

P. ZIHLMANN INVESTMENT • MANAGEMENT AG

Your independent **Swiss** asset manager

THE TIMELESS PRECIOUS METAL FUND

THE TIMELESS ENERGY FUND

THE SIERRA MADRE GOLD AND SILVER VENTURE CAPITAL FUND

SILVER: BUY NOW! UP-DATE N° 25 / FEBRUARY 27, 2013

Silverinstitute

<u>Silver/Ounces in US\$</u>					
Buy Date	Amount/oz.	Buy Price	Total (USD)	Price Today	Value Today
November 15, 2002	10'000.00	4.54	45'400.00		
Total	10'000.00	4.54	45'400.00	29.20	292,000
Profit					246,600
Profit (in %)					543%
OUR LONG-TERM RECOMMENDATION				BUY	
OUR SHORT-TERM RECOMMENDATION				BUY	

1980 to 2013: From bear to bull



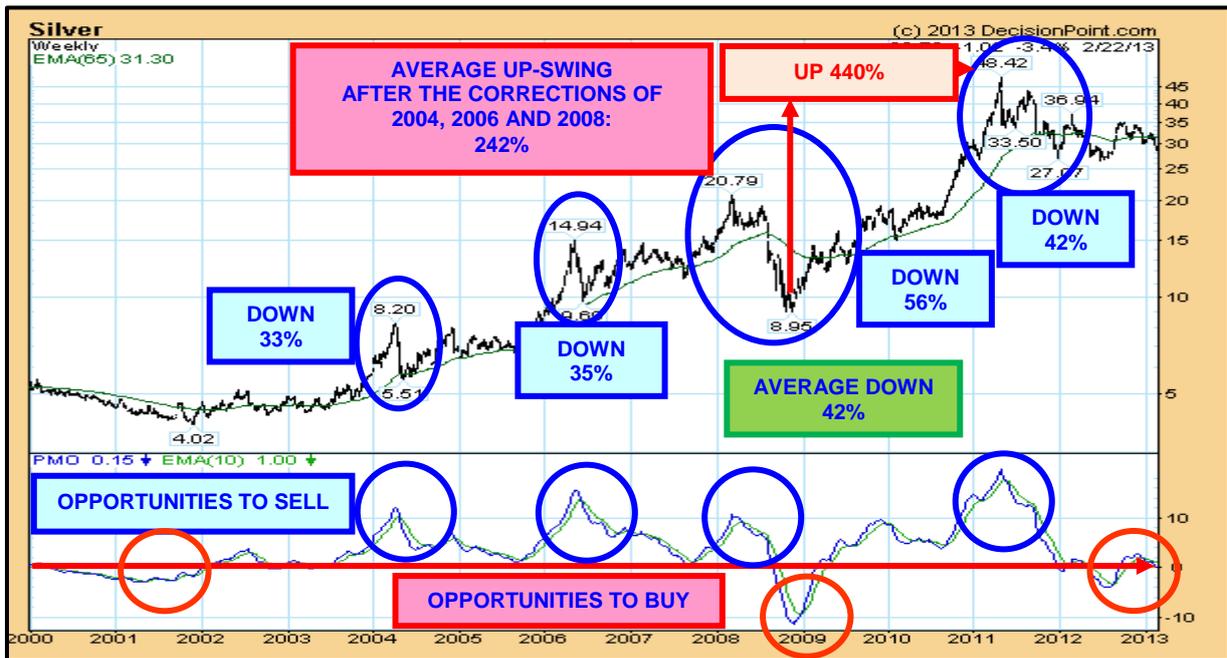
In 1980, the price of one ounce of silver reached \$ 50. Today, the purchasing power of the US dollar is substantially less than in 1980.

The price of one ounce of silver would have to rise to \$ 150 to reflect the value of the US dollar thirty years ago, assuming an average annual inflation of 3.5%.

During the financial crisis of 2008, the silver price corrected 57% from the high of \$ 20.79 down to \$ 8.95. This correction was followed by a spectacular rise of more than 400% to \$ 48.42. A correction was inevitable and a drop of 42% followed that phenomenal rise.

So far, the silver price has recovered 6%, holding above the low of \$ 26.43 reached last June. The next up-leg is expected to start any time and should lead the silver price to a new all-time high – most likely this year.

The long-term picture of the silver price



The bull market of the silver price started towards the end of 2002. On the way from \$ 4.02 to the recent high of \$ 48.42 (an increase of 1,100%), several significant corrections took place, the most severe one in 2008 when the silver price sank by 56% only to jump 440% to a new high since the bull market started. We expect a similar move from the present base building as we had experienced from November 2008 to May 2011 as demand for silver, both investment and industrial, is rising strongly.

The short-term picture of the silver price



The short term view shows the oversold situation the silver price currently is in. A quick recovery over \$30/oz. seems reasonable.

The Gold / Silver-Ratio



In times of a crisis, as in 2008, gold tends to perform better than silver. In times of confidence or hope, as at the end of 2010, silver fares better. At present, the gold/silver ratio is in neutral territory as investors feel uncertain as to which way the major economies will evolve.

As the major European countries struggle to control the debt bubble, some confidence may creep back into investors' sentiments which could then cause the gold/silver ratio to fall back towards the 40 point level. This would cause the silver price to rise toward the \$ 40/ounce level with the gold price remaining at the present level of \$ 1,580. Should gold rise to \$ 2,000 (not an unrealistic scenario), the silver price could move back to the \$ 50 level.



Yet charts reveal excesses which are bound to be corrected!

Gold- and silver shares should offer a similar outstanding performance as during the period of 2008 to 2011. The time to buy our funds is now (www.timeless-funds.com).

The present correction differs from the previous ones as those were relatively short-lived while this one has lasted for almost two years. When exactly it will end, no chart can tell with accuracy and some famous investors do not believe that charts offer a reliable guidance, at least in the short-term. For example, Peter Lynch once commented, "Charts are great for predicting the past." Warren Buffett has said, "I realized technical analysis didn't work when I turned the charts upside down and didn't get a different answer" and "If past history was all there was to the game, the richest people would be librarians."

Fundamental Considerations: THE RISING SILVER DEMAND

Silver is unique. Its range of applications is exceptionally broad. As a precious metal, it has been a source of human adornment since the beginning of time, such as a component of fine tableware, appropriately called silverware. As a light-sensitive element, it has revolutionized preservation of memories in the form of photographic images. More recently, its unique properties comprising of anti-bacterial qualities, corrosion resistance, malleability, ductility, reflectivity and conductivity have opened new possibilities for a myriad of other industrial applications.

Silver in Industry

From non-corroding electrical switches to chemical-producing catalysts, silver is an essential component in nearly every industry. Its unique elemental properties make it impossible to substitute and its uses span almost every sector of industrial application.

The distribution of electric power depends upon silver contacts in switches and circuit breakers. Silver contacts in membrane switch panels are now standard in control panels for machinery, chemical industry processes, railway traffic controls and elevator buttons.

Silver oxide and zinc batteries have twice the capacity of lead-acid batteries, making them the power source of choice for television and film crews, aircraft and submersibles. Unlike other substances, silver performs well at high temperatures. For example, silver batteries are the only kind that can function at the high temperatures found deep in oil wells.

Another important use is in radiography, the use of photo film to evaluate the internal condition of materials. This technique is key for the discovery of structural flaws.

Photovoltaic: according to a Bloomberg article, approximately 0.1 gram of silver is needed per watt of power – according to one source. The average US house would need 25,200 watt solar panels, or about 500 ounces of silver.

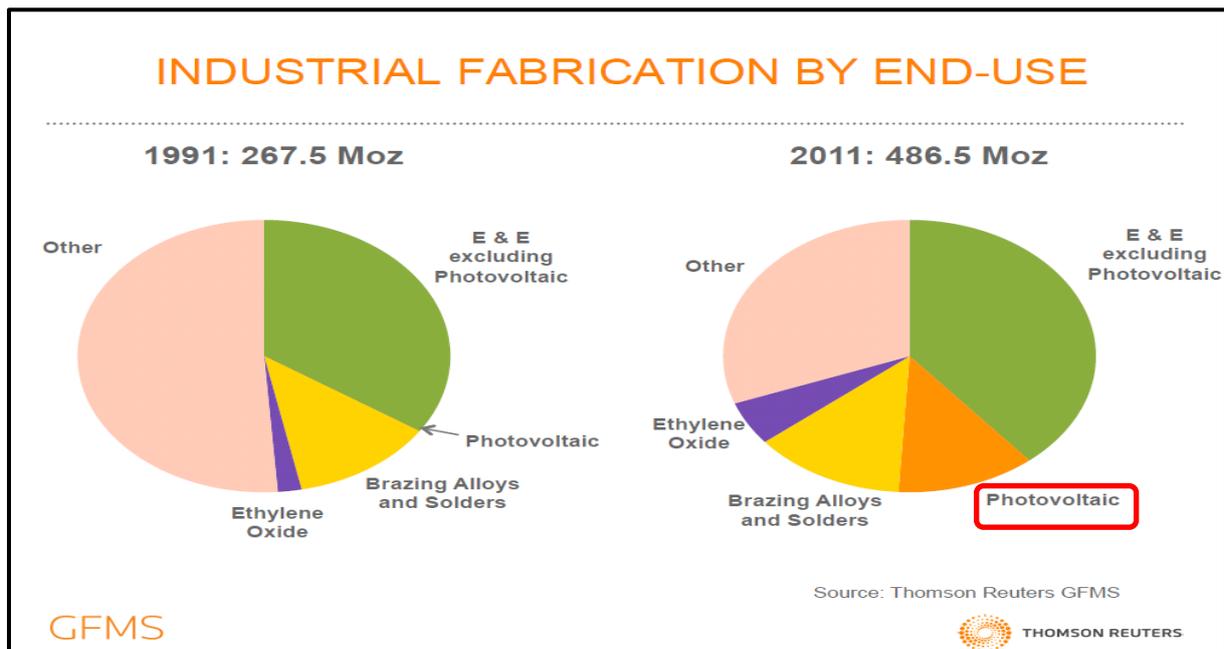
With 101 million households in the US alone, this could translate into a massive demand for silver – 50 BILLION ounces.

Industrial demand nonetheless will not match supply for now. Investors' demand however will absorb any surplus.

The investment and industrial demand will push the silver price higher!



World Silver Industrial Demand in millions of ounces (Source: World Silver Survey 2012)



Twenty years ago, there was no demand for silver for photovoltaic. This however has changed dramatically as demonstrated in above chart. This demand will likely to show further growth. Silver will be a key player in the expansion of green energy going forward – as well as the expansion of computer technologies, batteries, healthcare and a host of other technologies

Forecasts for the silver price vary therefore widely. The differences in the forecasts however are rather the targets to the up-side, which vary between \$ 40 and \$ 100 for 2013, than any fear that the silver price could drop.

Silver can be bought with little margin (\$ 1,500 per units of 5,000 ounces):

If somebody buys silver for USD 150,000 (5,000 ounces) and risks USD 50,000 (a leverage of 3), he could make a profit of USD 100,000 if the price rises to \$ 50 and lose his investment of USD 50,000 if the silver price drops to \$ 20.

Earlier this month it was published, that the demand for both gold and silver coins has been record-breaking as 2013 began. So much so, that now after selling over 6 million silver coins in 2013 so far, the US Mint has run out of silver eagles and has suspended sales.

Silver is again our preferred precious metal!



American Eagle Silver Uncirculated Coins contain one ounce of .999 fine silver and are struck on specially burnished blanks. This coin offers silver precious metal purchasers an additional collectible version of the popular American Eagle Silver Bullion Coin and features a finish similar to its bullion coin counterpart. Each coin also bears the "W" mint mark reflecting its striking at the United States Mint facility at West Point. Each coin is encapsulated in plastic, placed in a protective outer box and accompanied by a certificate of authenticity.

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How to invest:

<http://www.timeless-funds.com/en/timeless-precious-metal-how-invest>

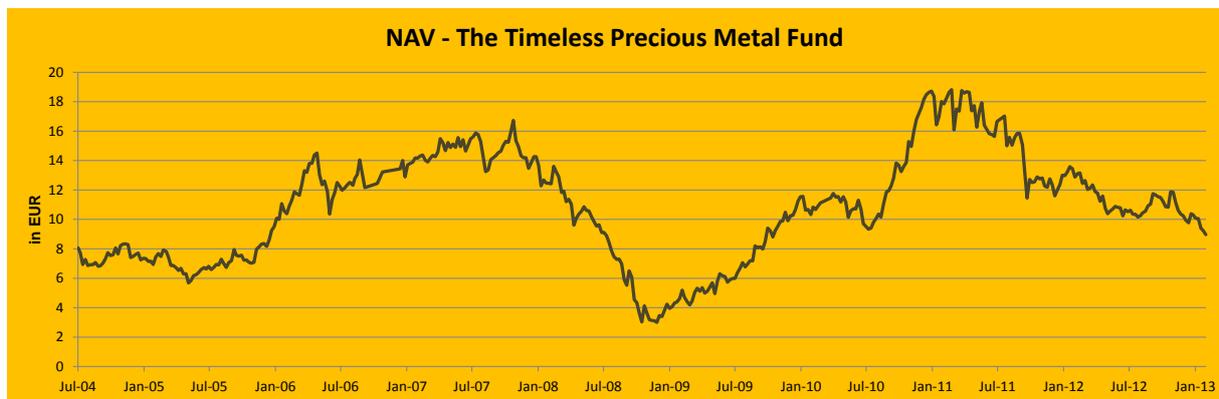
THE TIMELESS PRECIOUS METAL FUND

Is a Retail Collective Investment Scheme (SICAV), licensed by the Malta Financial Services Authority (MFSA).

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.

Shares of medium sized mining companies are more volatile than big cap mining stocks and are best suited for long-term investors. We also believe that mining companies are extremely undervalued at this time in relation to gold and silver and that, for this very reason, they offer an outstanding capital gain potential.



THE SIERRA MADRE GOLD & SILVER VENTURE CAPITAL FUND

Is a Professional Investor Fund targeting experienced investors and is licensed by the MFSA.

The SIERRA MADRE GOLD AND SILVER VENTURE CAPITAL FUND invests in listed precious metal venture capital mining companies with a focus on Mexico and other Latin American countries 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 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.
- Geographic focus is on Mexico and other Latin America countries but 10% of assets may be invested in other countries.

The fund has no limitations as to the amount that can be invested in one company, giving the investor the chance to benefit fully from the capital appreciation potential of a company.



Our aim is to focus on a sustainable and constantly growing performance.

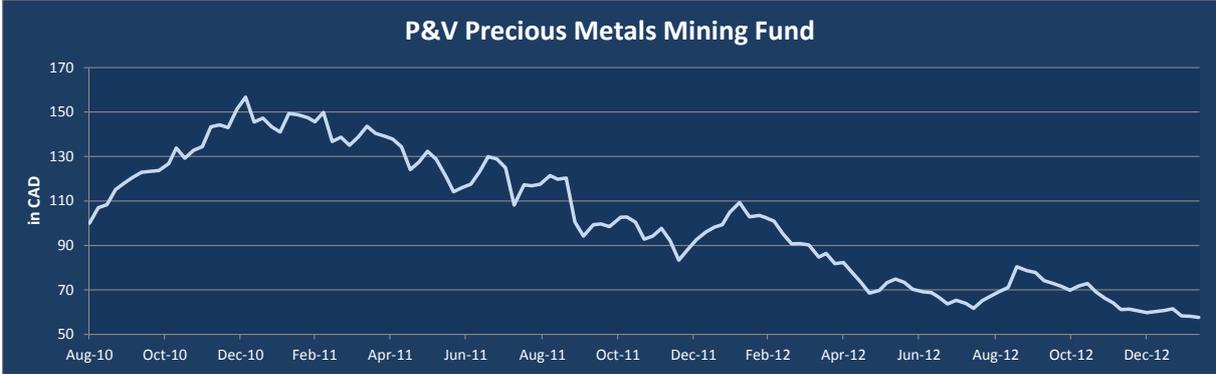
P&V PRECIOUS METAL MINING FUND

Is a UCITS III fund, conform to EU law.

This fund also invests in junior precious metal mining companies world-wide.

The fund is more restrictive than the two previous ones as investments which exceed 5% cannot be more than 40% of total assets. Not more than 10% can be invested in one single company.

The P&V PRECIOUS METAL MINING FUND offers less capital potential than the first two but it is also less exposed to risk.



Disclosure:

The author has not been paid to write this article, nor has he received any other inducement to do so.

Disclaimer:

The author’s objective in writing this article is to invoke an interest on the part of potential investors in this stock to the point where they are encouraged to conduct their own further diligent research. Neither the information nor the opinions expressed should be construed as a solicitation to buy or sell this stock.

Investors are recommended to obtain the advice of a qualified investment advisor before entering into any transactions in the stock - or to use their own brains.

In our opinion, the best approach is to buy a diversified portfolio of stocks as represented in THE TIMELESS PRECIOUS METAL FUND or THE SIERRA MADRE GOLD & SILVER VENTURE CAPITAL FUND instead of shares of only a small number of companies.
