

# Municipal Fixed Income

## Firm Overview:

<b>Firm Inception:</b>	1985
<b>Assets Under Management:</b>	\$11.4 Billion
<b>Team Fixed Income Assets:</b>	\$484.0 Million
<b>Municipal Strategy Assets:</b>	\$147.2 Million
<b>Municipal Composite Assets:</b>	\$70.9 Million
<b>Municipal Inception:</b>	January 1, 1988
<b>Benchmark:</b>	Barclays Muni 1-10 Year Blended Index

## Investment Philosophy

Tocqueville's Fixed Income team believes that consistent fixed income returns are achieved by maximizing income and reinvestment opportunities through the management of those sectors of the market that enhance income, offer adequate compensation for risk, and provide diversification benefits. The team believes investors are compensated for three types of risk in the fixed income markets: credit, liquidity, and cash flow. The active management of these risks is the source of value-added performance. In addition, the team seeks to enhance yield and return through active management of the portfolio's term structure. The team's active management process incorporates a unified approach in seeking opportunities for added value without exposing the portfolio to excess volatility.

## Portfolio Team:

### Heather Perlmutter, Portfolio Manager

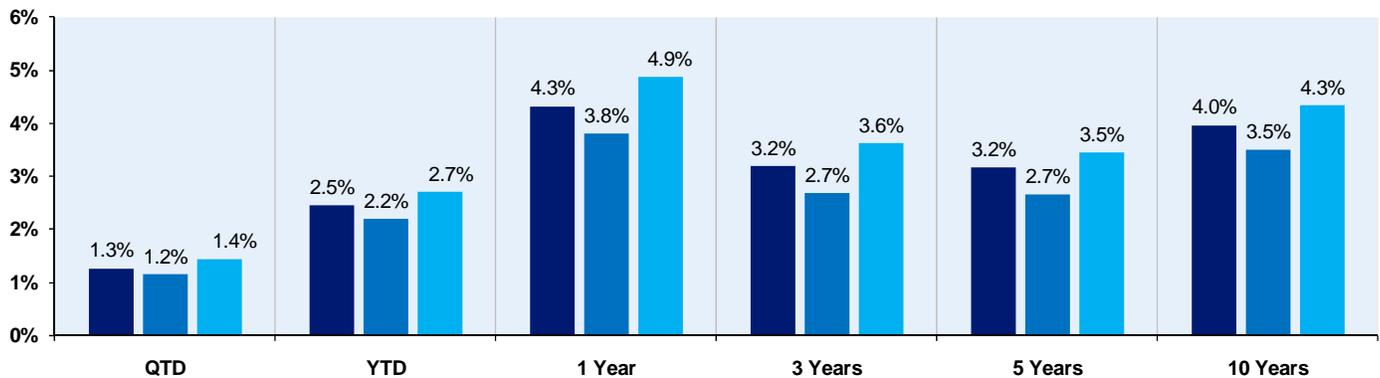
Lawrence Fields, Investment Committee  
 Michael Meltzer, Investment Committee  
 Michael Paton, Investment Committee  
 Robert Pegg, Investment Committee

## Investment Strategy

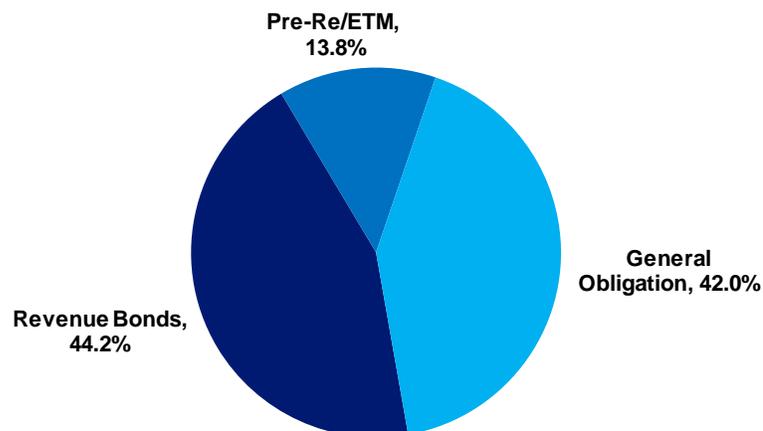
Tocqueville's Municipal Fixed Income (MFI) strategy emphasizes those sectors of the market that have consistently demonstrated the ability to outperform Treasuries on both an after-tax and a risk adjusted basis. Security selection focuses on historical and relative yield spread analysis, bond structure and break-even analysis. The team does not emphasize forecasting the direction of interest rates and typically maintains portfolio sensitivity (i.e. duration) to changes in interest rates within a relatively tight parameter. For risk control, the team will diversify within portfolios so that no single security, municipality or sector can impact portfolio performance. Bonds purchased will have at least an A stand-alone or implied credit rating by S&P or Moody's. If insured, a bond's underlying rating will be at least A.

## \*Annualized Performance Highlights For The Periods Ending June 30, 2016

(Please see notes on reverse side for disclosures on this Composite.)



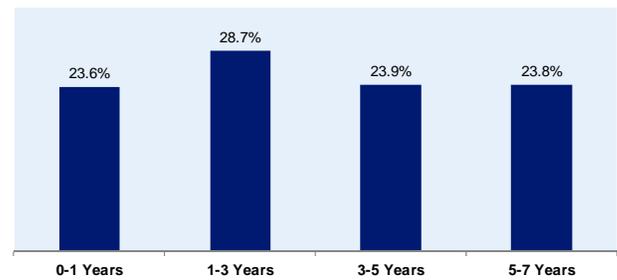
## Sector Distribution<sup>1</sup>



\* Past performance is not indicative of future results.

## Duration Distribution<sup>1</sup>

Characteristics <sup>1</sup>	MFI	Barclays Muni 1-10 Yr Blended Index
Yield (%)	1.06	1.09
Average Maturity (years)	3.55	5.68
Duration (years)	3.05	4.58
Average Coupon (%)	4.76	4.79
Average Quality (Moody's)	Aa1	Aa2/Aa3



## Annual Performance

(Please see notes below for disclosures on this Composite.)

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
MFI - Gross	4.12%	4.66%	3.81%	6.66%	2.50%	6.16%	3.63%	0.32%	3.78%	2.23%
MFI - Net	3.73%	4.27%	3.42%	6.15%	2.00%	5.66%	3.13%	-0.18%	3.28%	1.73%
Barclays Muni 1-10 Yr Blended Index	3.74%	4.79%	4.23%	7.18%	3.13%	7.62%	3.55%	-0.32%	4.66%	2.45%
Excess Gross — Barclays Muni 1-10 Yr Blended Index	0.38%	-0.13%	-0.42%	-0.52%	-0.63%	-1.46%	0.08%	0.64%	-0.88%	-0.22%
Excess Net — Barclays Muni 1-10 Yr Blended Index	-0.01%	-0.52%	-0.81%	-1.03%	-1.13%	-1.96%	-0.42%	0.14%	-1.38%	-0.72%
Assets in Composite (\$mm)	\$55	\$107	\$98	\$104	\$99	\$76	\$67	\$62	\$60	\$68
% of Firm Assets	0.94%	1.47%	1.73%	1.27%	0.91%	0.71%	0.61%	0.54%	0.50%	0.65%
Accounts in Composite	6	12	13	12	13	13	13	13	11	14
Internal Composite Dispersion	N/A	N/A	N/A	0.88%	0.38%	1.71%	1.37%	0.44%	1.98%	0.43%
Composite 3-Yr Standard Deviation	N/A	N/A	N/A	N/A	N/A	2.80%	2.00%	1.80%	1.50%	1.40%
Barclays Muni 1-10 Yr Blended 3-Yr Standard Deviation	N/A	N/A	N/A	N/A	N/A	3.20%	2.40%	2.50%	2.20%	2.11%

## Notes

### Past performance is not indicative of future results.

- Sector distribution, portfolio characteristics and duration distribution are based on a representative Municipal Fixed Income account, and is shown as Supplemental Information. Holdings will change over time. Average maturity utilizes "Average Life" for both portfolio and index return.
- Tocqueville Asset Management L.P. (the "Firm") is a U.S. based registered investment advisor, which offers investment advisory services to individuals and institutional investors. The Firm claims compliance with the Global Investment Performance Standards (GIPS<sup>®</sup>) and has prepared and presented this report in compliance with the GIPS standards. The Firm has been independently verified for the periods January 1, 2002 through June 30, 2006. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis, and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. For a list of composite descriptions, please call 212.698.0800. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
- The Municipal Fixed Income Composite (formerly known as the Tax Exempt Fixed Income Composite) includes the municipal bond segment of all individual balanced accounts with fixed income assets that are greater than \$3.5 million and all separately managed accounts managed in this strategy with assets greater than \$3.5 million. Cash was allocated to the carve-out segment returns on a pro rata basis depending on the proportion of beginning municipal bond assets to total beginning assets in each portfolio (beginning of period allocation method). As of December 1, 2007 carve out assets represented 0.0% of total composite assets. The rates of return used for the allocated cash was the Citigroup 3-Month Treasury Bill. The Composite was created on December 31, 2004 while the manager was affiliated with another firm. The performance is presented as linked performance of actual historical performance of managed accounts for the period of January 1, 1999 to October 31, 2008 from a prior firm using the same investment objective, strategy, and three of the team's managers and the MFI composite which has the same investment objective, strategy and team for the period of November 1, 2008 to present. Composite performance has not been independently verified. Individual account fees may differ, which will affect returns; pure gross performance does not include such deductions. Tocqueville Asset Management's fees are available upon request.
- The Composite results are time-weighted rates of return net of commissions and transactions costs, and have been presented net of investment advisory fees. The Firm values all portfolios monthly and records all transactions on a trade date basis. Monthly Composite returns are calculated by weighting each account's monthly return by its beginning market value as a percent of the total Composite beginning market value. Annual Composite returns are calculated by linking the monthly returns through compounded multiplication. The net of fee Composite returns reflect the deduction from gross performance of an investment management fee of 0.375% annually, reduced at a rate of 0.09375 per quarter from inception to December 31, 2009. Thereafter, net of fee composite returns reflect the deduction from gross performance of an investment management fee of 0.50% annually, reduced at a rate of 0.125 basis points per quarter. Performance on this Composite have been calculated using U.S. dollars. Performance results are total return, i.e. include the reinvestment of all income. Composite dispersion is a measure of variability, which is often used in the investment industry as an indicator of risk. The composite dispersion of annual account returns is calculated from the measurements of variance from the mean annual account return on an equal-weighted basis. Composite dispersion is not meaningful for populations of less than five accounts. The minimum account size for the composite is \$1 million. The 3-yr annualized standard deviation presented measures the variability (using monthly returns) of the composite and the benchmark returns over the preceding 36 months.
- The standard fees charged by the Firm applicable to the Composite are 0.50% on the first \$3 million, 0.375% on the next \$22 million, and 0.250% thereafter. There are no non-fee paying accounts in the Composite. Fees are negotiable.
- The Barclays Muni 1-10 Year Blended Index is comprised of bonds that must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following ratings agencies: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be investment-grade. They must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated-date after December 31, 1990, and be at least one year from their maturity date. Remarketed issues, taxable municipal bonds, bonds with floating rates, and derivatives, are excluded. Bonds in the Index have maturities between one and twelve years. The Index is unmanaged, includes the reinvestment of interest and does not reflect transaction costs or management fees and other expenses. Investors cannot purchase interests directly in an index. Unlike the Index, the MFI portfolio is actively managed and may include substantially fewer securities than the number of securities comprising the Index. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment.

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