Manager Q&A

John C. Hathaway
Portfolio Manager

John C. Hathaway has been Portfolio Manager of the Tocqueville Gold Fund since its inception in 1998. With more than 28 years of investment industry experience, Mr. Hathaway is a nationally recognized authority on Gold and Gold-Related Equities. He received his MBA from the University of Virginia and his BA from Harvard University.

The Tocqueville Gold Fund

Symbol:	TGLDX
Total assets (9/30/11):	$2.4 billion
Inception date:	6/29/98

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 Tocqueville Gold Fund (TGLDX)

Q1: Gold has continued to reach new highs and has risen over 15% YTD in 2011. What factors do you attribute to gold's performance?

Gold valuation should be considered relative to many factors including inflation, foreign exchange markets, central bank activity, sovereign debt and geopolitical risk. Uncertainty is widespread on a domestic and international basis and many of the factors are pointing to a deteriorating financial condition, and in particular, the continued debasement of paper currencies. Since our last interview, the Euro debt crisis and investor confidence in the U.S. dollar have arguably gotten worse from an already unfavorable base. The European Union's most recent comprehensive solution to the sovereign debt crisis was met with a tepid response from investors. The market subsequently turned its attention to Italy, where 10 year government bond yields recently spiked to an unsustainable 7.5%. As the third most indebted nation in the world, Italy is most likely too big to bail out if it goes the way of Greece.

Domestically, the fiasco over raising the debt ceiling has served to undermine the risk free status of U.S. Treasuries. The downgrade of U.S. Treasuries by S&P for the first time in history is a reflection of an unsustainable fiscal trajectory and political paralysis in the face of tough choices. Recently revised economic indicators have shown that the Great Recession was even worse than initially thought and the subsequent recovery tamer than anticipated. The price of gold is reflected in these recent developments. As economic uncertainty rises and traditional safe havens crumble, investors have sought shelter in gold bullion.

Q2: Do you think the recent investment flows into gold are for the long term or merely temporary?

Central banks have gone from net sellers to net buyers of gold for the first time in decades. Concerns about the U.S. dollar have pushed the central banks of countries such as South Korea, Singapore, Russia and Mexico to add gold to their reserves. Investment demand for gold now accounts for over 50% of gold demand surpassing consumer and commercial demand.

"We believe that gold's performance over the past decade has given it a new level of market credibility."

We believe that gold's performance over the past decade has given it a new level of market credibility. Investors are embracing gold as a hedge against inflation and currency deflation. Hard assets such as gold and commodities have become in vogue as investors take a long term bearish view on both bonds and equities. The tremendous amounts of capital allocated by central banks tend to be invested for longer time horizons. As a result, we do not believe the inflows are fleeting.

Q3: The Fund's performance has not tracked the price movement of gold so far in 2011. Can you discuss the relationship between gold mining stocks and the price of gold bullion and shed some light on the decoupling?

The Tocqueville Gold Fund invests primarily in gold linked equities such as mining stocks. The price of gold mining stocks tends to track movements in the price of gold although there have been periods in the past where divergence has occurred. We believe the decoupling we are seeing right now can be attributed to the fact that investors are primarily buying bullion for gold exposure because it is perceived to be less risky. Investors may be a little reticent to invest in gold equities because they are

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Manager Q&A *(continued)*

About Tocqueville

With approximately $10.4 billion in assets under management as of September 30, 2011, 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, we consider the preservation of capital our primary investment objective. Our value style of investing, coupled with our contrarian spirit, drives us to emphasize absolute rather than relative performance for investors.

The Tocqueville Gold Fund

Overall MORNINGSTAR® Rating

★★★★

Among 69 Equity Precious Metals Funds as of 9/30/11

*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 9/30/11 among 69, 55 and 40 Equity Precious Metals Funds, respectively.

(Q&A continued)

less understood as a proxy for gold. Historically, the volatility of gold equities has been greater than that of physical gold but the asset class offers some key advantages over bullion such as a dividend component and long term capital appreciation.

Gold mining equities have potential for higher rates of return over physical gold because of operating margin expansion. The valuations of gold mining companies magnify the price movements of physical gold because productions costs are relatively less volatile than gold prices. While costs have trended upward from industry pressures, gold prices have risen much more so with the difference falling to the bottom-line. As long as gold demand is robust, gold miners will have attractive margins and generate strong cash flow, especially when compared to other industries. In turn, we are seeing that miners are increasing their dividends, another benefit that physical gold lacks. The market perception of the attractiveness of gold miners lags that of physical gold but we believe that their strong relative performance will change attitudes in time.

Q4: The Fund's performance over time has far outpaced even your equity benchmark, the Philadelphia Stock Exchange Gold/Silver Index. How do you produce alpha in the portfolio?

Our gold equity holdings can be classified into three categories: producers, developers and explorers. Compared to our peers, we are more heavily weighted to the latter two categories which represent the smaller companies that do the legwork before a mine is ready to extract gold. The hurdles involved in building an operational mine are numerous and the typical time frame from exploration to production is often 5 – 7 years. During that time, these companies have to access the equity markets to fund their operations.

At Tocqueville, we employ three full time analysts, some with advanced degrees in mining and geology, whose sole job is to analyze the gold industry. Our team travels all over the world to examine potential sites in person and meet with management. We are experienced and comfortable with investing earlier in the life cycle of mine development than most of our peer group. Our expertise allows us to invest into promising projects before the market as a whole is confident of their worth and adjusts valuations upwards.

Investment Performance as of 9/30/11

	Average Annual Total Return				
	YTD	1 Year	3 Year	5 Year	10 Year
Tocqueville Gold Fund (TGLDX)	-13.55%	-2.59%	32.24%	16.81%	25.02%
S&P 500 Index	-8.68%	1.14%	1.23%	-1.18%	2.82%
Phila Stock Exch Gold/Silver Index	-17.49%	-4.74%	13.27%	8.64%	13.64%
Morningstar Equity Precious Metals Funds Category Average	-15.68%	-5.52%	19.31%	12.02%	21.05%
Category Rank (%)	--	19	2	6	8
# of Funds in Category	--	81	69	55	40
Expense Ratio: 1.35%					

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://www.tocquevillefunds.com/gf_performance.html, or by calling 1-800-697-3863. Total returns assume reinvestment of dividends and capital gains.*

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.