



Manager Q&A:

Tocqueville International Value Fund

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Symbol: TIVFX
 Total assets (3/31/15): \$243.4 M
 Inception date: 8/1/94

Overall Rating



Among 635 Foreign Large Blend Funds as of 3/31/15



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: The Fund has rewarded investors with top quintile performance for the past 3, 5, 10 and 15 years relative to the Morningstar Foreign Large Blend Category as of March 31, 2015 and has done so with overall “Low” risk rating. What differentiates the portfolio from its Morningstar peers?

We believe the Fund has the following differentiating factors:

First, we are bottom up stock pickers with an absolute return, benchmark agnostic approach to portfolio construction. Our active share is normally over 90% relative to the MSCI EAFE Index. This approach enables us to seek out the most attractive risk/reward for our investors.

In addition, our strong proprietary research capability allows us to make confident judgments about the valuation and business quality of companies. Our investment discipline is aimed at purchasing good businesses when they are temporarily out of favor and selling at a meaningful discount (generally 30%) to intrinsic value. This approach enables us to seek out the most attractive risk/reward for our investors across geographies and market caps and historically, we have been able to produce excess returns with low risk.

The Fund also differentiates from its peers by holding a meaningful percentage of smaller companies. As of March 31, 2015, over 40% of the Fund’s holdings are in companies with market caps under \$10 billion, whereas the average fund in our Morningstar peer category (Foreign Large Blend) has only 13% in smaller companies.

Finally, we are long term investors and enter positions with a 3-5 year time horizon. As of March 31, 2015, the Fund had a turnover ratio of 33% while the turnover ratio for our peer Morningstar category was 65%.

Q2. How should the Fund be positioned within investors’ international allocations?

While the Fund maintains an actively managed bottom-up stock selection approach, which allows capital to flow to the best risk/reward propositions, it also seeks to preserve capital by limiting risk through the careful selection of undervalued securities. As such, we believe the Fund can be utilized as a core investment for an investor’s international equity allocation.

The Fund may also serve as a strong complement to a passively managed or benchmark-focused international equity allocation, as the portfolio provides considerable exposure to smaller companies and off-index companies selected on a bottom up basis to provide “alpha.” Historically, the Fund has demonstrated a tracking error above 4% relative to the MSCI EAFE Net Index and a high active share of 96% against the benchmark as of March 31, 2015.

Q3: In your recent white paper “Structural Reform in Europe” you referred to European Central Bank President Mario Draghi’s 2012 proclamation that the bank would do “whatever it takes” to prevent deflation and stimulate growth in Europe. How has the ECB’s monetary policy affected the European investment landscape?

Quantitative easing (QE) in Europe has led to a decline in the value of the Euro and to interest rates that are low and in some cases even negative. Both of these effects are positive for the economy, for corporate profitability and for stocks. From the corporate perspective, low interest rates reduce borrowing costs and therefore improve a company’s bottom line. For exporters, like car producers, the cheaper Euro can improve competitiveness by making production relatively inexpensive. For European companies with operations and earnings outside of Europe, the value of those earnings become more valuable when translated back into Euros. In some cases, like luxury goods companies, local prices may be increased in Europe, which

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(Q3 continued...)

leads to higher profits. For individuals, lower interest rates reduce borrowing costs and encourage building and consumption. For investors of all stripes, low interest rates encourage investment in the stock market since there is little reward for holding fixed income. Additionally, low interest rates should translate into stock market higher multiples.

The market understood the potential positive impact of QE and has been waiting for a tangible plan ever since Draghi first introduced the concept in 2012. When the QE plan was announced in January 2015, the action had a strong positive impact on the investor psyche and we have seen a meaningful rally in European stocks. A number of macro statistics in Europe began to improve toward the end of 2014, and that would appear to have accelerated since QE was implemented in January.

Investment Performance (as of 3/31/15)	Average Annual Total Return				
	1 Year	3 Year	5 Year	10 Year	15 Year
Tocqueville International Value Fund	0.64%	10.11%	7.68%	6.44%	6.98%
MSCI EAFE Index Net	-0.92%	9.02%	6.16%	4.95%	2.88%
Morningstar Foreign Large Blend Funds Category Average	-0.76%	7.86%	5.68%	5.00%	2.94%
Category Rank (%)	29	16	10	20	8
# of Funds in Category	742	635	566	308	175
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 4 stars for the 3-year period and 5 stars for the 5- and 10-year periods ended 3/31/15 among 635, 566 and 308 Foreign Large Blend Funds, respectively.

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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