



Manager Q&A: The Tocqueville Fund

The Tocqueville Fund

Symbol: TOCQX
 Total assets (9/30/14): \$376.5 M
 Inception date: 1/13/87

Overall **MORNINGSTAR** Rating



Among 1,343 Large Blend
 Funds as of 9/30/14



Robert Kleinschmidt, CFA
Portfolio Manager

Robert Kleinschmidt, CFA, is the President 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. Mr. Kleinschmidt also holds the CFA designation.

Q1: As a multi-cap contrarian value manager, where are you finding opportunity in a market that continues to reach new highs?

Even though the stock market, as measured by the S&P 500 Index, has set record highs, we continue to find select opportunities. We are disciplined, bottom-up, fundamental managers with a goal of finding out-of-favor companies that we believe are priced at a discount to their intrinsic value and have the potential to double in value within a three- to five-year time frame.

We are not confined by any particular market capitalization but instead have the advantage of selecting from a broader opportunity set that encompasses large-, mid- and small- cap companies. For example, Blackberry Ltd., a \$5 billion market cap company, represents one of our recent additions and is illustrative of our contrarian view. Blackberry is most known for its once dominant mobile handset business. Although that business line has been outsourced and no longer represents a cash drain, we believe the company's stock price and other business lines are misunderstood by the market. The company has a number of strong niche businesses, such as mobile enterprise computing and automotive dashboard applications, where we believe the potential is not reflected in the current stock price.

About Tocqueville

With \$12.2 billion in assets under management as of September 30, 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.

Q2: Many of the Fund's holdings in the past have been involved in mergers and acquisitions (M&A) transactions. Would you please comment upon the current M&A environment?

While M&A deal flow is robust in 2014 compared to the past few years, transaction volume is approximately 15-20% below the long-term average. We anticipate M&A activity will continue to be strong as conditions remain ripe. Interest rates have remained low, companies are experiencing weak organic growth, and cash balances on corporate balance sheets are near record highs. Given our focus of investing in high-quality, undervalued businesses, we believe many of our portfolio holdings are well-positioned to benefit from continued M&A activity.

Q3: Would you please discuss your outlook for 2015?

While recent economic struggles in Europe, Japan and China cause some concern, we believe the U.S. economy is on much firmer footing. We believe several positive factors including continued low interest rates and falling energy prices will continue to stimulate the economy. Both of these factors will likely provide stimulus for consumers, as well as potentially drive a manufacturing renaissance and a re-shoring of facilities.

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(Q3 continued...)

In general, companies will likely continue to benefit from a low cost of capital, lower labor costs, and improved productivity. In addition, stocks continue to be the favored investment relative to fixed income. However, with a modest U.S. GDP growth of 2-3%, investors may need to temper their expectations regarding future equity returns especially in light of the strong equity market over the past few years.

Investment Performance (as of 9/30/14)	Average Annual Total Return			
	1 Year	5 Year	10 Year	15 Year
Tocqueville Fund (TOCQX)	16.18%	14.00%	8.40%	7.78%
S&P 500 Index	19.73%	15.70%	8.11%	4.87%
Morningstar Large Blend Funds Category Average	16.84%	14.10%	7.51%	5.18%
Category Rank (%)	62	57	19	12
# of Funds in Category	1570	1204	804	471
Gross Expense Ratio: 1.28%, Net Expense Ratio: 1.26%*				

Source: Morningstar

*The Advisor has contractually agreed to "cap" its expense ratio at 1.25% (excluding taxes, interest expense, acquired fund fees and expenses, or extraordinary expenses such as litigation) until 3/01/15. 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 <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 9/30/14 among 1,343, 1,204 and 804 Large Blend Funds, respectively.

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.

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