



## MONTHLY REPORT AS OF JULY 31, 2006

### ONE MONTH / TWELVE MONTHS

% CHANGE	PRICE JUL 31	1 MONTH	12 MONTHS
THE TIMELESS PRECIOUS METAL FUND (EUR)	12.36	-1.4%	+83.4%
THE TIMELESS PRECIOUS METAL FUND (USD)	15.27	-0.5%	+88.5%
GOLD	634.50	+3.4%	+47.4%
SILVER	11.28	+2.8%	+36.9%
PLATINUM	1232.00	-1.2%	+59.9%
PALLADIUM	316.00	-2.3%	+59.6%
GOLD & SILVER INDEX - PHILADELPHIA (\$XAU)	141.85	-1.2%	+54.2%
AMEX GOLD BUGS INDEX (\$HUI)	320.21	-2.4%	+64.6%
GOLD MINERS INDEX - AMEX (\$GDM)	1051.64	-0.0%	+69.6%



At the beginning of June, gold and silver prices went lower, falling to the \$ 550 and \$ 9.50 level respectively, at which time (June 16) we sent out a recommendation that it was time to buy again. This recommendation has so far proved to be timely as both gold and silver recovered from the sell-off and settled above the \$ 600 level for gold and \$ 11 for silver respectively. Gold and silver managed to maintain the recovery level during July and absorbed successfully any attempt to push prices lower.

While gold gained 3.4% and silver 2.8% in July, the NAV of THE TIMELESS PRECIOUS METAL FUND closed down at a fraction of 1%. Trading volume has shrunk to low levels not seen in many months, reflecting the summer dullness.



From last May's low of 165, the HUI Index surged 140% to briefly surpass the 400 point-mark, at which time some investors decided that it was time to cash in some profits. We view this consolidation as a healthy process in the long-term bull market in which we shall eventually see new all-time highs, keeping in mind that the inflation adjusted high of January 1980 stands at \$ 2,200.

After pushing through the resistance level to 150 points in the summer of 2004, the HUI moved up to reach the 250 level for an increase of 66%. If the past is any guide to the future, we could conclude that the level of 500 points may be reached by the end of 2006.



The two charts depicted above also show that the market for precious metals shares remains in a well-established long-term up-trend.



Our **top ten holdings** are listed below. These companies explore for and produce precious metals in **North, Central and South America**.

<b>DYNASTY MINES &amp; METALS INC</b>	-	<b>6.9%</b>
<b>US GOLD CORP.</b>	-	<b>6.6%</b>
<b>KINGS MINERALS NL</b>	-	<b>5.3%</b>
<b>NOVAGOLD RESOURCES INC</b>	-	<b>4.8%</b>
<b>GLAMIS GOLD LTD</b>	-	<b>4.1%</b>
<b>UC RESOURCES LTD</b>	-	<b>3.4%</b>
<b>BOLNISI GOLD NL</b>	-	<b>3.1%</b>
<b>ANDINA MINERALS INC.</b>	-	<b>3.0%</b>
<b>POLYMET MINING CORP.</b>	-	<b>2.8%</b>
<b>WHITE KNIGHT RESOURCES</b>	-	<b>2.8%</b>

Our **top silver holdings** are:

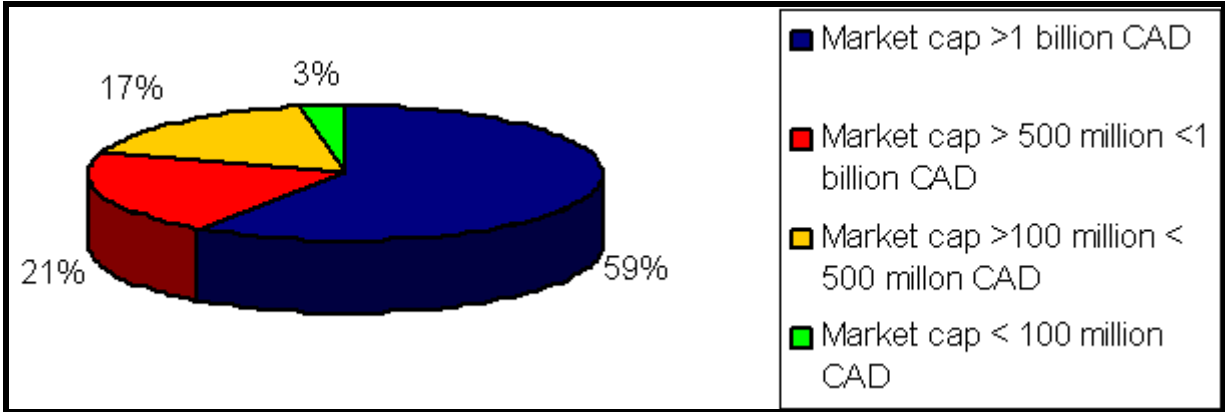
<b>SILVER WHEATIN CORP.</b>	-	<b>2.7%</b>
<b>MAG SILVER CORP.</b>	-	<b>2.5%</b>
<b>ORKO SILVER CORP.</b>	-	<b>1.9%</b>

Three of our top ten holdings came up with positive news in July. Barrick made an unsolicited offer to buy NovaGold at a price considered opportunistic and unlikely to be accepted by investors. Kings Minerals and UC Resources both reported outstanding drill results.

While 70% of the Fund’s assets are invested in gold shares and 20% in silver shares, these companies also have resources in other metals such as copper (16%), zinc (5%), platinum (3%) and lead (2.4%).

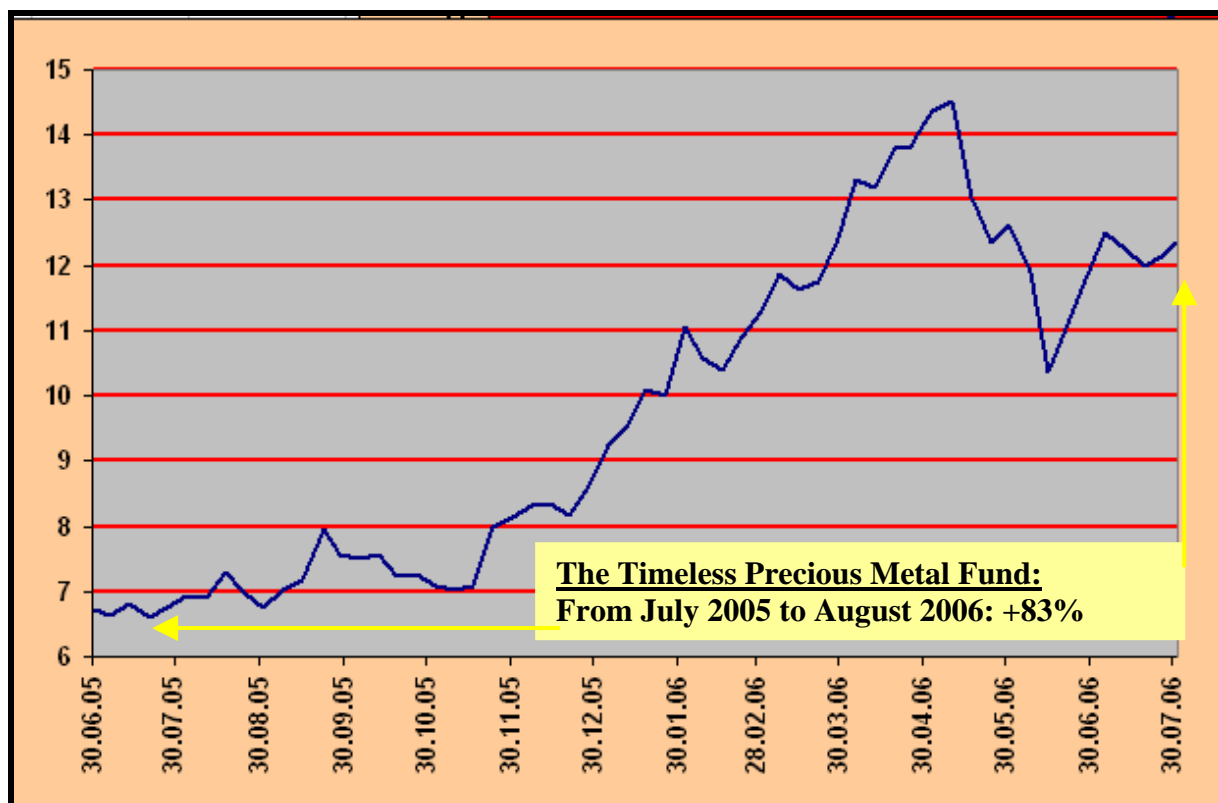
**Market Cap**

As we strongly believe that mid-sized and smaller companies promise stronger gains than large cap companies, the fund primarily invests in this segment, offering the investor an excellent opportunity to participate in the precious metals market without incurring too high a risk because of limited diversification.



The performance of the Fund over the past twelve months in fact validates our thinking as the NAV has increased by 83% (after management fees) compared to the HUI-Index, which moved up by 64% during the same period.

“There will be occasional profit taking”, we wrote in our last report, but we continue to think that the precious metal markets are firmly entrenched in solid up-trends.



July 31, 2006

<b>FACT SHEET</b>	<a href="http://www.timeless-gold.com/">http://www.timeless-gold.com/</a>
ISIN :	MT0000072612
Swiss Security N° :	1921952
Investment Manager:	<b>P. ZIHLMANN INVESTMENT MANAGEMENT AG,</b> Zurich, Switzerland
Currency:	EUR
Domicile:	MALTA (EUR)
Licence:	July 16, 2004
Size (July 31, 2006) :	14.1 Million EUR
Custodian Bank:	Bank of Valletta, Malta
Administration Company:	Valletta Fund Management, Malta
Auditors:	PriceWaterhouseCoopers, Malta