



Manager Q&A: The Tocqueville Fund

The Tocqueville Fund

Symbol: TOCQX
 Total assets (12/31/14): \$391.9 M
 Inception date: 1/13/87

Overall **MORNINGSTAR** Rating



Among 1336 Large Blend
 Funds as of 12/31/14



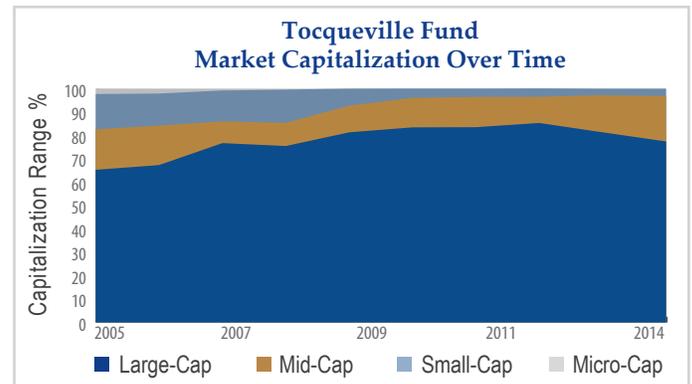
Robert Kleinschmidt, CFA
Portfolio Manager

Robert Kleinschmidt, CFA, is the President, Chief Executive Officer and Chief Investment Officer of Tocqueville Asset Management and has been portfolio manager of the Tocqueville Fund since 1992. He previously held executive positions at the investment management firm David J. Greene & Co. Mr. Kleinschmidt has a BBA from the University of Wisconsin, an MA from the University of Massachusetts and continued post graduate work in Economics at Columbia University.

Q1: Would you please discuss your investment strategy and the Fund's capitalization breakdown?

The Tocqueville Fund employs a fundamental, research driven strategy that is designed to uncover stocks that are priced at a meaningful discount to their intrinsic value. We view ourselves as contrarian investors and evaluate investment opportunities across all market caps through a different lens. As contrarians, after a careful analysis of the balance sheet and projected cash flow, we often purchase out of favor companies that the market has abandoned.

Although the majority of the current holdings in the Fund fall into the large-cap category, we are not confined by market capitalization and the Fund's market cap composition may shift slightly over time. However, it is important to note that these modest changes in the complexion of the portfolio are a byproduct of our search for the most attractive investment opportunities available in the equity markets. For example, during the market turbulence that occurred during the Financial Crisis we tilted our portfolio holdings toward larger companies that did not require access to credit markets. Over the past decade, our large-cap allocation peaked at 85% in 2012 from a low of 65% in 2005 while ending 2014 at 77%.



Q2: As contrarian investors, you seek out-of-favor stocks. Would you please discuss recent examples of companies that you added to the Fund?

One recent addition to the portfolio is McDonald's (MCD), the world's largest foodservice retailer. The fast food company has clearly struggled with changing consumer tastes and operational concerns due to an expansive menu offering. In addition, although the long term prospects for the fast food business is strong, a new wave of casual, fresh fast food companies is taking hold with younger consumers in the U.S. We believe that the challenges that currently face McDonald's management can be corrected to unlock hidden value for shareholders. With its new CEO, we believe the company will make modifications to the menu and potentially reconfigure its capital structure to take advantage of its underleveraged balance sheet.

We believe another interesting opportunity is Mattel (MAT), the worldwide leader in toy manufacturing and marketing. Mattel's shares have declined due to operational missteps, expanding inventory levels and the loss of licensing agreements regarding certain Disney products. It is a widely held perception that the traditional toy market is under unyielding pressure from video games and other electronic diversions. However, we believe that Mattel will ultimately benefit from catalysts that are already in place: the return of a successful and creative former manager

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(Q3 continued...)

as well as the integration of a recent acquisition and the development of new products. In short, we believe that the company's valuations are attractive and represent opportunity for patient investors.

Q3: Oil prices declined significantly in the fourth quarter of 2014. How did the Fund's Energy holdings fare?

During 2014, the Fund held positions across several Energy subsectors, including oil equipment and services, exploration and development and integrated oil and gas. Although our fundamental research indicated that these companies represented solid values with experienced management teams, many of these securities were severely penalized by the unforeseen and rapid decline in energy prices. In response, where the balance sheet quality of these companies had declined, we trimmed our holdings or exited positions entirely. After a rigorous reexamination of the fundamentals, we believe our remaining holdings in the Energy sector have the financial strength to maintain their profitability at the current pricing and/or the capital structure to withstand a lower priced environment for some time.

Investment Performance (as of 12/31/14)	Average Annual Total Return			
	1 Year	5 Year	10 Year	15 Year
Tocqueville Fund (TOCQX)	12.75%	13.68%	8.21%	7.88%
S&P 500 Index	13.69%	15.45%	7.67%	4.24%
Morningstar Large Blend Funds Category Average	10.96%	13.88%	7.02%	4.54%
Category Rank (%)	34	57	12	8
# of Funds in Category	1568	1193	812	474
Gross Expense Ratio: 1.25%, Net Expense Ratio: 1.24%*				

Source: Morningstar

*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 3/1/2016. In the absence of these fee waivers, total returns would be lower.

The Fund's performance does not reflect the redemption fee. If deducted, the fee would reduce the performance quoted.

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-fund/performance>, or by calling 1-800-697-3863. Total returns assume reinvestment of dividends and capital gains.

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 3 stars for the 3-year and 5-year periods and 4 stars for the 10-year period ended 12/31/14 among 1336, 1193 and 812 Large Blend Funds, respectively.

The Fund held 0.6% and 0.5% in net assets of Mattel and McDonald's, respectively as of 12/31/14. References to securities or investments should not be considered recommendations to buy or sell. There is no guarantee that the Fund continues to invest in the securities referenced.

All investments involve risk, including possible loss of principal. The S&P 500 Index is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation. You cannot invest directly in an index.

References to securities or investments in this article should not be considered recommendations to buy or sell. Securities that are referenced may be held in other portfolios managed by Tocqueville or owned 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.

This is not an advertisement or solicitation to subscribe to the Tocqueville 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.

The views of Robert Kleinschmidt are current as of the date of this article, and are subject to change at any time.

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