

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 30	1 MONTH	12 MONTHS
THE TIMELESS PRECIOUS METAL FUND (EUR)	10.71	-7.59%	-38.38%
THE TIMELESS PRECIOUS METAL FUND (USD)	13.46	-12.26%	-47.72%
GOLD	1560	-5.37%	9.31%
SILVER	27.82	-8.76%	-26.21%
GOLD & SILVER INDEX - PHILADELPHIA (XAU)	155.36	-4.39%	-27.79%
AMEX GOLD BUGS INDEX (HUI)	420.47	-3.80%	-26.01%
GOLD MINERS INDEX - AMEX (GDM)	1222.26	-3.19%	-26.15%

Manager Report

This May the NAV of THE TIMELESS PRECIOUS METAL FUND decreased by 7.6% in Euro and 12.3% in USD. The price of gold and silver closed 5.4%, respectively 8.8% lower. Gold and silver indices representing major companies lost about 4% on average over the reporting month. May proved a very difficult month for small cap equities. All risky assets, including stocks and the entire precious metals complex suffered from a renewed wave of flight to safety. Continued worries about a possible Greek Euro exit and deepening Spanish banking crisis lead to massive USD cash repatriation. The USD-EUR trade was the dominant trade last month. On expectations of a further quantitative easing in the USA some of that USD already found its way into gold at the end of this month. We would expect that trend to continue into fall of this year. THE TIMELESS PRECIOUS METAL FUND with its focus in the junior mining sector suffered markedly from above mentioned risk-aversion and flight to safety.

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.

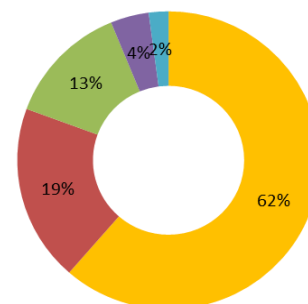
Top Five Gold Holdings

GOLD RESOURCE	14.5%
CENTRAL ASIAN MINERALS AND RESOURCES	12.7%
ROMIOS GOLD	4.6%
RIO ALTO MINING	4.1%
PARAMOUNT GOLD AND SILVER	3.9%

Top Five Silver Holdings

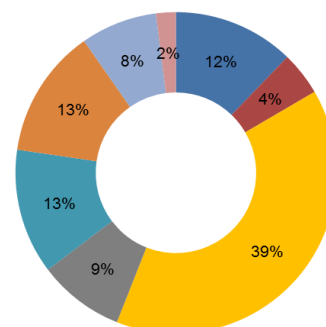
SILVERCREST MINES	4.6%
TAHOE RESOURCES	4.1%
SILVERMEX RESOURCES	3.1%
OROCO RESOURCES	3.1%
AURCANA	2.4%

Country Weightings by Incorporation



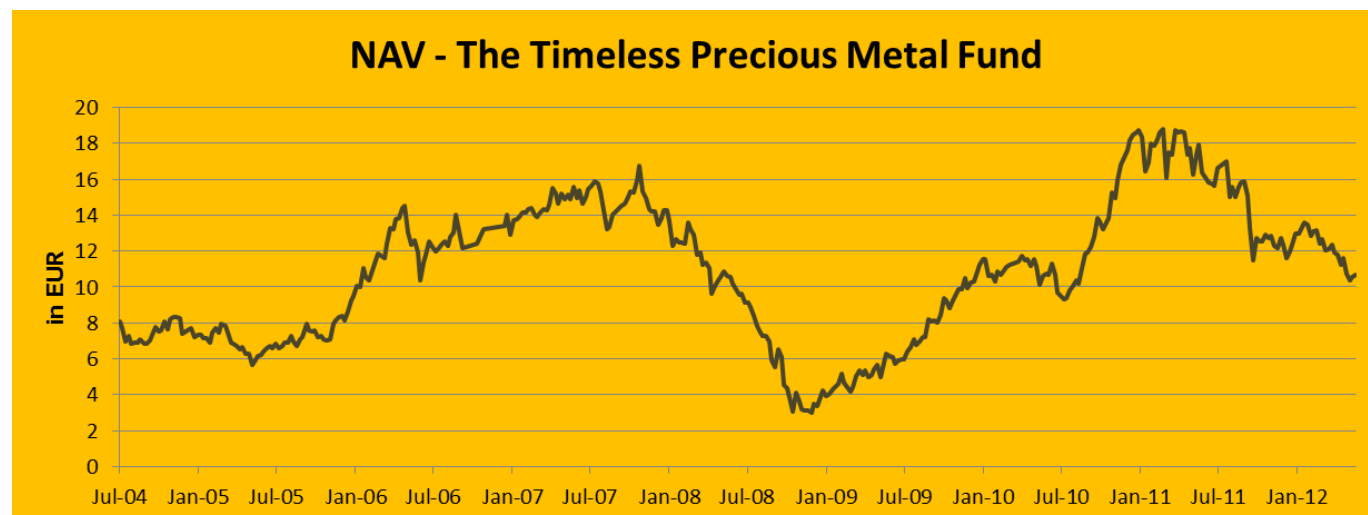
■ Canada ■ USA ■ UK ■ Australia ■ Cash

Country Weightings by Operations



■ Canada ■ 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	-10.75
THE TIMELESS PRECIOUS METAL FUND (USD)	72.98	15.16	-76.67	222.78	59.37	-34.21	-14.16
GOLD & SILVER INDEX - PHILADELPHIA	11.11	21.84	-28.54	35.85	34.67	-21.59	-11.90
AMEX GOLD BUGS INDEX	22.15	21.03	-26.13	42.16	33.36	-14.78	-13.47

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 30, 2012)	12.9 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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