



Manager Q&A:

Tocqueville International Value Fund

Tocqueville International Value Fund

Symbol: TIVFX
 Total assets (3/31/14): \$271.6 M
 Inception date: 8/1/94

Overall Rating



Among 306 Foreign Large Value Funds as of 3/31/14



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: As a contrarian, bottom-up manager, what key company-specific metrics influence your purchase decisions?

We aim to find companies that have fallen out of favor for the wrong reasons or are misunderstood and, as a result, trade at a steep discount to intrinsic value. In executing our discipline, we seek the most attractive risk/reward propositions across market capitalizations and geographies. In terms of metrics, we look for:

- 1) Companies that trade at a low multiple of free cash flow or free cash flow potential.
- 2) Businesses with an acceptable level of return on invested capital. We are interested in companies that we believe will grow intrinsic value by generating returns in excess of their cost of capital over a full market cycle.
- 3) Companies that are overcapitalized, with low levels of net debt, or net cash.

We believe our proprietary research is critical to the Fund's outperformance.

Q2: The Fund has favored Japanese equities for some time now. Would you please discuss your thoughts regarding its government stimulus and the newly implemented consumption tax?

On April 1, Japan raised its sales tax to 8% from 5%, the first increase in 17 years. We are not as worried as the market seems to be. The measures will be counteracted in part by fiscal stimulus measures. Also, if the economy were to weaken, Abe and his cabinet would likely stimulate more. We continue to monitor progress on structural reforms, which we believe is more important to the long term growth of Japan's economy.

Following the sharp rally from November 2012 to April 2013, we have argued that Japan is a stock picker's market, where there are plenty of individual stock values and investors may be rewarded for being selective. For the Fund, we look for world class companies, often mid-sized exporters, where a change in management or management behavior should result in improving returns-on-capital and shareholder-friendly capital allocation. Because our stocks tend to serve the global marketplace and because value creation should be driven by internal changes, we are less focused than most on the consumption tax or growth of the domestic economy.

Q3: From an economic growth perspective, how is Europe progressing? What impact will the Ukraine situation have on the region's near-term growth prospects?

Europe is experiencing a slow, halting recovery. PMIs have been positive for several quarters and GDP is trending in the right direction. GDP in the peripheral economies turned positive toward the end of last year. Several of the larger economies, including France and Italy, hit a soft patch in Q1, but we think this is temporary. That there is a recovery in process is now generally recognized by investors. Stocks have recovered over the last year, and stocks in Greece, Portugal, Spain and Italy have done well recently on a relative basis. That said, there are plenty of individual stocks whose valuations do not capture a multiyear improvement in cash flow.

Regarding the situation in Ukraine, we believe it is currently a non-issue for international investors unless it results in a disruption of the natural gas supply in Europe. In that scenario, Germany would be impacted the most. However, we believe the energy supply won't be disrupted because that action would disadvantage both the Russian and European economies.

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At Tocqueville, we take political risk into consideration when investing in any country, and require an economic and political regime characterized by clear property rights and functioning judicial systems. For this reason, we have not invested in companies domiciled in Russia.

"Tocqueville International Value Fund is the only fund in the Morningstar Foreign Value Funds Category to deliver top quintile results for the 1, 5, 10 and 15 year periods and do so with "Overall Below Average" Morningstar risk as of March 31, 2014."

About Tocqueville

With approximately \$12.1 billion in assets under management as of March 31, 2014, Tocqueville Asset Management, with its founding principals, has 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, Tocqueville considers the preservation of capital its primary investment objective. Tocqueville's value style of investing, coupled with its contrarian spirit, drives it to emphasize absolute rather than relative performance for investors.

Investment Performance (as of 3/31/14)	Average Annual Total Return			
	1 Year	5 Year	10 Year	15 Year
Tocqueville International Value Fund	24.45%	18.12%	7.97%	8.30%
MSCI EAFE Index Net	17.56%	16.02%	6.53%	4.49%
MSCI EAFE Index Gross	18.06%	16.56%	7.01%	4.91%
Morningstar Foreign Large Value Funds Category Average	18.06%	15.12%	6.07%	5.65%
Category Rank (%)	8	10	11	4
# of Funds in Category	346	267	140	91
Morningstar Risk		Below Avg	Low	
Gross Expense Ratio: 1.55%, Net Expense Ratio: 1.25%*				

Source: Morningstar

*The Fund has contractually agreed to "cap" its expense ratio at 1.25% (excluding Acquired Fund Fees and Expenses) until 3/01/15.

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 3/31/14 among 306, 267 and 140 Foreign Large Value Funds, respectively.

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 country in which the Fund invests may cause the value of the Fund's investments to decline.

The benchmark for the Fund is the Morgan Stanley Capital EAFE (Europe, Australia, Far East) Net Index. The MSCI EAFE Net Index is an unmanaged index including approximately 1,000 companies representing the stock markets of 21 countries in Europe, Australasia, and the Far East. As of 02/28/2014, the Fund's benchmark for comparison purposes was changed from the Morgan Stanley EAFE® Gross Index to the Morgan Stanley EAFE® Net Index. The Morgan Stanley EAFE® Net Index more accurately reflects the deduction of withholding taxes on dividends. 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 Funds are distributed by Tocqueville Securities L.P., which is a registered broker-dealer and member of the Financial Industry Regulatory Authority, Inc. Tocqueville Asset Management L.P., the Funds' investment advisor, is an affiliate of Tocqueville Securities L.P.