

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 substituting exhausted resource bases, and at the same time, of adding new reserves.
- Companies that are set to go into production and that have, at the same time, considerable exploration prospects.
- Companies that concentrate on the exploration for precious metals in commodity rich regions that already have a substantial resource.
- In addition we consider the experience and integrity of the mining company's management as another important investment criterion.

Performance in %

% CHANGE	PRICE DEC 28	1 MONTH	12 MONTHS
THE TIMELESS PRECIOUS METAL FUND (EUR)	12.00	-1.56%	-24.91%
THE TIMELESS PRECIOUS METAL FUND (USD)	15.68	-3.48%	-23.96%
GOLD	1556.3	-9.27%	14.11%
SILVER	27.15	-14.94%	0.52%
GOLD & SILVER INDEX - PHILADELPHIA (XAU)	176.34	-9.51%	-21.59%
AMEX GOLD BUGS INDEX (HUI)	485.9	-11.07%	-14.78%
GOLD MINERS INDEX - AMEX (GDM)	1390	-11.18%	-18.03%

Manager Report

The NAV of THE TIMELESS PRECIOUS METAL FUND decreased 1.56% in December. The price of gold and silver closed 9%, respectively 15% lower. The precious metals therefore ended the year with one of their worst month. Gold and silver indices representing major companies lost about the same, i.e. 10.5% on average over the past month. Junior gold and silver mining shares – the domain and focus of THE TIMELESS PRECIOUS METAL FUND – fared slightly worse. Market volume within the exploration and early developer sector continued to be extremely light. The last days of December have shown some year-end related selling. The fund's largest positions held up relatively well, resulting in a small outperformance versus the indices.

While gold was up 14% over 12 months, it is interesting to note that the major indices of gold and silver shares are down by about 18% on average. THE TIMELESS PRECIOUS METAL FUND was lower by 24% in USD, suffering this year from the general small-cap markdown.

The underperformance of gold and silver shares in relation to metal prices since 2007 is still substantial. 2010 showed a marked improvement over previous years, but the last eleven months have reversed this trend. There remains a significant potential for this valuation gap to close in 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.

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 debt problems in Europe have little chance to fade away. We therefore have no currency hedges in place.

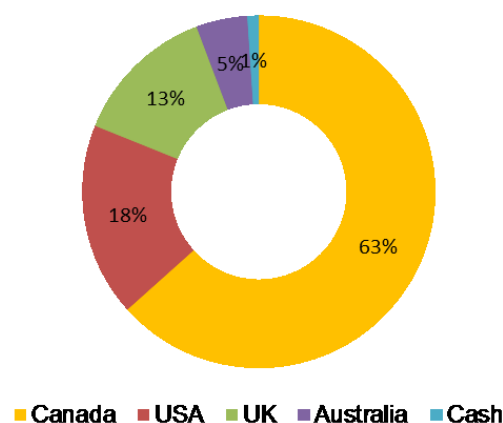
Top Five Gold Holdings

GOLD RESOURCE	12.4%
CENTRAL ASIAN MINERALS	11.3%
ROMIOS GOLD	5.8%
MAUDORE MINERALS	5.0%
MIDWAY GOLD	3.2%

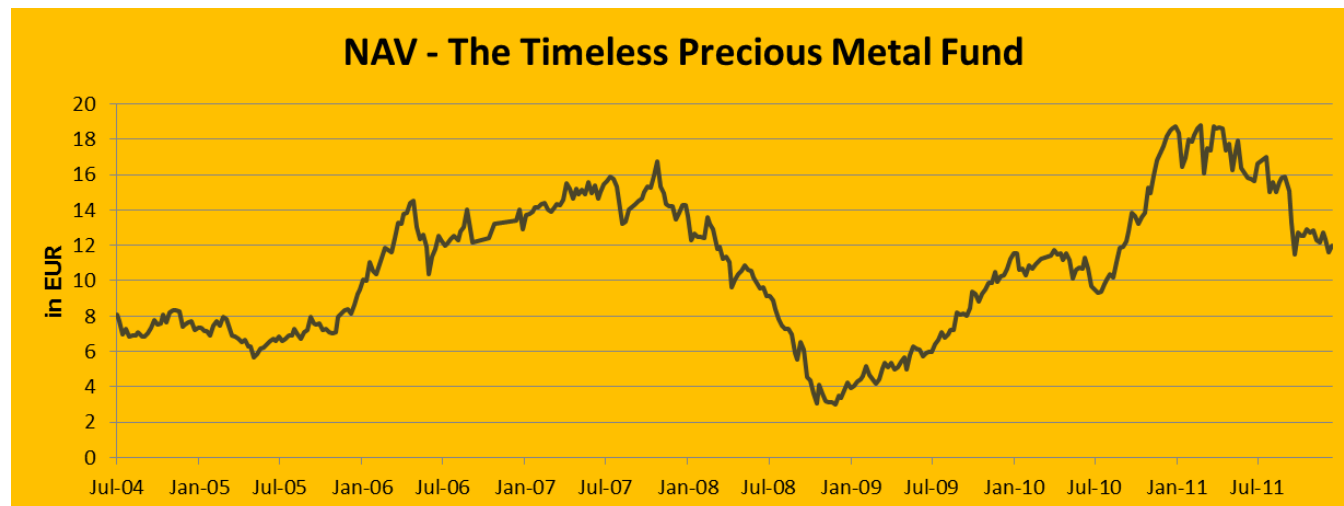
Top Five Silver Holdings

SILVERCREST MINES	4.0%
TAHOE RESOURCES	3.8%
OROCO RESOURCE	2.9%
SILVERMEX RESOURCES	2.0%
ARIAN SILVER	1.3%

Country Weightings



Fund Share Price Development (in EUR)



Calendar Year Returns (%)

	2006	2007	2008	2009	2010	av. Return
THE TIMELESS PRECIOUS METAL FUND (EUR)	55.98	3.28	-75.56	214.45	73.26	16.47
THE TIMELESS PRECIOUS METAL FUND (USD)	72.98	15.16	-76.67	222.78	59.37	19.02
GOLD & SILVER INDEX - PHILADELPHIA	11.11	21.84	-28.54	35.85	34.67	13.15
AMEX GOLD BUGS INDEX	22.15	21.03	-26.13	42.16	33.36	16.46

Fund Facts

ISIN :	MT0000072612	Bloomberg Code	TLPREME MV
Swiss Security N° / WKN:	1921952 / AOB8N9	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 (December 28, 2011)	14.46 Million €	Performance Fee:	18% p.a. ('high-watermark')
Custodian Bank:	Bank of Valletta, Malta	Information & Marketing:	Sharp Advisory Ltd., Valletta, Malta, www.sharpadvisory.com
Administration Company:	Valletta Fund Services, Malta	Web:	www.timeless-funds.com E-mail: info@timeless-funds.com
Auditors:	PriceWaterhouseCoopers, Malta		
Legal Advisors:	David Griscti & Associates, Valletta, Malta		

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This monthly report is only handed out to third parties upon their explicit request. Any investments in The Timeless Precious Metal Fund should be based on the full details provided in the prospectus of the fund available on the web site. Performance quoted is past performance and cannot guarantee comparable future results.