

## The Tocqueville Phoenix Fund

January 18, 2022

Dear Fellow Shareholders:

During the fourth quarter, the Tocqueville Phoenix Fund's net asset value increased 6.04%, versus increases of 4.36% for the Russell 2000 Value Index, and 2.14% for the Russell 2000 Index, each on a total return basis\*. The Fund's net asset value as of December 31, 2021, was \$24.85 per share after a capital gain distribution of \$2.75 per share was paid on December 10, 2021. The total net asset value amounted to \$181,148,802, of which 93.6% was invested in equities, with the balance held in reserve.

For the 2021 calendar year, the Fund's net asset value increased 24.99% versus increases of 28.27% for the Russell 2000 Value Index and 14.82% for the Russell 2000 Index, each on a total return basis\*.

The Fund had a strong fourth quarter that capped the end to a very respectable year. In the following paragraphs, we will discuss the current economic environment, provide a summary of the Fund's position heading into 2022 and update you on our investment in Landec Corporation.

On the economic front, we entered 2021 with promising COVID-19 vaccines, unprecedented levels of fiscal and monetary stimulus, and an elevated U.S. personal savings rate (as consumers were foregoing travel and entertainment). This resulted in the fastest rate of economic growth (as measured by Real GDP) the United States has experienced since 1984, and inflation that rose over 5% year-over-year in each of the last seven months (peaking at 7% in December). Unfortunately, as we look forward, many of the economic tailwinds that benefited 2021 appear to be behind us. Federal financial aid will be significantly less this year with the absence of stimulus checks, enhanced unemployment benefits, guaranteed sick leave, and child tax credits. Monetary policy is also expected to tighten, as the Federal Reserve has signaled its intent to accelerate winding down bond purchases in the open market and increase short-term interest rates to contain inflation more quickly than planned. Concurrently, the United States is experiencing a surge in the highly contagious Omicron COVID-19 variant that is causing significant labor shortages across all sectors of the economy. Offsetting these headwinds is a financially strong U.S. consumer that has generated unprecedented increases in net worth during the COVID-19 pandemic due to substantial asset inflation of their homes and investment portfolios- which in turn is stoking increased levels of consumer spending. Lastly, there is the potential for President Biden's social spending and climate package to pass the Senate (to some degree) prior to the mid-term elections in 2022. Fortunately, the Fund's performance is not solely dependent on the U.S. economy, as all the companies in our portfolio have specific catalysts and initiatives to improve financial results in all economic environments, and we remain confident about their prospects moving forward.

At year-end the Fund held 41 positions, with a median market capitalization of \$2.7 billion and an average position size of 2.3%. In the past three years, we have refreshed approximately 60% of the portfolio, and in 2021, we added six new positions while exiting eight. The companies we own serve long-term growing markets and have low balance sheet leverage to mitigate stock selection risk. In calendar year 2021, approximately 55% of our holdings generated higher earnings per share than they did in the year prior to the COVID-19 pandemic, and we expect that trend to continue with earnings growth to average approximately 30% in 2022. The price to forward earnings multiple of the portfolio is a modest 13 times and the free cash flow yield is approximately 8%. In addition, we are encouraged that insiders have purchased shares in over 40% of our companies within the past 12 months, and approximately 15% of the portfolio has either activist involvement and/or has commenced a strategic review process to enhance shareholder value. Historically, value stocks, such as the ones we own, have outperformed during periods of higher inflation, in part due to a higher discount rate being applied to future cash flows. This was evident in 2021, as the Russell 2000 Value Index outperformed the Russell 2000 Growth Index for the first time in the last five years.

Six companies in the Fund received offers to be acquired in 2021. Lydall and U.S. Concrete accepted the offers and were acquired at substantial premiums to the current stock price, DXC Technology deemed the offer from French competitor Atos inadequate and will continue the company's internally developed strategy to improve profitability, while, Comtech

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\* *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](http://www.tocquevillefunds.com/mutual-funds/phoenix-fund/performance)) to obtain the most recent month-end performance data.*

Telecommunications, Tegna, and Spok Holdings are still conducting strategic reviews and evaluating their respective proposals. We expect the review/negotiation process to conclude shortly at Tegna and Spok, while we expect Comtech will likely reject the proposal from Acacia Research Corporation and deem the offer insufficient (even though the proposal is at a price approximately 27% higher than the year-end stock price). We anticipate M&A activity to remain robust in calendar year 2022, thanks in part to low interest rates and a recovering economy.

Throughout 2021 we have been increasing our position in Landec Corporation (LNDC). Led by its new CEO Dr. Albert Bolles the company is undergoing a significant transformation to refocus the company around its fast-growing Lifecore Biomedical business and de-emphasize its struggling legacy food businesses. Recently, Landec made two strategic transactions along that path which we believe will lead to significant shareholder value. In June 2021, Landec monetized its 26.9% equity interest in Windset Holdings for \$45.1 million, and more recently, in December, the company divested its fresh packaged salad and vegetable business to Taylor Farms for \$73.5 million. The company held the equity interest in Windset- a Canadian hydroponic greenhouse operator- since 2011, but prior management was reluctant to monetize the investment, which we believe was providing very little value for shareholders in its current form, while the fresh packaged salad and vegetable business generated almost 70% of revenue for consolidated Landec but had struggled to generate consistent profitability for many years. Net proceeds from both transactions were used to repay borrowings under the company's credit facility and allow for further capital investments in the company's biomedical business. The remaining food segment now consists of O Olive Oil & Vinegar, Yucatan, Cabo Fresh, and a small packaging technology business. Over time, we expect the company to divest these businesses as management continues to focus exclusively on Lifecore Biomedical.

Lifecore Biomedical is a contract development and manufacturing organization (CDMO) that has historically focused on the fermentation and aseptic filling of Hyaluronic Acid (HA) for ophthalmic uses. While recognized as a leader in premium HA, the business has in recent years, positioned itself to expand its expertise in working with highly viscous materials beyond HA. They now work with large pharmaceutical companies to develop and fill sterile injectable pharmaceutical products in prefilled syringes and vials. Since 2010, Lifecore has grown revenues at a compound annual growth rate of 15% while generating impressive EBITDA margins of nearly 25%. Today the company has 23 development agreements in place (for new pharmaceuticals) that we believe could further accelerate revenue growth over the next five years. To satisfy this strong demand the company has a plan to double its filling capacity, while simultaneously investing in sales resources to strengthen the pipeline of the development business. Based on public peers and historical transactions we believe Lifecore is worth approximately 15-20 times its expected fiscal year 2023 EBITDA of \$30 million, an amount that far exceeds the company's total capitalization. Once the transformation becomes more evident to the market, we expect investors to re-rate the shares higher. While we have not allocated much value to the remaining food businesses, we do note that prior management acquired them for approximately \$90 million in 2017/18.

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

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*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\*

<b>Cumulative</b>	<b>Tocqueville Phoenix Fund**</b>	<b>Russell 2000 Value Total Index†</b>	<b>Russell 2000 Total Index†</b>
Quarter ended December 31, 2021	6.04%	4.36%	2.14%
Twelve months ended December 31, 2021	24.99	28.27	14.82
Inception, November 19, 1993 to December 31, 2021	1450.72	1424.71	1204.45
<b>Annual Average</b>			
One year ended December 31, 2021	24.99	28.27	14.82
Three years ended December 31, 2021	17.70	17.99	20.02
Five years ended December 31, 2021	7.91	9.07	12.02
Ten years ended December 31, 2021	8.14	12.03	13.23
Inception, November 19, 1993 to December 31, 2021	10.24	10.18	9.57

## TEN LARGEST HOLDINGS‡

<b>Security Name</b>	<b>% of Total Assets</b>
Lumentum Holdings, Inc.	4.85%
Flex Ltd.	4.20%
Fabrinet	4.06%
TEGNA, Inc.	3.70%
Apogee Enterprises, Inc.	3.59%
Orion Engineered Carbons SA	3.45%
TTM Technologies, Inc.	3.29%
Crane Co.	3.23%
Cars.com, Inc.	3.23%
Plexus Corp.	3.18%
<b>TOTAL</b>	<b>36.78%</b>

## FEES<sup>(a)</sup>

### Shareholder Fees

(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

### Annual Fund Operating Expenses

(expenses that are deducted from Fund assets)

Management Fees	0.80%
Distribution and Service (12b-1) Fee	0.25%
Other Expenses	0.46%
<b>Total Annual Fund Operating Expenses</b>	<b>1.51%</b>
Less: Fee Waiver/Expense Reimbursement	-0.25%
<b>Total Annual Fund Operating Expenses after Fee Waiver/Expense Reimbursement</b>	<b>1.26%</b>

## ASSET MIX

	<b>12/31/21</b>	<b>9/30/21</b>	<b>6/30/21</b>	<b>3/31/21</b>	<b>12/31/20</b>
Equities	93.60	91.38	91.21	91.02	91.42
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	6.40	8.62	8.79	8.98	8.58
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

\* 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](http://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 assurances 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

December 31, 2021

(Unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
<b>Common Stocks - 93.6%</b>			<b>Common Stocks - 93.6%</b>		
<b>Auto Components - 3.8%</b>			<b>Household Durables - 2.7%</b>		
Lear Corp.	15,000	\$ 2,744,250	Mohawk Industries, Inc. (a)	19,700	\$ 3,588,946
Modine Manufacturing Co. (a)	70,000	706,300	Newell Brands, Inc.	55,000	1,201,200
Visteon Corp. (a)	31,000	3,445,340			<u>4,790,146</u>
		<u>6,895,890</u>			
<b>Building Products - 3.6%</b>			<b>Interactive Media &amp; Services - 3.2%</b>		
Apogee Enterprises, Inc.	135,000	6,500,250	Cars.com, Inc. (a)	363,500	5,848,715
<b>Chemicals - 7.1%</b>			<b>IT Services - 4.5%</b>		
Avient Corp.	70,000	3,916,500	DXC Technology Co. (a)	124,000	3,991,560
Innospec, Inc.	29,000	2,619,860	Unisys Corp. (a)	204,598	4,208,581
Orion Engineered Carbons SA (a)(b)	340,000	6,242,400			<u>8,200,141</u>
		<u>12,778,760</u>	<b>Machinery - 8.8%</b>		
<b>Commercial Services &amp; Supplies - 4.9%</b>			Crane Co.	57,500	5,849,475
ABM Industries, Inc.	105,000	4,289,250	Mayville Engineering Co., Inc. (a)	281,311	4,194,347
Harsco Corp. (a)	270,000	4,511,700	REV Group, Inc.	75,000	1,061,250
		<u>8,800,950</u>	Stanley Black & Decker, Inc.	26,000	4,904,120
<b>Communications Equipment - 7.3%</b>					<u>16,009,192</u>
Comtech Telecommunications Corp.	190,435	4,511,405	<b>Media - 3.7%</b>		
Lumentum Holdings, Inc. (a)	83,000	8,778,910	TEGNA, Inc.	361,000	6,700,160
		<u>13,290,315</u>	<b>Pharmaceuticals - 1.6%</b>		
<b>Electrical Equipment - 2.0%</b>			Phibro Animal Health Corp. - Class A	140,000	2,858,800
Acuity Brands, Inc.	17,000	3,599,240	<b>Professional Services - 2.7%</b>		
<b>Electronic Equipment, Instruments &amp; Components - 17.1%</b>			BGSF, Inc.	300,000	4,305,000
Fabrinet - ADR (a)(b)	62,100	7,356,987	Mistras Group, Inc. (a)	80,000	594,400
Flex Ltd. - ADR (a)(b)	415,000	7,606,950			<u>4,899,400</u>
II-VI, Inc. (a)	35,000	2,391,550	<b>Semiconductors &amp; Semiconductor - 3.2%</b>		
Knowles Corp. (a)	85,000	1,984,750	AMS AG (a)(b)	315,000	5,736,858
Plexus Corp. (a)	60,000	5,753,400	<b>Software - 0.5%</b>		
TTM Technologies, Inc. (a)	400,000	5,960,000	ON24, Inc. (a)	54,772	950,294
		<u>31,053,637</u>	<b>Textiles, Apparel &amp; Luxury Goods - 3.1%</b>		
<b>Food Products - 3.8%</b>			PVH Corp.	53,000	5,652,450
Farmer Brothers Co. (a)	480,000	3,576,000	<b>Trading Companies &amp; Distributors - 2.7%</b>		
Landec Corp. (a)	298,700	3,315,570	Rush Enterprises, Inc. - Class A	88,000	4,896,320
		<u>6,891,570</u>	<b>Wireless Telecommunication Services - 1.4%</b>		
<b>Health Care Equipment &amp; Supplies - 3.6%</b>			Spok Holdings, Inc.	280,000	2,612,400
Inogen, Inc. (a)	105,000	3,570,000	<b>Total Common Stocks</b>		
Lantheus Holdings, Inc. (a)	100,000	2,889,000	<b>(Cost \$115,623,263)</b>		<u><b>169,588,488</b></u>
		<u>6,459,000</u>			
<b>Health Care Providers &amp; Services - 2.3%</b>					
Cross Country Healthcare, Inc. (a)	150,000	4,164,000			

## STATEMENT OF NET ASSETS, continued

December 31, 2021

(Unaudited)

<b>Short-Term Investment - 5.0%</b>	<b>Shares</b>	<b>Value</b>
<b>Money Market Fund - 5.0%</b>		
STIT-Treasury Portfolio - Institutional Class, 0.010% (c)	9,000,000	\$ 9,000,000
<b>Total Short-Term Investment</b> (Cost \$9,000,000)		<b>9,000,000</b>
<b>Total Investments</b> (Cost \$124,623,263) - 98.6%		<b>178,588,488</b>
<b>Other Assets in Excess of Liabilities - 1.4%</b>		<b>2,560,314</b>
<b>Total Net Assets - 100.0%</b>		<b>\$ 181,148,802</b>

Percentages are stated as a percent of net assets.

ADR American Depository Receipt

(a) Non-income producing security.

(b) Foreign issued Security. Foreign Concentration (including ADR's) was as follows: Austria 3.2%; Cayman Islands 4.1%; Luxembourg 3.4%; Singapore 4.2%.

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

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