TOCQUEVILLE

Manager Q&A:
Tocqueville International Value Fund

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Symbol:	TIVFX
Total assets (9/30/15):	$302.0 M
Inception date:	8/1/94

Overall MORNINGSTAR® Rating

★★★★★

Among 685 Foreign Large Blend Funds as of 9/30/15

James Hunt
Portfolio Manager
Mr. Hunt has been a portfolio manager of the Tocqueville International Value Fund since 2001. Prior to joining Tocqueville in 2000, Mr. Hunt held senior positions at Lehman Brothers and Warburg Dillon Read and served as an analyst at Delafield Asset Management. He has a BA from Brown University and an MBA from Yale University.

Q1: Would you please comment on the recent decline of the Chinese market and the government's response?

We have to separate what happens in the equity markets from what happens in the real economy. Neither the rally nor the subsequent decline were justified by changes in the macroeconomic backdrop or corporate earnings.

Chinese stocks as measured by the Shanghai Composite Index were up over 100% from June 2014 to June 2015 after the government instituted policies to encourage retail investment in stocks, including relaxing the restrictions on margin lending, which resulted in debt-financed speculation. Concerned about excessive speculation in stocks this year, the government imposed tighter restrictions on margin lending and in June the market began to decline. Leveraged investors had to deleverage, selling begets selling, panic ensues, which leads to additional defensive action by the government, including halting trading in certain shares and ordering state owned enterprises to buy shares.

The market decline itself, and the wealth destruction it produced, should not have a significant impact on consumers, who have a small overall exposure to stocks, nor on the banks. Eliminating speculative excess is actually a positive.

Meanwhile, the overall macro picture continues to be that the Chinese economy is in a process of deceleration to more moderate levels of growth, and transition from industrial to consumer led growth, and corporate earnings growth also is moderating.

The more recent currency devaluation does have a direct impact on corporate earnings of non-Chinese companies operating in China and has multiple ancillary consequences for the currencies and growth rates of countries that have a large trade relationship with China or compete with China. It is on the margin deflationary.

In our opinion, the government's interference in the market is counterproductive to its goal of developing better and deeper capital markets. In this regard, the meddling in the stock market was a bad idea. Liberalizing the currency, on the other hand, may be a positive for China and the global economy once we are through the period of adjustments.

Q2. Would you please describe your current hedging strategy? How much of the Fund's relative outperformance is the result of stock selection versus hedging?

In the first half of 2015, the Fund outperformed the MSCI EAFE Net Index by approximately 6%. Of that, roughly 1% is from currency hedging and the rest is from effective stock selection. We hedge for defensive reasons, in order to preserve capital. We do it when we believe the risk/reward is favorably skewed toward our investors, when the probability of a decline in the value of a currency against the U.S. dollar substantially outweighs the probability of an increase in value.

We will hedge up to 50% of our exposure to a currency, which we define as the aggregate cash flow exposure of our portfolio companies to a given currency. For example, if 40% of our total portfolio company cash flows comes from the Eurozone, then we may hedge up to 20% of the value of the portfolio by selling short Euros. We sell short by selling currency forwards, which is a deep and liquid market with small transaction costs. At the end of 2Q15, the Fund was approximately 8% short Euros and 4% short Yen.

Q3. Any particular companies you've added in the recent quarter that you would like to highlight?

An interesting new idea from the second quarter is Syngenta (SYT), a Swiss agricultural chemicals company with the leading franchise globally. The stock is out-of-favor with investors because the agricultural markets it serves, such as corn and soy, are suffering from depressed commodity prices. As a result, profit margins and cash flows are below normal levels, causing investors to undervalue the long-term cash flows of the business.

(continued on back)

(Q3 continued...)

Moreover, the company has announced and begun to undertake a $1 billion cost reduction program which would result in a large structural improvement in profit margins. Finally, we knew that Monsanto, the global leader in seed technology, had previously expressed an interest in buying Syngenta.

Since then, Monsanto has made an offer to buy Syngenta for CHF470 per share (compared with a market price at 8/31/15 of CHF335), but Syngenta management has refused to engage in talks, arguing that the price offered by Monsanto is too low. As a result, Monsanto has terminated talks with Syngenta. We believe that shareholder disappointment with the outcome of the Monsanto discussions will put additional pressure on Syngenta management to deliver on its cost reduction program, which should result in a meaningful rerating of the shares. We also believe there is a reasonable chance of shareholder activists entering the fray and pressing management to realize value or reengage in talks with Monsanto or another potential acquirer.

Investment Performance *(as of 9/30/15)*	Average Annual Total Return			
	1 Year	3 Year	5 Year	10 Year
Tocqueville International Value Fund	**-2.42%**	**8.89%**	**5.57%**	**4.47%**
MSCI EAFE Index Net	-8.66%	5.63%	3.98%	2.97%
Morningstar Foreign Large Blend Funds Category Average	-8.06%	4.62%	3.30%	2.91%
Category Rank (%)	7	5	8	16
# of Funds in Category	799	685	594	336
Gross Expense Ratio: 1.54%, Net Expense Ratio: 1.25%*				

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.*

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 www.tocqueville.com/mutual-funds/tocqueville-international-value-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 5 stars for the 3-, 5- and 10-year periods ended 9/30/15 among 685, 594 and 336 Foreign Large Blend Funds, respectively.

The Fund held 0.0% and 2.1% in net assets of Monsanto and Syngenta, respectively as of 9/30/15. 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.

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.

The Fund invests in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. There are special risks associated with investing in foreign securities, including: the value of foreign currencies may decline relative to the US dollar; a foreign government may expropriate the Fund's assets; and political, social or economic instability in a foreign county in which the Fund invests may cause the value of the Fund's investments to decline.

The benchmark for the Fund is the MSCI EAFE (Europe, Australia, Far East) Net Index, which is an unmanaged index including approximately 1,000 companies representing the stock markets of 21 countries in Europe, Australasia, and the Far East. Indices are unmanaged and one cannot invest directly in an index.

This is not an advertisement or solicitation to subscribe to the Tocqueville International Value 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 James Hunt are current as of the date of this article, and are subject to change at any time.

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