

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 FEB 27	1 MONTH	12 MONTHS
THE TIMELESS PRECIOUS METAL FUND (EUR)	8.51	-9.56%	-35.33%
THE TIMELESS PRECIOUS METAL FUND (USD)	11.17	-11.77%	-25.53%
GOLD	1596.3	-4.06%	-6.71%
SILVER	28.98	-7.50%	-12.45%
GOLD & SILVER INDEX - PHILADELPHIA (XAU)	139.71	-7.92%	-30.90%
AMEX GOLD BUGS INDEX (HUI)	369.73	-7.89%	-32.58%
MV JUNIOR GOLD MINERS TR INDEX	1511.73	-12.05%	-40.63%

Manager Report

This February the NAV of THE TIMELESS PRECIOUS METAL FUND decreased by 9.6% in EUR and 11.8% in USD. The price of gold closed 4% and silver 7.5% lower. Gold and silver indices representing major mining companies lost about 7.9% on average over the reporting month.

The recent dollar strength/gold weakness can be attributed to the Federal Reserve – or rather the market's interpretations of Fed policy changing. Still, Fed Chairman Bernanke' careful comments and US sequestration kicking off could mean that gold could rebound fairly swiftly. With US unemployment at 6% 'around 2016' (quoting Mr Bernanke), it seems to us that fears of reversing the quantitative easing any time soon are overdone. As US sequestration kicks off, focus will change again to the feeble growth of the US economy. A political escalation would offer upside potential for gold.

In the wake of higher gold prices the mining stocks should outperform both global equity markets as well as gold bullion. THE TIMELESS PRECIOUS METAL FUND with its focus on junior mining companies with above-average growth potential should provide superior investment return.

The underperformance of gold and silver mining equity in relation to metal prices since 2007 is substantial and has increased over the last three months. The equity / gold ratio has never, over the past 30 years, been so low. 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. Senior mining companies are increasingly looking at takeovers at these bargain prices. THE TIMELESS PRECIOUS METAL FUND is invested in companies with promising projects in mining friendly countries, including some interesting merger candidates. We are convinced that M&A activities will increase over the next couple of months.

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

We expect the Canadian Dollar to remain stable or stronger against the currencies of troubled countries in the Euro zone or the USA.

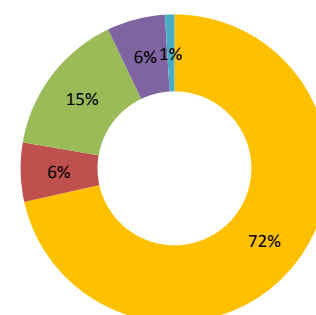
Top Five Gold Holdings

CENTRAL ASIAN MINERALS AND RESOURCES	15.2%
FREEGOLD VENTURES	5.3%
RIO ALTO MINING	4.1%
CERRO RESOURCES	4.0%
PARAMOUNT GOLD & SILVER	3.8%

Top Five Silver Holdings

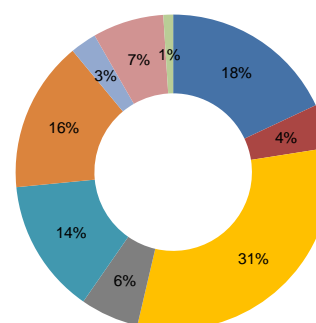
SILVERCREST MINES	8.1%
TAHOE RESOURCES	4.3%
FIRST MAJESTIC SILVER	3.9%
AURCANA	3.2%
OROCO RESOURCE	3.1%

Country Weightings by Incorporation



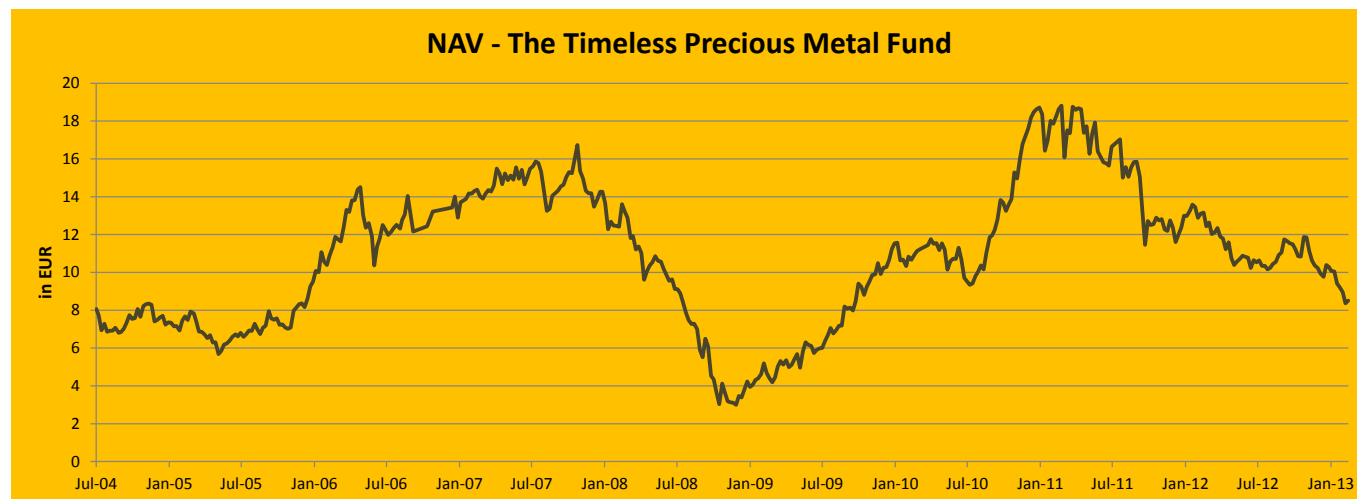
■ Canada ■ USA ■ UK ■ Australia ■ Cash

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	2012	YTD
THE TIMELESS PRECIOUS METAL FUND (EUR)	55.98	3.28	-75.56	214.45	73.26	-35.03	-13.42	-12.90
THE TIMELESS PRECIOUS METAL FUND (USD)	72.98	15.16	-76.67	222.78	59.37	-34.21	-12.31	-13.34
GOLD & SILVER INDEX - PHILADELPHIA	11.11	21.84	-28.54	35.85	34.67	-21.59	-7.77	-13.41
AMEX GOLD BUGS INDEX	22.15	21.03	-26.13	42.16	33.36	-14.78	-10.6	-14.44

Fund Facts

ISIN :	MT0000072612	Bloomberg Code	TLPREME MV
Swiss Security N° / WKN:	1921952 / A0B8N9	Minimum Subscription:	EUR 5'000
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 (February 27, 2013)	8.54 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	German Tax Transparency	yes

P. ZIHLMANN INVESTMENT • MANAGEMENT AG

Investment Managers: Peter Zihlmann / Andrew Portmann
+41 44 2685110 +41 44 2685120

Limmatquai 72
8001 Zürich
Switzerland
www.pzim.ch
www.timeless-funds.com

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.