

## 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 2	1 MONTH	12 MONTHS
THE TIMELESS PRECIOUS METAL FUND (EUR)	6.80	-16.46%	-41.33%
THE TIMELESS PRECIOUS METAL FUND (USD)	8.96	-14.42%	-41.63%
GOLD	1467.4	-8.59%	-10.99%
SILVER	24.06	-16.31%	-21.09%
GOLD & SILVER INDEX - PHILADELPHIA (XAU)	107.26	-20.21%	-35.13%
AMEX GOLD BUGS INDEX (HUI)	277.73	-21.14%	-37.63%
MV JUNIOR GOLD MINERS TR INDEX	1133.19	-25.63%	-44.19%

## Manager Report

This April the NAV of THE TIMELESS PRECIOUS METAL FUND decreased by 16.5% in EUR or 14.4% in USD. The price of gold lost 8.6%, while silver closed 16% lower. Gold and silver indices representing major mining companies lost more than 20% on average over the reporting month.

This April 12<sup>th</sup> sell off in gold will be remembered as one of the worst in recent history. Roughly 400 tonnes of "paper" gold was dumped on the thinly traded US futures market. Over a three day period gold had lost almost \$200/oz. and gold short positions on the COMEX reached record highs. Physical gold demand in Asia reacted immediately and increased buying helped gold regain roughly \$100/oz. from there. The gold miners fared substantially worse: within four days following the crash of gold, their shares lost almost 20% and regained only a fraction of that till the end of the month.

The economic fundamentals have not changed over the last month. Overall, global economies are not improving (EU is much worse). While the Fed, ECB and BoJ are printing huge amounts of money to keep their economies alive, we believe the inflationary effect of this will - sooner or later - erode the value of paper money. Thus increasing the price of gold expressed in US-Dollars. 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. 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. THE TIMELESS PRECIOUS METAL FUND is invested in companies with promising projects in mining friendly countries, including some interesting merger candidates.

Historically seen, over the long-term, gold shares outperform the gold price. This, however, has not been the case since 2011. Looking over the next years, we believe the junior gold miners are especially poised to outperform.

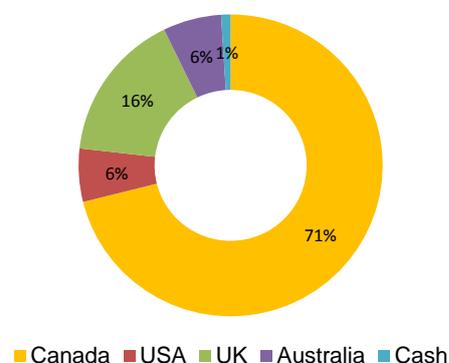
## Top Five Gold Holdings

CENTRAL ASIAN MINERALS AND RESOURCES	16.0%
FREEGOLD VENTURES	5.4%
CERRO RESOURCES	4.7%
RIO ALTO MINING	3.8%
PARAMOUNT GOLD & SILVER	3.4%

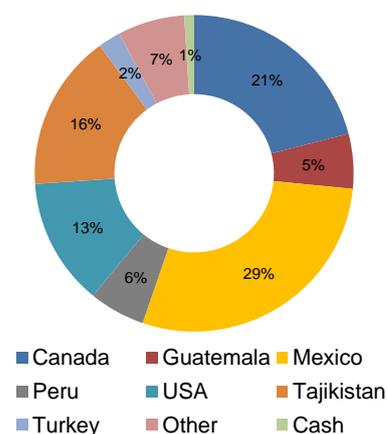
## Top Five Silver Holdings

SILVERCREST MINES	8.6%
TAHOE RESOURCES	5.6%
FIRST MAJESTIC SILVER	3.5%
OROCO RESOURCE	3.0%
AURCANA	2.5%

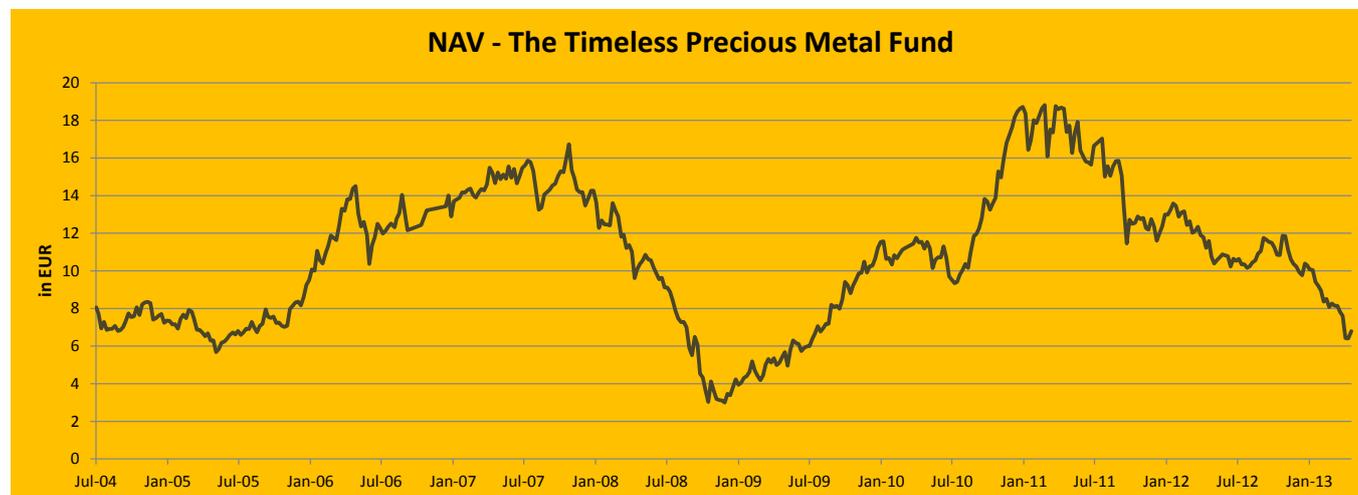
## Country Weightings by Incorporation



## Country Weightings by Operations



## 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	-30.40
THE TIMELESS PRECIOUS METAL FUND (USD)	72.98	15.16	-76.67	222.78	59.37	-34.21	-12.31	-30.49
GOLD & SILVER INDEX - PHILADELPHIA	11.11	21.84	-28.54	35.85	34.67	-21.59	-7.77	-33.52
AMEX GOLD BUGS INDEX	22.15	21.03	-26.13	42.16	33.36	-14.78	-10.6	-35.73

## 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 (May 2, 2013)	6.71 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

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