

# P. ZIHMANN INVESTMENT • MANAGEMENT AG

Your independent **Swiss** asset manager

THE TIMELESS PRECIOUS METAL FUND

THE TIMELESS ENERGY FUND

THE SIERRA MADRE GOLD & SILVER VENTURE CAPITAL FUND

## Silver: Will it drop to \$ 10/ounce? Up-date N° 26 / June 18, 2013

Silver/Ounces in US\$					
Buy Date	Amount/oz.	Buy Price	Total (USD)	Price Today	Value Today
November 15, 2002	10'000.00	4.54	45'400.00		
<b>Total</b>	<b>10'000.00</b>	<b>4.54</b>	<b>45'400.00</b>	<b>22.20</b>	<b>222,000</b>
<b>Profit</b>					<b>176,400</b>
<b>Profit (in %)</b>					<b>369%</b>
<b>OUR LONG-TERM RECOMMENDATION</b>				<b>BUY</b>	
<b>OUR SHORT-TERM RECOMMENDATION</b>				<b>BUY</b>	

1980 to 2013: From bear to bull



A drop of the silver price to \$ 10/ounce is **highly unlikely** in view of the sharply rising National Debt in the USA but also in Europe.

To quote John Hathaway, manager of one of the most respected gold funds, **a sharp rise of the gold and silver price is more likely:**

“With gold and silver under continued attack from the mainstream media, John Hathaway warned King World News that we are at the point where global investors will be shocked as gold is quickly re-priced a jaw-dropping \$1,000 (about \$ 40 / ounce of silver) **higher, taking gold and silver to new all-time highs.**

Hathaway also cautioned that global markets are rapidly approaching a loss of confidence in central banks which will cause tremendous turmoil in the paper currency markets. Hathaway, of Tocqueville Asset Management L.P., is one of the most respected institutional minds in the world today regarding gold, and his fund was awarded a coveted 5-star rating.”

The long-term picture of the bull market since 2001

**3 YEAR TARGET: \$ 66 - \$88**



The bull market of the silver price started towards the end of 2001. On the way from \$ 4.02 to the recent intraday all-time high of \$ 48.42 (an increase of 1,104%), several significant corrections took place, the most severe one in 2008 when the silver price sank by 57% only to jump 441% to a new all-time high.

The bull market is not over! The silver price is in an oversold position, as shown above, which is far worse than in 2008 or in 2001. Such extremes have always been followed by strong

movements to the up-side. After 2008, silver rose more than 400% while some gold and silver shares jumped 2,800% (First Majestic Silver).  
 What the PMO Indicator shown above clearly demonstrates: extremes will always be corrected. In fact, we had great sell opportunities in 2006, 2008 and 2011. On the reverse side, 2001 and 2008 were unique buying opportunities.

At present, we again have such a buying opportunity! This is not the time to stay on the sidelines. You have to buy now!

### Should you rather buy gold or silver shares instead of gold or silver?

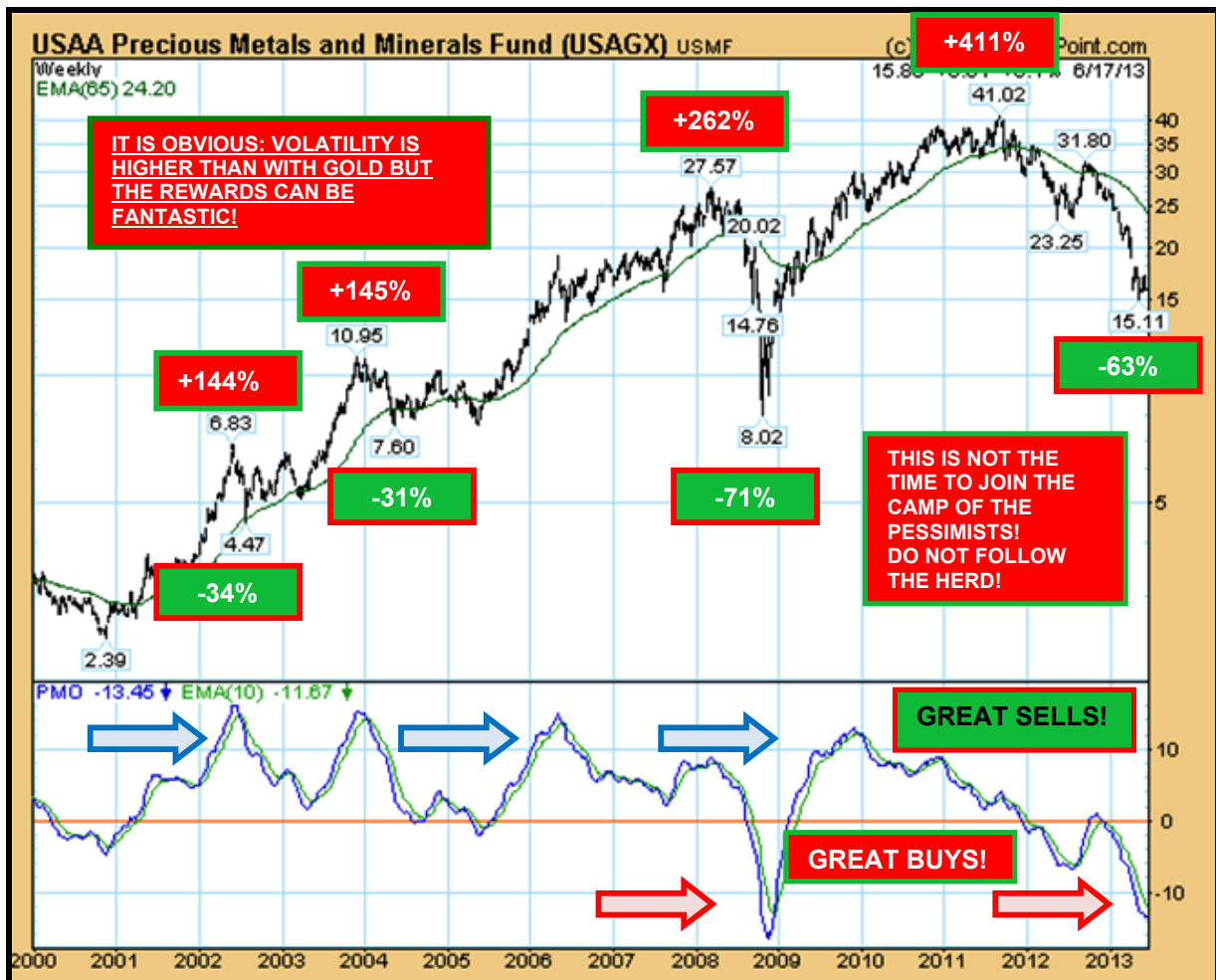
First, there are a few basic facts that one has to know:

1. Gold and silver stocks are more volatile than gold or silver.
2. It is hard work to select the right companies and to monitor them.
3. You should know the Management.
4. You should have a long-term view.

As most do not have the time to devote several hours a day

- to employ a bottom-up selection process and fundamental, proprietary research to identify companies that are considered undervalued, based on growth potential and the assessment of the company's relative value, and
- to seek exposure to overlooked and undervalued gold stocks across the world,

this work is best left to an experienced fund manager. The following chart reveals the risk and rewards of such investment:



Silver sometimes outperform gold & silver shares, at times however gold & silver shares fare much better? Following some figures:

- SILVER 2000 to 2011 (high): +1,104%
- GOLD & SILVER SHARES 2000 to 2011 (high): +1,616%
- SILVER 2000 to 2013: +448%
- GOLD & SILVERSHARES 2000 to 2013: +532%
- SILVER 2011 (high) to 2013: -55%
- GOLD & SILVERSHARES 2011 (high) to 2013: -63%

Big companies or rather “juniors”?

- Every big company was once a “junior”! See First Majestic Silver!



- Selecting the right “junior” is high risk. It makes therefore sense to choose a Fund that invests in “juniors” to diminish the risk.
- To find out more, go to [www.timeless-funds.com](http://www.timeless-funds.com)

## Conclusion

To quote John Hathaway once more: “So from a contrarian point of view, the setup is perfect for the commencement of a huge upward leg that will take gold and silver to all-time highs.”

Peter Zihlmann / Andrew Portmann

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[www.pzim.ch](http://www.pzim.ch)

[www.timeless-funds.com](http://www.timeless-funds.com)

[invest@pzim.ch](mailto:invest@pzim.ch)

phone: +41 44 268 51 10

How to invest:

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



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**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.

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