

The Tocqueville Phoenix Fund

October 15, 2021

Dear Fellow Shareholders:

During the past quarter, the Tocqueville Phoenix Fund's ("the Fund") net asset value decreased 3.66%, versus decreases of 2.98% for the Russell 2000 Value Index ("Russell 2000 Value"), and 4.36% for the Russell 2000 Index ("Russell 2000"), each on a total return basis*. The Fund's net asset value as of September 30, 2021 was \$26.06 per share. The total net asset value amounted to \$174,338,661, of which 91.38% was invested in equities, with the balance held in reserve.

Year to date, the Fund's net asset value increased 17.87%, versus increases of 22.92% in the Russell 2000 Value and 12.41% in the Russell 2000, each on a total return basis*.

The Fund's positive momentum stalled during the quarter, as we posted our first quarterly decline since the onset of the pandemic in March 2020. While we are disappointed with this result, we are very satisfied with the Fund's recovery since the beginning of the pandemic 18 months ago (+103% since March 31, 2020). Below, we will discuss the macro-economic events impacting the Fund's performance during the quarter and some recent portfolio developments.

The U.S. economy continues to benefit from monetary and fiscal stimulus and is still showing decent growth; however, the prospect of higher interest rates, inventory shortages, labor shortages, and a more contagious COVID-19 Delta variant spooked investors during Q3, resulting in declines for most small-cap indexes. Since the beginning of the pandemic, the Federal Reserve ("Fed") has been purchasing Treasury debt and mortgage-backed securities to encourage lending and spending within the economy. In September, the Fed announced its intent to slow down these asset purchases and hinted at increasing interest rates beginning next calendar year. The pace of rate increases was faster than the market anticipated resulting in higher treasury yields and a sell-off in equity markets. While higher interest rates are typically a deterrent to economic growth, we expect the Fed will act with caution, and we remain encouraged that value stocks tend to perform better versus their growth counterparts in a rising interest rate environment.

Inventory shortages have become a major headwind for many of our companies. The rapid recovery in the U.S. economy, along with labor shortages and COVID-19 restrictions, are leading to higher prices, longer lead times, and record high shipping costs for most products imported into the United States. Container freight rates from Shanghai to Los Angeles are five times higher than anytime over the previous ten years, container ships outside Los Angeles are unable to dock because the port is understaffed, and lead times for basic semiconductor components used in automobiles have increased from an average of ten to forty weeks. The examples are endless, and a resolution will take some time; however, we anticipate that as unemployment subsidies are reduced and COVID-19 variants subside, production should return to more historical levels and demand will ultimately be the determinant of economic activity.

During the quarter we invested in Farmer Brothers Co. The company sources, roasts and sells coffee to national accounts, and distributes coffee directly to smaller accounts such as hotels, casinos, convenience stores, restaurants, hospitals, and universities. Throughout its hundred plus year history, the company has grown by acquiring smaller coffee distributors which led to record revenue of more than \$600 million in 2018. Unfortunately, margins did not follow the same trajectory

* *The performance data quoted above represents past performance. Past performance does not guarantee future results. The investment return and principle value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. The current performance may be lower or higher than performance data quoted.*

Please visit our website (www.tocquevillefunds.com/mutual-funds/phoenix-fund/performance) to obtain the most recent month-end performance data.

which led management to embark on a plan to reduce costs by moving its corporate headquarters and primary roasting plant from Southern California to Dallas, Texas in 2015/16. The move was poorly executed, and the company lost key leadership and roasting expertise while trying to consolidate the largest acquisition in the company's history (Boyd's Coffee). The decline in financial performance led to a refresh of the company's board and the appointment of Deverl Maserang as CEO in 2019. Mr. Maserang most recently navigated an impressive turnaround at organic produce company Earthbound Farm and spent three years managing Starbucks' global supply chain. Under his leadership, Farmer Brothers has improved operational efficiency at its Dallas roasting facility, exited an underutilized facility in Houston, opened a new California distribution center, eliminated unprofitable distribution routes, divested many local branch locations, and equipped sales representatives with handheld computers to effectively input sales orders. Unfortunately, all the operational improvements have been overshadowed by a significant reduction in revenues caused by COVID-19 as hotels stopped providing free breakfast/coffee to guests, casinos stopped providing free coffee on gaming floors, and hospitals have closed visitor waiting rooms, etcetera. Over time we expect the company will eventually return to pre COVID-19 revenue levels, but more importantly should be substantially more profitable due to the operational improvements that have been made over the past two years. As this becomes clearer to investors, we believe the stock will likely trade for a high single digit EBITDA multiple, resulting in a share price that is significantly higher than current levels.

Media company Tegna, Inc. and healthcare communication company Spok Holdings publicly announced they received acquisition proposals during the quarter. Tegna confirmed the receipt of multiple proposals in late September after news sources reported that an Apollo/Standard General alliance had offered \$22 per share and a Byron Allen/Ares Management alliance had offered \$23 per share for the company. We believe there may be more bidders out there, and for now, we continue to hold the stock while the process runs its course. Meanwhile, Spok Holdings also received an acquisition proposal from Acacia Research Corporation to acquire the company for \$10.75 per share. This subsequently led to the announcement that the company's board had recently initiated a review of strategic alternatives and that it had received multiple private expressions of interest and would evaluate all proposals. Considering the investments that Spok has made to develop its cloud-based hospital messaging system we expect they will receive higher offers and continue to hold the shares. While timing and pricing of transactions are uncertain, we are encouraged that our companies are attracting such interest. Currently, approximately 15% of our portfolio has some level of acquisition/activist involvement, which we expect may lead to higher share prices for those companies in the future.

We are aware that many shareholders have not been receiving our quarterly letter since it is not distributed to those who are not direct shareholders of the Fund. Accordingly, anyone who wishes to be on our mailing list should either call Cleo Kotis at (212-698-0750) or write to ckotis@tocqueville.com and we will be happy to add you to our distribution list.

We hope you are safe and with very best wishes.

Sincerely,



James Maxwell
Tel. 646.467.6513



Michael Sellecchia
Tel. 646.467.6503

P.S. The net asset value per share of the Fund is determined as of the close of regular trading on the New York Stock Exchange (normally 4:00 P.M., Eastern Time) on each Fund Business Day (as fully described in the Fund prospectus). In addition to the Fund's published NASDAQ listing (symbol: TOPHX), you may check its net asset value by calling 800.697.3863 to speak directly to a Fund representative during the normal business hours of 8:00 A.M.-7:00 P.M., Central Standard Time. During off business hours, you may use the same telephone numbers for a pre-recorded message. The 3-digit code number for The Tocqueville Phoenix Fund is 924.

Our website address is: www.tocquevillefunds.com

This discussion reflects the views of the authors as of the date or dates cited and may change at any time. The information should not be construed as investment advice. No representation is made concerning the accuracy of cited data, nor is there any guarantee that any projection, forecast or opinion will be realized.

References to stocks, securities or investments in this writing should not be considered recommendations to buy or sell. Past performance is not a guide to future performance. Securities that are referenced may be held in portfolios managed by Tocqueville or by principals, employees and associates of Tocqueville, and such references should not be deemed as an understanding of any future position, buying or selling, that may be taken by Tocqueville.

TOTAL RETURN WITH INCOME*

| <u>Cumulative</u> | <u>Tocqueville Phoenix Fund**</u> | <u>Russell 2000 Value Total Index†</u> | <u>Russell 2000 Total Index†</u> |
|--|-----------------------------------|--|----------------------------------|
| Quarter ended September 30, 2021 | (3.66)% | (2.98)% | (4.36)% |
| Nine months ended September 30, 2021 | 17.87 | 22.92 | 12.41 |
| Inception, November 19, 1993 to September 30, 2021 | 1362.35 | 1361.07 | 1177.10 |
| <u>Annual Average</u> | | | |
| One year ended September 30, 2021 | 57.78 | 63.92 | 47.68 |
| Three years ended September 30, 2021 | 8.52 | 8.58 | 10.54 |
| Five years ended September 30, 2021 | 8.12 | 11.03 | 13.45 |
| Ten years ended September 30, 2021 | 9.22 | 13.22 | 14.63 |
| Inception, November 19, 1993 to September 30, 2021 | 10.11 | 10.10 | 9.57 |

TEN LARGEST HOLDINGS‡

| <u>Security Name</u> | <u>% of Total Assets</u> |
|--------------------------------|--------------------------|
| Flex Ltd. | 4.21% |
| TEGNA, Inc. | 4.08% |
| Lumentum Holdings, Inc. | 3.98% |
| Fabrinet | 3.65% |
| Orion Engineered Carbons SA | 3.56% |
| Crane Co. | 3.13% |
| PVH Corp. | 3.12% |
| Plexus Corp. | 3.08% |
| Mayville Engineering Co., Inc. | 3.03% |
| Unisys Corp. | 2.95% |
| TOTAL | 34.79% |

FEES(a)

| <u>Shareholder Fees</u> | |
|--|--------------|
| (fees paid directly from your investment) | |
| Maximum Sales Charge Imposed on Purchases | None |
| Maximum Deferred Sales Charge | None |
| Maximum Sales Charge Imposed on Reinvested Dividends/Distributions | None |
| Exchange Fee | None |
| <u>Annual Fund Operating Expenses</u> | |
| (expenses that are deducted from Fund assets) | |
| Management Fees | 0.80% |
| Distribution and Service (12b-1) Fee | 0.25% |
| Other Expenses | 0.46% |
| Total Annual Fund Operating Expenses | 1.51% |
| Less: Fee Waiver/Expense Reimbursement | -0.25% |
| Total Annual Fund Operating Expenses after Fee Waiver/Expense Reimbursement | 1.26% |

ASSET MIX

| | <u>9/30/21</u> | <u>6/30/21</u> | <u>3/31/21</u> | <u>12/31/20</u> | <u>9/30/20</u> |
|------------------------------|----------------|----------------|----------------|-----------------|----------------|
| Equities | 91.38 | 91.21 | 91.02 | 91.42 | 88.92 |
| Corporate Bonds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Real Estate Investment Trust | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash Equivalents | 8.62 | 8.79 | 8.98 | 8.58 | 11.08 |
| TOTAL | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

* The performance data quoted above represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. The current performance may be lower or higher than performance data quoted. Please visit our website (www.tocquevillefunds.com/mutual-funds/phoenix-fund/performance) to obtain the most recent month-end performance data.

The Tocqueville Phoenix Fund may invest in the stocks of smaller companies which carry special risks including narrower markets, limited financial and management resources, less liquidity, and greater volatility than the stocks of larger companies. The Fund's investments, which are often value or special situations, are likely to not correlate with the overall market averages. Hence, there may be periods when the Fund's performance may lag these measures.

Kindly consider the investment objectives, risks, and charges and expenses of the Fund carefully before investing. The prospectus contains this and other information about the Fund. Please contact us to obtain a prospectus, which should be read carefully before investing. The Tocqueville Mutual Funds may be offered only to persons in the United States and by way of a prospectus. This letter should not be considered a solicitation or offering of any investment products or services to investors residing outside of the United States.

The Tocqueville Phoenix Fund is distributed by Tocqueville Securities L.P., 40 West 57th Street, 19th Floor, New York, NY 10019.

** The Tocqueville Phoenix Fund performance is stated after fees.

Returns for the periods prior to 9/27/09 reflect the performance of Delafield Fund, Inc. (the "Predecessor Delafield Fund"), which was reorganized into the Delafield Fund on 9/28/09. The Predecessor Delafield Fund had the same Portfolio Managers, investment objectives and investment strategies as the Delafield Fund. Performance since 9/28/09 reflects actual Delafield Fund performance. Effective February 15, 2019 The Delafield Fund was renamed the Tocqueville Phoenix Fund.

† The Russell 2000 Index is an unmanaged, market-weighted index, with dividends reinvested, of 2,000 small companies, formed by taking the largest 3,000 companies and eliminating the largest 1,000 of those companies. The Russell 2000 Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. You may not invest directly in the Russell 2000 Index or the Russell 2000 Value Index and, unlike the Fund, they do not incur fees and expenses.

‡ Holdings are expressed as a percentage of total investments and will vary over time. Because the Fund is actively managed there can be no assurance the Fund continues to invest in the securities referenced. Additionally, references to specific securities or industries should not be considered a recommendation for investors.

(a) Represents information from the prospectus, dated February 28, 2021. The Advisor has contractually agreed to waive management fees and/or reimburse expenses in order to ensure that Fund's expense ratio does not exceed 1.25% (excluding taxes, interest expense, acquired fund fees and expenses, or extraordinary expenses such as litigation) until at least 3/1/2022. In the absence of these fee waivers, total returns would be lower.

STATEMENT OF NET ASSETS

September 30, 2021

(Unaudited)

| Common Stocks - 91.38% | Shares | Value | Common Stocks - 91.38% | Shares | Value |
|--|---------|--------------|---|---------|--------------------|
| Auto Components - 3.48% | | | Household Durables - 2.70% | | |
| Lear Corp. | 15,000 | \$ 2,347,200 | Mohawk Industries, Inc. (a) | 19,700 | \$ 3,494,780 |
| Modine Manufacturing Co. (a) | 70,000 | 793,100 | Newell Brands, Inc. | 55,000 | 1,217,700 |
| Visteon Corp. (a) | 31,000 | 2,926,090 | | | 4,712,480 |
| | | 6,066,390 | | | |
| Building Products - 2.92% | | | Interactive Media & Services - 2.64% | | |
| Apogee Enterprises, Inc. | 135,000 | 5,097,600 | Cars.com, Inc. (a) | 363,500 | 4,598,275 |
| Chemicals - 8.40% | | | IT Services - 5.34% | | |
| Avient Corp. | 85,000 | 3,939,750 | DXC Technology Co. (a) | 124,000 | 4,167,640 |
| HB Fuller Co. | 32,000 | 2,065,920 | Unisys Corp. (a) | 204,598 | 5,143,594 |
| Innospec, Inc. | 29,000 | 2,442,380 | | | 9,311,234 |
| Orion Engineered Carbons SA (a)(b) | 340,000 | 6,198,200 | Machinery - 10.94% | | |
| | | 14,646,250 | Crane Co. | 57,500 | 5,451,575 |
| Commercial Services & Supplies - 5.34% | | | Lydall, Inc. (a) | 40,000 | 2,483,600 |
| ABM Industries, Inc. | 105,000 | 4,726,050 | Mayville Engineering Co., Inc. (a) | 281,311 | 5,288,647 |
| Harsco Corp. (a) | 270,000 | 4,576,500 | REV Group, Inc. | 75,000 | 1,287,000 |
| | | 9,302,550 | Stanley Black & Decker, Inc. | 26,000 | 4,558,060 |
| Communications Equipment - 6.53% | | | | | 19,068,882 |
| Comtech Telecommunications Corp. | 173,600 | 4,445,896 | Media - 4.08% | | |
| Lumentum Holdings, Inc. (a) | 83,000 | 6,933,820 | TEGNA, Inc. | 361,000 | 7,118,920 |
| | | 11,379,716 | Pharmaceuticals - 1.73% | | |
| Electrical Equipment - 2.88% | | | Phibro Animal Health Corp. - Class A | 140,000 | 3,015,600 |
| Acuity Brands, Inc. | 29,000 | 5,027,730 | Professional Services - 2.34% | | |
| Electronic Equipment, Instruments & Components - 15.93% | | | BGSF, Inc. | 255,950 | 3,273,600 |
| Fabrinet (a)(b) | 62,100 | 6,365,871 | Mistras Group, Inc. (a) | 80,000 | 812,800 |
| Flex Ltd. (a)(b) | 415,000 | 7,337,200 | | | 4,086,400 |
| II-VI, Inc. (a) | 35,000 | 2,077,600 | Semiconductors & Semiconductor Equipment - 2.62% | | |
| Knowles Corp. (a) | 85,000 | 1,592,900 | ams AG (a)(b) | 250,000 | 4,575,085 |
| Plexus Corp. (a) | 60,000 | 5,364,600 | Textiles, Apparel & Luxury Goods - 3.12% | | |
| TTM Technologies, Inc. (a) | 400,000 | 5,028,000 | PVH Corp. (a) | 53,000 | 5,447,870 |
| | | 27,766,171 | Trading Companies & Distributors - 2.28% | | |
| Food Products - 1.91% | | | Rush Enterprises, Inc. - Class A | 88,000 | 3,974,080 |
| Farmer Bros Co. (a) | 210,000 | 1,766,100 | Wireless Telecommunication Services - 1.64% | | |
| Landec Corp. (a) | 168,700 | 1,555,414 | Spok Holdings, Inc. | 280,000 | 2,861,600 |
| | | 3,321,514 | Total Common Stocks | | |
| Health Care Equipment & Supplies - 2.34% | | | (Cost \$110,874,538) | | 159,320,177 |
| Inogen, Inc. (a) | 35,000 | 1,508,150 | | | |
| Lantheus Holdings, Inc. (a) | 100,000 | 2,568,000 | | | |
| | | 4,076,150 | | | |
| Health Care Providers & Services - 2.22% | | | | | |
| Cross Country Healthcare, Inc. (a) | 182,000 | 3,865,680 | | | |

STATEMENT OF NET ASSETS, continued

September 30, 2021

(Unaudited)

| Short-Term Investment - 5.05% | <u>Shares</u> | <u>Value</u> |
|--|---------------|------------------------------|
| Invesco Treasury Portfolio - Institutional Class, 0.010% (c) | 8,800,000 | \$ 8,800,000 |
| Total Short-Term Investment (Cost \$8,800,000) | | <u>8,800,000</u> |
| Total Investments (Cost \$119,674,538) - 96.43% | | 168,120,177 |
| Other Assets in Excess of Liabilities - 3.57% | | <u>6,218,484</u> |
| Total Net Assets - 100.0% | | <u><u>\$ 174,338,661</u></u> |

Percentages are stated as a percent of net assets.

(a) Non-income producing security.

(b) Foreign issued Security. Foreign Concentration (including ADR's) was as follows: Austria 2.62%; Cayman Islands 3.56%; Luxembourg 3.56%; Singapore 4.21%.

(c) Rate listed is the 7-day effective yield.

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