

P. ZIHLMANN INVESTMENT • MANAGEMENT AG

Your independent **Swiss** asset manager

THE TIMELESS PRECIOUS METAL FUND

THE TIMELESS ENERGY FUND

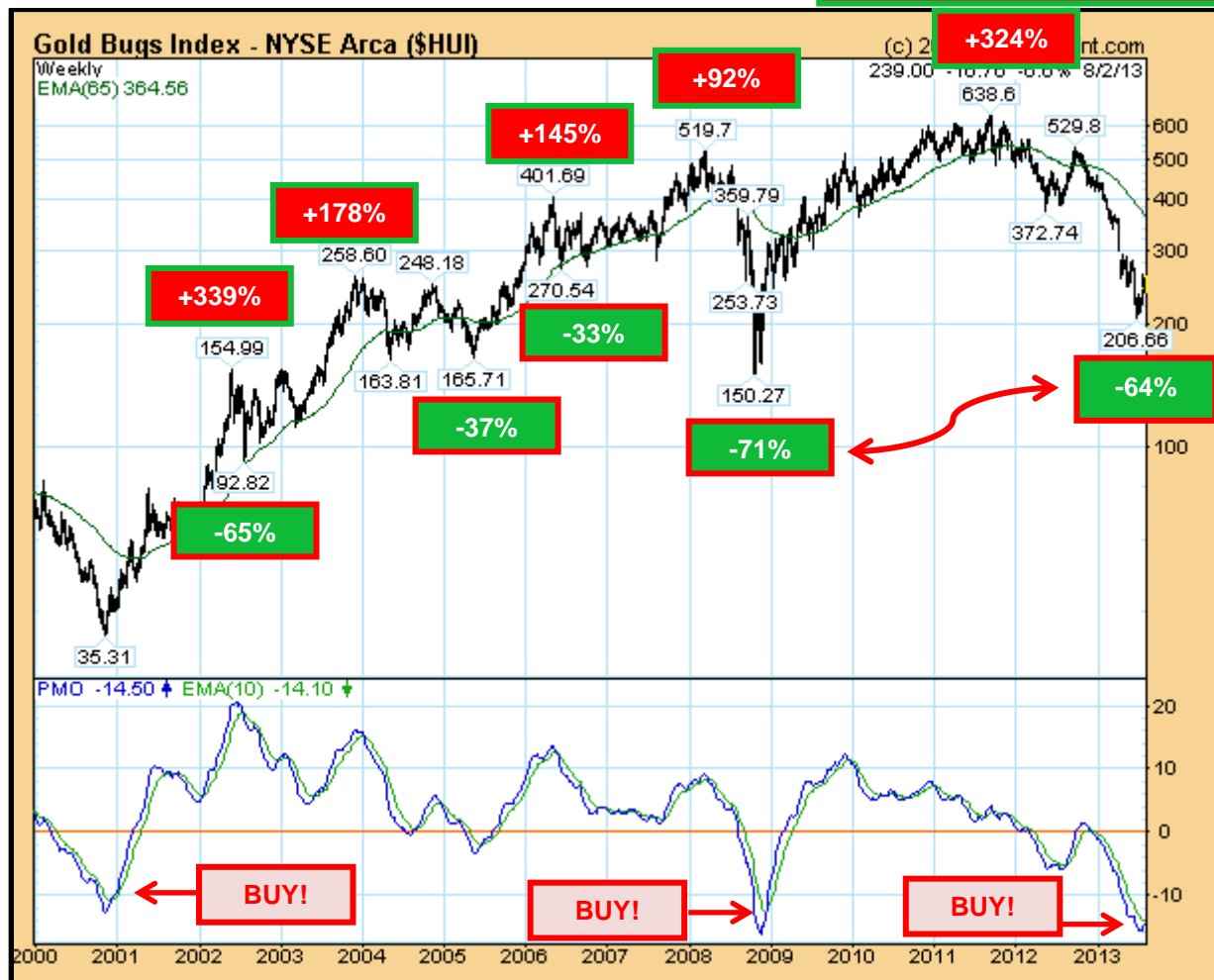
THE SIERRA MADRE GOLD & SILVER VENTURE CAPITAL FUND

GOLD BUGS INDEX (HUI): BUY, HOLD OR SELL? Up-date N° 17 / August 7, 2013

<u>Amex Gold Bugs Index (HUI)</u>					
Buy Date	Amount	Buy Price	Total (USD)	Price Today	Value Today
March 12, 2003	1	125.54	1		
Total	1	125.54	1	234.78	234.78
Profit					109.24
Profit (in %)					88%
OUR LONG-TERM RECOMMENDATION				STRONG BUY	
OUR SHORT-TERM RECOMMENDATION				STRONG BUY	

NYSE Arca Gold BUGS Index

THREE YEAR TARGET: 910



The NYSE Arca Gold BUGS (Basket of Unhedged Gold Stocks) Index (HUI) is a modified equal dollar weighted index of companies involved in gold mining.

The HUI Index was designed to provide significant exposure to near term movements in gold prices by including companies that do not hedge their gold production beyond 1.5 years.

The HUI Index was developed with a base value of 200.00 as of March 15, 1996. Adjustments are made quarterly after the close of trading on the third Friday of March, June, September & December so that each component stock represents its assigned weight in the index.

The underperformance of gold shares in relation to gold since the beginning of 2004 (and in the 90ties)



The charts of the price of gold and the HUI-Index reveal astonishing facts:

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

- GOLD 2000 to 2011 (high): +652%
- GOLD SHARES 2000 to 2011 (high): +1,706%
- GOLD 2000 to 2013: +383%
- GOLD SHARES 2000 to 2013: +545%
- GOLD 2011 (high) to 2013: -37%
- GOLD SHARES 2011 (high) to 2013: -68%
- GOLD 2013 (low) to 2013 (now): +9%
- GOLD SHARES 2013 (low) to 2013 (now): -14%

Should you rather buy gold shares instead of gold?

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

1. Gold stocks are more volatile than gold.
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:



Should you own gold rather than gold shares?

On fundamental values, gold and silver shares trade at historic low valuations as in 2008 when you were able to buy companies

- for less than the cash in the bank
- for less than \$ 10 per ounce in the ground
- for less than 1,000 times annual gold production
- for a dividend yield of 2.5% or more

Because of this dramatic price decline in these stocks during the past two years, investors have the opportunity to purchase explorers, developers and producers, often referred to as juniors, at about half of the company's net asset value (NAV).

The TIMELESS PRECIOUS METAL FUND and The SIERRA MADRE GOLD & SILVER VENTURE CAPITAL FUND are ideal vehicles to benefit from the coming up-swing of the gold and silver shares in general, but specifically the undervalued junior sector.

Since the low of 2013, some of the gold and silver stocks have recovered nicely, telling how the future may look like:

Aurcana:	+93%
Endeavour:	+32%
First Majestic:	+40%
Fortuna Silver:	+34%
Goldcorp:	+23%
Paramount Gold:	+21%

Conclusion:

BUY GOLD AND SILVER SHARES NOW BEFORE IT IS TOO LATE!

Peter Zihlmann

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

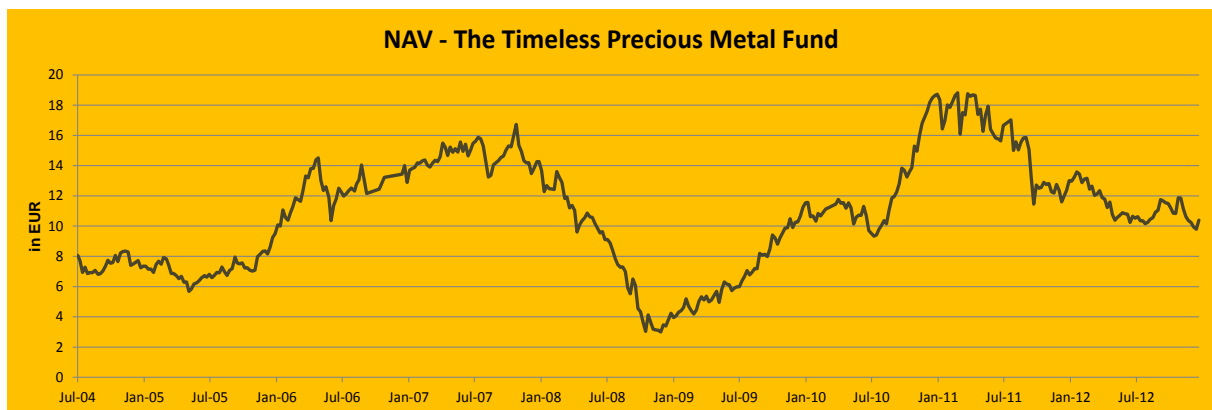
THE TIMELESS PRECIOUS METAL FUND

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.



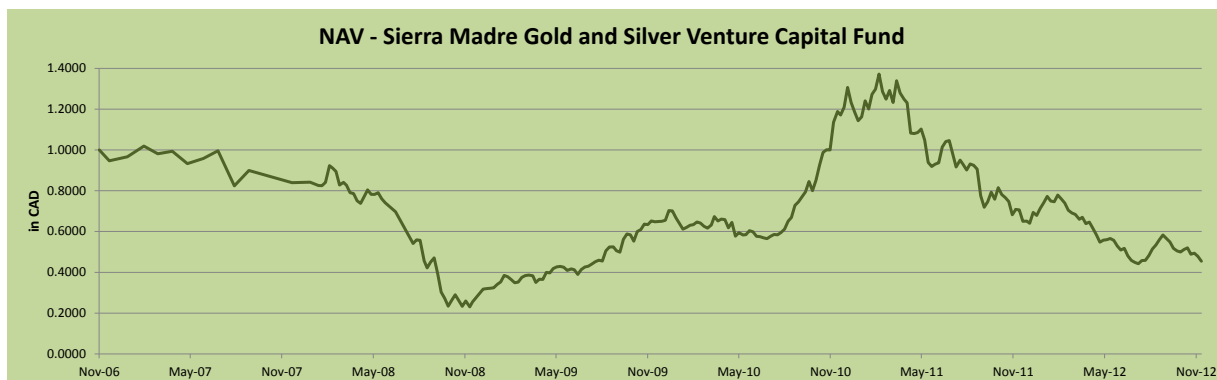
THE SIERRA MADRE GOLD & SILVER VENTURE CAPITAL FUND

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.