



*Investing  
in Gold*



*The Tocqueville*  
**Gold Fund**

*TGLDX*

[www.tocquevillefunds.com](http://www.tocquevillefunds.com)

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# Investing in Gold

## *Three basic choices are available to investors:*

Rising inflation, destabilizing deflation, a bear market in stocks or bonds, a weak dollar, or other financial turmoil, may result in gold doing well and warrant investment.

Bullion, individual equities, or products (mutual funds, Exchange Traded Funds - ETF's, etc.) which invest in gold & gold-related equities offer three alternatives for investing in gold.

■ **Bullion** or coins are a relatively conservative way to invest in gold. However, investing in the physical metal requires special considerations such as having custodial (safe-keeping) arrangements to store the metal and determining the creditworthiness of the custodian. This makes Bullion investing unrealistic for many investors.

■ **Equities** of gold mining companies offer greater leverage than direct ownership of the metal itself. (The share price sensitivity to a hypothetical rise in metal price is related to the cash flow from current production and the valuation impact on proven and probable reserves). However, excessive reliance on trading strategies to generate returns can be dangerous and counter-productive. Many who have tried to outsmart this market by hyperactive trading have under-performed. Moreover, it requires substantial research and analysis. "Gold fever" often attracts a crowd of speculators, promoters, and charlatans.

■ Products such as **gold mutual funds** are managed by professional portfolio managers who can combine the relative merits of investing in bullion and equities, do the necessary research and continue to monitor the portfolio regularly. With an actively managed gold-based product, we believe that a "buy and hold" strategy followed by an investor should be more than sufficient to compensate for the inherent volatility of this asset class.

A reasonable allocation to gold in a conservative, diversified portfolio would be 0 to 3% during a gold bear-market and 5% - 10% during a bull-market.

## The *Tocqueville* Gold Fund

### *Benefits of Gold as an investment*

■ **Diversification:** Gold belongs to a distinct asset class and thus may be an effective means of portfolio diversification.

■ **Low correlation:** Gold has low correlation with the broad US Equity market (as measured by the S&P 500). Gold not only diversifies the portfolio, but when it is in a portfolio of US equities it may also help dampen the overall portfolio's volatility.

■ **Effective hedge:** Gold has traditionally acted as a hedge against financial assets. Thus in times of uncertainty, and periods of high inflation, gold may act as an effective store of wealth.

■ **Fundamental demand:** Demand for gold is on the increase, fueled by cosmetic (jewelry) as well as industrial demand.

*The Gold Fund is subject to the following risks: foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. The fund may also invest in gold, which involves additional risks, such as the possibility for substantial price fluctuations over a short period of time. The Gold Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Gold Fund is more exposed to individual stock volatility than a diversified fund.*

*Before investing, consider the fund's investment objectives, risks, charges and expenses. Contact 1-800-697-3863 or visit [www.tocquevillefunds.com](http://www.tocquevillefunds.com) for a prospectus containing this and other information. Read it carefully before investing.*

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