: ONE MONTH / TWELVE MONTHS

<u>% CHANGE</u>	<u>PRICE SEPT 30</u>	<u>1 MONTH</u>	<u>12 MONTHS</u>
THE TIMELESS PRECIOUS METAL FUND (EUR)	13.26	-14.73%	3.51%
THE TIMELESS PRECIOUS METAL FUND (USD)	18.02	-19.59%	3.21%
GOLD	1623.00	-11.10%	24.05%
SILVER	29.87	-28.13%	37.32%
PLATINUM	1525.75	-17.35%	-7.93%
PALLADIUM	612.00	-21.91%	8.13%
GOLD & SILVER INDEX - PHILADELPHIA (\$XAU)	185.01	-15.12%	-6.07%
AMEX GOLD BUGS INDEX (\$HUI)	526.19	-12.06%	3.20%
GOLD MINERS INDEX - AMEX (\$GDM)	1526.99	-12.23%	-1.18%



The NAV of **THE TIMELESS PRECIOUS METAL FUND** decreased by 14.7% in September while gold lost 11.1% and the silver price was down by an impressive 28.1%. Gold and silver indices representing major companies moved down 15.1% on average over the past month. Junior

gold and silver mining shares – the domain and focus of **THE TIMELESS PRECIOUS METAL FUND** – could not keep pace with the major indices and lost ground. Some individual bigger holdings of the Fund declined stronger than their large cap peers, without any fundamental justification, which we believe is a temporary phenomenon.

It is interesting to note that the major indices of gold and silver shares lost roughly 2% over 12 months on average while gold went up 24%, silver 37%. **THE TIMELESS PRECIOUS METAL FUND** gained 3% in USD. In comparison, the junior sector did slightly outperform the majors but – in our opinion – is still massively undervalued.

The following chart shows clearly to what extent junior gold mining companies are still undervalued in relation to the price of gold, a situation that will not last and which demonstrates that junior gold stocks have a lot of up-side potential left.



The underperformance of gold and silver shares in relation to metal prices since 2007 can be seen in the above chart. 2010 showed a marked improvement over previous years, but there remains potential for this gap to close in 2011/2012.

Historically seen, over the long-term, gold shares outperform the gold price roughly three times. This, however, has not been the case since 2007 but we expect the trend may well reverse.

It is interesting to note in the above chart that the McEwen Junior Gold Index has gone through a substantial correction since the start of the year. However, it was preceded by a surge of 50% in 2010. On the other hand, the major gold producers held their ground but still remained behind the price of gold. The McEwen Junior Gold Index only includes companies that have no commercial production.

THE TIMELESS PRECIOUS METAL FUND

TOP FIVE GOLD HOLDINGS

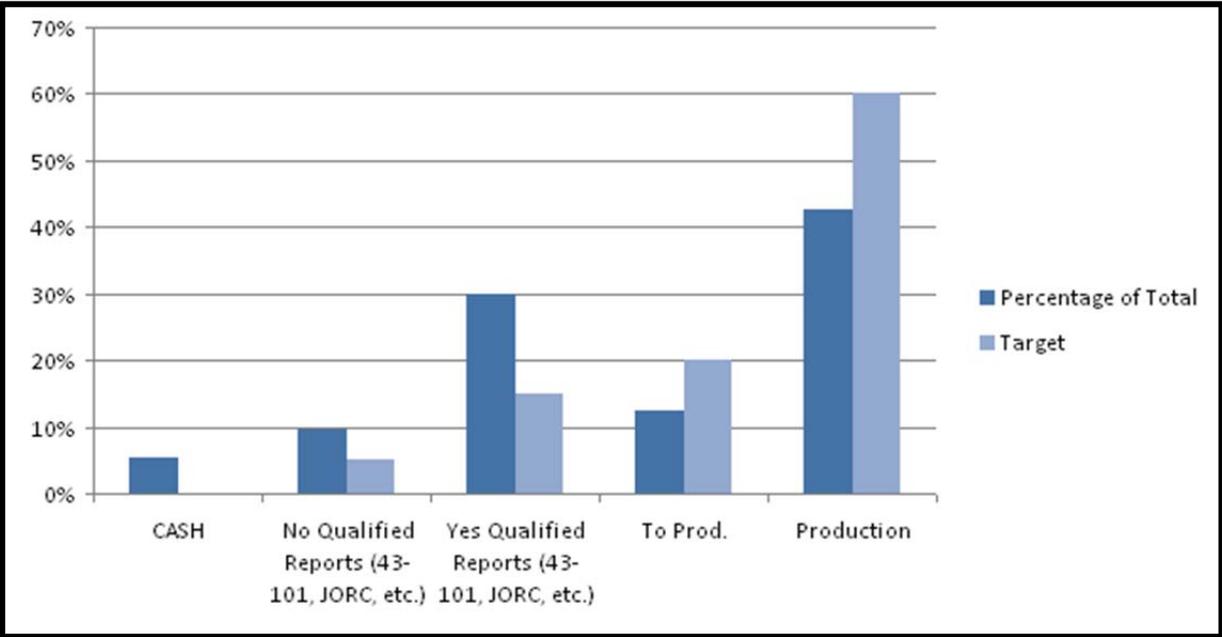
1. GOLD RESOURCE	-	10.3%
2. CENTRAL ASIAN MINERALS	-	8.6%
3. ROMIOS GOLD	-	7.8%
4. MAUDORE MINERALS	-	3.8%
5. MIDWAY GOLD	-	3.5%

TOP FIVE SILVER HOLDINGS

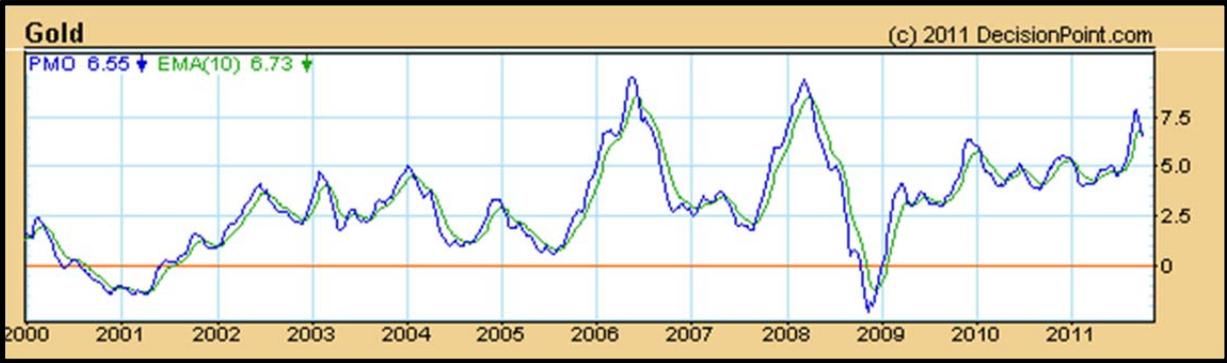
1. SILVERCREST MINES	-	2.4%
2. SILVERMEX RESOURCES	-	2.1%
3. TAHOE RESOURCES	-	2.2%
4. OROCO RESOURCES	-	1.9%
5. ARIAN SILVER	-	1.5%

EXPLORATION – RESOURCES – RESERVES- PRODUCTION

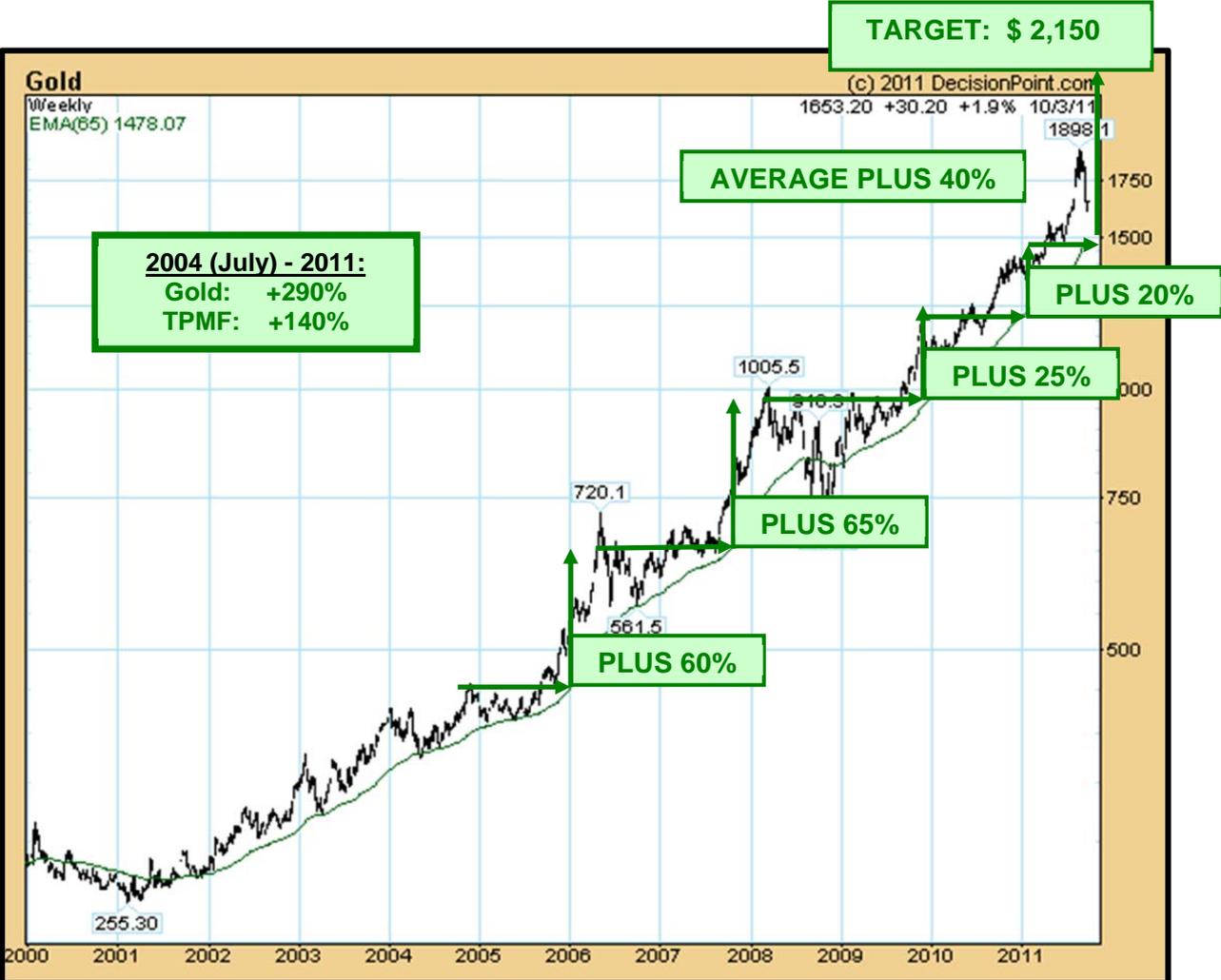
Mining companies create value through carrying out exploration programs, discovering mineral deposits and bringing them into production. As the table below shows, close to 58% of the companies in the portfolio are in production or near production. About 30% of the companies have not made the decision to go into production despite having substantial mineral reserves (NI 43-101). Their aim is to prove up a substantial reserve/resource in the hopes that one of the majors will take them over – at a substantial premium to the cost of exploration. About 5% of the portfolio is presently held in cash.



THE TECHNICAL OUTLOOK FOR GOLD



We had two overbought extremes, one in 2006 and one in 2008, both followed by sharp corrections. Presently, this indicator remains in neutral territory as it did throughout 2010.





Gold stocks in relation to the gold price are almost as inexpensive as in November 2008, which proved to be an exceptional buying opportunity.



The under-performance of mining stocks is the result of the financial crises of 2008. Crisis is synonymous with opportunity!

We believe that the under-performance of precious metal mining shares in relation to the price of gold since 2008 will continue to diminish and will even turn into an over-performance, suggesting a target for the HUI-Index of 775 points.

HEDGING STRATEGY

As most of our investments are in CAD, USD and AUD but the NAV is calculated in EUR, we hedge our currency exposure when appropriate.



US-Dollar strength against the EUR is likely to prevail in the near future as the sovereign debt problems in Europe have little chance to fade away.



No currency hedges for the time being.

The temporary strength of the EUR against USD and CAD affects the NAV of the Funds negatively.

September 30, 2011

FACT SHEET	http://www.timeless-funds.com
ISIN :	MT0000072612
Swiss Security N° :	1921952
Investment Manager:	P. ZIHLMANN INVESTMENT MANAGEMENT AG, Zurich, Switzerland
Currency:	€
Domicile:	MALTA (EU)
License:	July 16, 2004
Size (September 30, 2011)	17.26 Million €
Custodian Bank:	Bank of Valletta, Malta
Administration Company:	Valletta Fund Services, Malta
Auditors:	PriceWaterhouseCoopers, Malta
Legal Advisors:	David Griscti & Associates, Valletta, Malta

HOW TO INVEST?

VISIT OUR WEBSITES: www.timeless-funds.com or www.pzim.ch

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September 2011