

Manager Q&A

The Tocqueville Gold Fund (TGLDX)



John Hathaway, CFA
Co-Portfolio Manager

John C. Hathaway has been a portfolio manager of the Gold Fund since 1998. With more than 28 years of investment industry experience, Mr. Hathaway is a nationally recognized authority on Gold and Gold-Related Equities.



Doug Groh
Co-Portfolio Manager

Doug Groh is co-portfolio manager of the Gold Fund. Mr. Groh has worked closely with Mr. Hathaway on the Fund since joining the Firm in 2003 as a senior research analyst.

The Tocqueville Gold Fund

Symbol:	TGLDX
Total assets (6/30/12):	\$2.0 billion
Inception date:	6/29/98

Q1: Gold fell in value by approximately 4% in Q2 largely as a result of continued instability in Europe. However, when Europe started to unravel last summer, gold soared in value. What happened in 2012 versus 2011?

Last summer was an unusual economic time period both abroad and domestically. Sovereign trouble was brewing in Europe while at home U.S. Treasuries were downgraded by S&P and wrangling over increasing the debt ceiling became a political football. As such, extreme economic uncertainty across the globe led to heightened market volatility. As a result, equity markets plummeted. Investors looking for a safe haven flocked to gold in droves.

2012 has played out much differently. While Europe continues to struggle and the U.S. economy appears to be in the early stages of a long recovery, investors sought refuge in the dollar instead of gold as the safe haven. As a result, the dollar strengthened relative to other currencies and in particular, the euro. Historically, when the dollar rises in value, the price of gold will fall.

We believe that interest in dollar-denominated investments will eventually wane and investors will once again look to gold as a hedge against inflation.

Q2: How did mining stocks and gold-linked equities fare in Q2?

Mining stocks and gold-linked equities moved in step with gold's price decline. Over the long-term these gold-related equities will rise and fall typically within a band of 1.2-1.5X gold's price. During the past quarter these stocks fell, in general, about 2X gold's rate. As a result, mining stocks and gold-linked equities are trading at some of the lowest valuations ever. For a value-oriented investor, we believe the current period represents an attractive buying opportunity.

Q3: Why do you believe valuations have become so low?

First of all, there are several positive and negative factors impacting the price of gold and by association the price of mining companies and gold-linked equities. From a gold perspective, the strengthening dollar and slowing global growth have negatively impacted gold's price. We believe that these situations represent a nearer-term headwind and that gold's appeal as a safe haven and store of value will re-emerge. The demand for gold, especially investment demand, continues to rise. Central banks throughout the world continue to be net buyers of gold and smaller emerging market countries have joined the fray.

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About Tocqueville

With approximately \$10.9 billion in assets under management as of June 30, 2012, Tocqueville Asset Management and its founding principals have been managing private fortunes for more than 30 years, and has served as the advisor to the Tocqueville Trust since its inception. In working with financial planning professionals and their clients, Tocqueville considers the preservation of capital their primary investment objective. Tocqueville's value style of investing, coupled with their contrarian spirit, drives them to emphasize absolute rather than relative performance for investors.

The Tocqueville Gold Fund

Overall **MORNINGSTAR** Rating

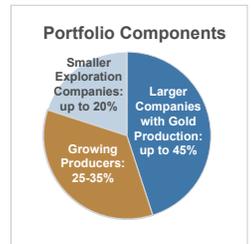


Among 70 Equity Precious Metals Funds as of 6/30/12

Star ratings are based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The overall rating is a weighted average of the 3-, 5-, and 10-year (if applicable) returns. 5 stars = top 10% of funds in a category; 4 stars = next 22.5% of funds; 3 stars = middle 35%; 2 stars = next 22.5%; 1 star = bottom 10%. Ratings are subject to change monthly. The Fund received 5 stars for the 3-year period and 4 stars for the 5- and 10-year periods ended 6/30/12 among 70, 62 and 45 Equity Precious Metals Funds, respectively.

(Q&A continued)

Miners and gold-linked equities fell in sympathy as the domestic stock market declined in Q2. These securities are more closely tied to performance of the small cap market and the Fund's smaller company holdings were impacted the most. The portfolio is generally comprised of three main components – smaller exploration companies (up to 20% of portfolio), growing producers (25-35%) and larger companies with established gold production (up to 45%). Additionally, we maintain approximately a 6-7% position in gold bullion.



Mining stocks have been affected by growing concerns over resource nationalization. Many gold mining operations are located in emerging market countries and with many countries around the world faced with fiscal challenges, natural resources are an attractive revenue source for the home country's government. In some cases, royalty rates, taxes or various restrictions have made it more costly to operate gold mines in parts of the world. Also, permitting mining operations has become more cumbersome in some cases, which can add to the cost of building a mining operation. Lastly, with rising mining costs and the price of gold falling from peak levels in 2011, operating margins were under pressure. As a result there is increased leverage to the gold price, which many investors find compelling, especially at these valuation levels.

All-in-all investors looked elsewhere to deploy capital and have left miners and gold-linked equities at very favorable valuations. For investors with a longer-term time horizon, we believe that the sector represents an unusual buying opportunity. Despite the challenging market, we think it's noteworthy that during Q2 there was a positive net cash flow into the Fund, which suggests that not only do investors share our view but recognize the value opportunity in the sector and are acting on it.

Q4: Are mining stocks and gold-linked equities increasing their dividend payouts?

Yes, some mining companies pay a dividend and those that do have been increasing their dividend. Gold mining companies generate very healthy cash flows. As such, they are in a position to return capital to shareholders. During 2012, companies have been increasing their dividend payout and we think companies can pay out even more cash. So we expect dividends to increase. The fact that gold mining companies can pay a dividend differentiates them from gold bullion in one way and offers an advantage over just buying and holding gold bullion. However, not all companies pay a dividend but currently about 25% of the Fund's holdings pay a dividend.

The reason not all companies pay a dividend is because gold mining requires a lot of capital. Many companies hold sizeable cash positions to fund future growth opportunities, such as expansions or to develop the new gold deposits they may discover – basically to grow their business. Also, because the cost to mine gold is rising, companies adjust mining operations to maximize their profit margins. In some cases, production levels are reduced when the price of gold is lower and accelerate when gold prices rise. Holding cash reserves provides a mining company the flexibility to manage activities such as exploration, development or production levels, and still achieve impressive operating margins over the long-term.

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Investment Performance (as of 6/30/12)

	Average Annual Total Return			
	1 Year	3 Year	5 Year	10 Year
Tocqueville Gold Fund (TGLDX)	-22.27%	17.77%	8.68%	16.30%
S&P 500 Index	5.45%	16.40%	0.22%	5.33%
Phila Stock Exch Gold/Silver Index	-20.36%	5.53%	4.11%	9.53%
Morningstar Equity Precious Metals Funds Category Average	-24.58%	6.99%	4.31%	12.88%
Category Rank (%)	36	1	9	5
# of Funds in Category	80	70	62	45
Expense Ratio: 1.26%				

Source: Morningstar

Performance data represents past performance and does not guarantee future performance. The investment return and principal value of an investment will fluctuate and the investor's shares, when redeemed, may be worth more or less than their original cost; and current performance may be lower or higher than the performance data quoted. Fund performance current to the most recent month-end may be obtained by visiting our website at <http://tocqueville.com/mutual-funds/tocqueville-gold-fund/performance>, or by calling 1-800-697-3863. Total returns assume reinvestment of dividends and capital gains.

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

The Philadelphia Stock Exchange Gold/Silver Index (with income) is a good indicator of the performance of the common stock of companies in the gold and silver mining industry. It does not incur fees and expenses. The S&P 500 Index is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation. Returns are adjusted for the reinvestment of capital gains distributions and income dividends. You cannot invest directly in an index.

This is not an advertisement or solicitation to subscribe to the Tocqueville Gold Fund, which may only be made by prospectus. Before investing, consider the Fund's investment objectives, risks, charges and expenses. Contact 1-800-697-3863 or visit www.tocqueville.com/mutual-funds for a prospectus containing this information and other information. Read it carefully before investing.

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