



40 West 57th Street
New York, NY 10019
800.697.3863

The Delafield Fund

July 22, 2010

Dear Fellow Shareholders:

During the quarter, the Delafield Fund's net asset value declined 12.39% versus decreases of 11.43% in the Standard & Poor's 500 and 9.92% in the Russell 2000, each on a total return basis. The Fund's net asset value as of June 30th was \$22.49 per share, the total net value amounted to \$777,127,836, of which 84.43% was invested in equities, with the balance held in reserves.

The recent unpleasantness reminds us that all is not well with the world. When we wrote to you in April we were cautious. Clearly, we were not sufficiently cautious considering the events of the last three months. The economic environment here at home remains difficult, Asia (led by moderation of China's hyperactive economy) has experienced a mild slowdown, and several southern European nations have encountered challenges. Additionally, the stock market has endured extraordinary volatility during the past quarter, seemingly driven by electronic/computer generated trading algorithms rather than corporate results, which have shown steady progress.

Looking forward, the mixed signals we are observing keep us cautious. Consumer net worth probably declined during the second quarter, which likely impacted confidence. Unemployment remains high, as do debt levels at the consumer, state and federal government levels. Eventually government support programs will begin to wind down, and there remains a large unsold inventory of existing houses. There is little return available in the bond market, economic pundits are unable to decide whether America is facing inflation or deflation, and we are approaching mid-term elections in the fall.

On the positive side, emerging markets continue to grow, even while China shows a moderate deceleration in its growth rate, and Northern Europe continues to progress modestly forward. On the home front, mortgage rates are low, housing affordability is high, credit delinquencies seem to be receding and consumer spending has remained mildly positive. Finally, corporate balance sheets are strong and managements are cautiously optimistic.

Summing up our position, we are uncertain as to the near-term economic outlook. However, we are very positive about the managements of and the prospects for our investments. We believe they are positioned to prosper within this environment and are very reasonably valued. As prices have come down we have been adding to our favorite holdings, since their internal progress is continuing and balance sheets are improving.

El Paso Corporation is one of the largest natural gas pipeline operators in America and a producer of oil and natural gas. New management has streamlined operations and re-prioritized capital allocation. Investors had been worried that very heavy capital commitments in the years 2009-2011 might be difficult to fund. We believe those worries are now

* *The performance data quoted above represents past performance. Past performance does not guarantee future results. The investment return and principle value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. The current performance may be lower or higher than performance data quoted. The three month performance does not reflect the redemption fee of 2% on shares redeemed within 120 days of purchase. If deducted, the fee would reduce the performance quoted above.*

Please visit our website (www.tocquevillefunds.com/df_performance.html) to obtain the most recent month-end performance data.

largely behind the company, although final regulatory approval for the large western Ruby pipeline has not yet been formally received. By 2012 we expect El Paso to be free cash flow positive. If, at that time, management does not believe the company is being fairly valued in the marketplace, we think they will consider breaking the company into two pieces - a pipeline company and an oil and gas producer in order to achieve a better return for shareholders.

We began buying shares in Federal Signal Corporation during the quarter. Federal Signal operates three legacy businesses, including environmental solutions (ESG), fire rescue (Bronto), safety & security (SSG) as well as a newly formed intelligent transportation systems business (FSTech). The environmental solutions business generated about \$300 million in revenues in 2009 and has the number one market share position in North America in street sweepers, truck mounted sewer cleaners and industrial vacuum trucks. The SSG segment, which did pro forma sales of about \$215 million in 2009, is the dominant global provider of vehicular lights and sirens and indoor and outdoor mass warning systems. Bronto is largely international, and boasts the top market share position in truck mounted aerial lift platforms for fire and rescue applications, as well as in certain access truck mounts and European wind turbine applications. These three businesses are highly dependent on municipal and government budgets and not surprisingly, all experienced substantial order reductions in 2009. In the near term, visibility with respect to the top-line of these businesses remains cloudy. However, management has initiated a cost reduction program for these businesses that resulted in \$30 million of savings in 2009 and is targeting another \$20 million cut in 2010. This will lead to improved profitability even in the absence of revenue growth in 2010 and 2011. Meanwhile, in the last two years, management has acquired three businesses that, in combination with an existing license plate recognition and parking access technology, have created a growth platform, FSTech, in the intelligent transportation end market. We estimate the segment will produce about \$130 million in pro forma revenue in 2010 and grow at least at the 15% industry growth rate. With volume increases and through cost synergies, the segment could reach 15% operating margins within two years time, contributing about \$26 million in operating income, or \$0.30 per share. Federal Signal's balance sheet should improve over the next 12-24 months, with free cash flow and proceeds from possible non-strategic asset sales used to reduce debt.

Harsco Corporation is a \$3 billion in revenues global diversified industrial company. The company's metals business provides iron and steel producers with a broad range of on-site services. After falling precipitously for most of last year, steel plant utilization trends began to improve at the end of 2009 and have continued to move upward in 2010. This will benefit Harsco's metals business going forward, as will more favorable contract terms. Harsco's infrastructure business (largely scaffolding) is heavily weighted towards Europe and remains very depressed. However, we expect a modest return to profitability in the second half on the strength of cost reductions and improved working capital management. Longer term, a rebound in commercial construction should yield substantial earnings improvement. Harsco's \$300 million in revenues rail segment managed well through the recession. This business should continue to grow with increasing domestic track maintenance demand and new track construction, as well as international growth opportunities. Rounding out the company are Harsco Minerals and Harsco Industrials, which represent nearly \$450 million of revenue combined. The minerals business processes industrial slags and should continue to benefit from rising core metal prices. Harsco Industrials produces heat transfer equipment, metal bar grating and heat exchangers. The latter's sales and profits tend to follow the industrial business cycle. The shares currently trade at less than 5x our 2010 EBITDA estimate. With several of their businesses poised for significant improvement, we believe the valuation is compelling.

We recently invested in Minerals Technology Inc., a company with \$1 billion in sales. It operates in two segments: specialty minerals and refractories. The bulk of their specialty minerals revenue is from precipitated calcium carbonate (PCC), which adds bulk and whitening to paper. The refractory segment sells lining systems that protect large industrial furnaces. In the past, the company has at times diverted capital into high risk/high reward ventures, which ultimately failed. Under Joe Muscari, who was appointed CEO in 2007, their financial focus is now return on invested capital and cash flow metrics. He believes there are sufficient opportunities within existing businesses to significantly grow earnings. The company is currently working with certain paper customers to expand PCC loading levels in free sheet from 15% to 30%. If successful, this could nearly double their PCC output over time. It also wouldn't surprise us if they decide to utilize some of their \$12 per share of net cash to make an acquisition to deepen an existing product area. We believe that any such use of capital will be thoroughly examined against alternative options, including stock repurchase. At current levels, with the shares trading at 4.5x EBITDA, the valuation appears reasonable.

Effective July 6, 2010, Vishay Intertechnology, Inc. ("Vishay") completed a tax-free distribution of Vishay Precision Group, Inc. ("VPG") to its shareholders. Vishay owners received one share of VPG for every fourteen shares of Vishay.

VPG is a manufacturer of resistive sensors, weighing modules and control systems based on resistive foil technology. Its products and systems are used by a diverse set of customers in various end markets for precise measurement of force, weight, pressure and electric currents. On a pro forma basis, VPG had revenues of \$172 million and generated \$4.7 million of operating profit in 2009. The business is well capitalized with roughly \$15 million of total debt and \$73 million of cash, which will likely be used to pursue strategic acquisitions. VPG has demonstrated that it is capable of showing better than a 50% incremental gross margin, and we estimate that pro forma operating margins will be nearly 8% in 2010 on a macro driven 20% rebound in revenues. Though VPG's prospects seem reasonably good, we decided to sell these shares and will concentrate our attention on Vishay, the parent.

Following the distribution, Vishay is now a pure-play discrete electronic components company with about \$1.9 billion in pro forma 2009 revenue. The company remains the "one-stop shop" for a broad line of products, including diodes, rectifiers, transistors, ICs, capacitors, inductors and transducers. Vishay is currently capacity constrained, with order rates through the first quarter of 2010 outpacing supply. Management remains wary that some customers are ordering in excess of their own demand, and the company has been slow to add capacity as a result. This will offer some protection against double ordering in the supply chain, but has also resulted in lost sales in recent quarters. The business continues to generate impressive free cash flow, which will likely be used for strategic acquisitions and/or share repurchase. Pro forma earnings per share should be about \$0.90 this year. At 2.4x EBITDA, we believe the valuation remains very compelling.

A. Schulman, Inc. is an international supplier of designed and engineered compounds, color concentrates and resins, which are used in a variety of consumer packaging, industrial and automotive applications. Since January 2008, under the leadership of Joe Gingo, the company has reorganized and shed many money losing North American operations. More recently, they acquired ICO, Inc. which produces custom polymer powders for rotomolding. While this acquisition only impacted the most recent quarter and is still being fully integrated, we believe it will be a key factor in Schulman's future success. ICO brings a fine management cadre, synergistic savings, and helps balance Schulman's worldwide mix, which has been heavily skewed to Europe. After the acquisition, Schulman's balance sheet remains strong, which should allow management over time to make additional tuck-in acquisitions and/or invest in green field facilities around the world. This company, which has very aggressive five year goals, seems reasonably valued at roughly 5x estimated fiscal 2011 EBITDA.

We are aware that many shareholders have not been receiving our quarterly letters since they may not be distributed to those who are not direct shareholders of the Fund. Accordingly, anyone who wishes to be on our mailing list should either call Cleo Kotis or write to us and we will be happy to add you to the list. Cleo can be reached at 212.698.0750.

With very best wishes.

Sincerely,



J. Dennis Delafield
Tel. 212.698.0752



Vincent Sellecchia
Tel. 212.698.0751

P.S. The net asset value per share of the Fund is determined as of the close of regular trading on the New York Stock Exchange (normally 4:00 P.M., Eastern Time) on each Fund Business Day (as fully described in the Fund prospectus). In addition to the Fund's published NASDAQ listing (symbol: DEFIX), you may check its net asset value by calling 800.697.3863 to speak directly to a Fund representative during the normal business hours of 8:00 A.M. - 7:00 P.M., Central Standard Time. During off business hours, you may use the same telephone numbers for a pre-recorded message. The 3-digit code number for The Delafield Fund is 924.

Our website address is: www.tocquevillefunds.com.

TOTAL RETURN WITH INCOME*

<u>Cumulative</u>	<u>Delafield Fund**</u>	<u>S&P 500 Total Index†</u>	<u>Russell 2000 Total Index†</u>
Quarter ended June 30, 2010	(12.39)%	(11.43)%	(9.92)%
Six months ended June 30, 2010	(3.56)	(6.65)	(1.95)
Inception, November 19, 1993 to June 30, 2010	484.34	205.24	203.64
<u>Annual Average</u>			
One year ended June 30, 2010	27.33	14.43	21.48
Three years ended June 30, 2010	(4.63)	(9.81)	(8.60)
Five years ended June 30, 2010	4.80	(0.79)	0.37
Ten years ended June 30, 2010	11.56	(1.59)	3.00
Inception, November 19, 1993 to June 30, 2010	11.21	6.95	6.92

TEN LARGEST HOLDINGS‡

<u>Company</u>	<u>% of Net Assets</u>
Flextronics International Ltd.	3.68%
Checkpoint Systems, Inc.	2.85%
Stanley Black & Decker, Inc.	2.60%
Collective Brands, Inc.	2.54%
Thermo Fisher Scientific, Inc.	2.52%
FMC Corp.	2.44%
Albany International Group, Inc.	2.40%
Ingersoll-Rand PLC	2.22%
Honeywell International, Inc.	2.06%
Barnes Group, Inc.	1.95%
TOTAL	25.26%

FEES^(a)

<u>Shareholder Fees</u>	
<i>(fees paid directly from your investment)</i>	
Maximum Sales Charge Imposed on Purchases	None
Maximum Deferred Sales Charge	None
Maximum Sales Charge Imposed on Reinvested Dividends/Distributions	None
Redemption Fee for Shares held 120 days or less (as a percent of amount redeemed)	2.00%
Exchange Fee	None
<u>Annual Fund Operating Expenses^(b)</u>	
<i>(expenses that are deducted from Fund assets)</i>	
Management Fee	0.76%
Distribution and Service (12 b-1) Fees	0.25%
Other Expenses	0.25%
Total Annual Fund Operating Expenses	1.26%

ASSET MIX

	<u>6/30/10</u>	<u>3/31/10</u>	<u>12/31/09</u>	<u>9/30/09</u>	<u>6/30/09</u>
Equities	83.39%	79.12%	76.38%	73.97%	78.51%
Corporate Bonds	1.90	1.81	2.08	3.24	3.33
Real Estate Investment Trust	1.04	1.16	1.17	0.00	0.00
Cash Equivalents	13.67	17.91	20.37	22.79	18.16
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

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Please visit our website (www.tocquevillefunds.com/df_performance.html) to obtain the most recent month-end performance data. The Delafield Fund may invest in the stocks of smaller companies which carry special risks including, narrower markets, limited financial and management resources, less liquidity, and greater volatility than the stocks of larger companies. The Fund's investments, which are often value or special situations, are likely to not correlate with the overall market averages. Hence, there may be periods when the Fund's performance may lag these measures.

Kindly consider the investment objectives, risks, and charges and expenses of the Fund carefully before investing. The prospectus contains this and other information about the Fund. Please contact us to obtain a prospectus, which should be read carefully before investing.

The Delafield Fund is distributed by Tocqueville Securities L.P., 40 West 57th Street, New York, NY 10019.

** The Delafield Fund performance is stated after fees.

The three month performance does not reflect the redemption fee of 2% on shares redeemed within 120 days of purchase. If deducted, the fee would reduce the performance quoted above. Returns for the periods prior to 9/27/09 reflect the performance of Delafield Fund, Inc. (the "Predecessor Delafield Fund"), which was reorganized into the Delafield Fund on 9/28/09. The Predecessor Delafield Fund had the same Portfolio Managers, investment objectives and investment strategies as the Delafield Fund. Performance since 9/28/09 reflects actual Delafield Fund performance.

† The S&P 500 Index is an unmanaged broad market-weighted average of U.S. blue-chip companies and the Russell 2000 Index is an unmanaged, market-weighted index, with dividends reinvested, of 2,000 small companies, formed by taking the largest 3,000 companies and eliminating the largest 1,000 of those companies. You may not invest directly in the S&P 500 Index or the Russell 2000 Index and, unlike the Fund, they do not incur fees and expenses.

‡ Holdings are expressed as a percentage of total investments and will vary over time. Because the Fund is actively managed there can be no assurances the Fund continues to invest in the securities referenced. Additionally, references to specific securities or industries should not be considered a recommendation for investors.

(a) Represents information from the most current prospectus, dated March 1, 2010.

(b) As the Fund has recently commenced operations, "Other Expenses" is based on estimated amounts for the current fiscal year.

STATEMENT OF NET ASSETS*

June 30, 2010

(Unaudited)

Common Stocks (83.39%)	Shares	Value (Note 1)
Aerospace & Defense (4.44%)		
Ceradyne, Inc. (a)	200,000	\$ 4,274,000
Esterline Technologies Corp. (a)	300,000	14,235,000
Honeywell International, Inc.	410,000	16,002,300
		<u>34,511,300</u>
Building Products (2.18%)		
Griffon Corp. (a)	711,600	7,870,296
Trex Co., Inc. (a)	450,000	9,040,500
		<u>16,910,796</u>
Chemicals (14.05%)		
A Schulman, Inc.	455,000	8,626,800
Ashland, Inc.	195,000	9,051,900
Cytec Industries, Inc.	375,000	14,996,250
Eastman Chemical Co.	245,000	13,073,200
Ferro Corp. (a)	1,925,000	14,187,250
FMC Corp.	330,000	18,951,900
Lubrizol Corp.	145,000	11,644,950
Polyone Corp. (a)	750,000	6,315,000
Solutia, Inc. (a)	470,000	6,157,000
Spartech Corp. (a)	600,000	6,150,000
		<u>109,154,250</u>
Commercial Services & Supplies (1.05%)		
R. R. Donnelley & Sons Co.	500,000	8,185,000
Communications Equipment (1.26%)		
Harris Corp.	235,000	9,787,750
Computers & Peripherals (0.99%)		
Diebold, Inc.	150,000	4,087,500
Intermec, Inc. (a)	350,000	3,587,500
		<u>7,675,000</u>
Construction & Engineering (1.15%)		
Insituform Technologies, Inc. (a)	435,000	8,908,800
Containers & Packaging (1.41%)		
Sonoco Products Co.	360,000	10,972,800
Electrical Equipment (6.00%)		
Acuity Brands, Inc.	400,000	14,552,000
AMETEK, Inc.	190,000	7,628,500
Belden, Inc.	335,000	7,370,000
Brady Corp.	400,000	9,968,000
Hubbell, Inc.	180,000	7,144,200
		<u>46,662,700</u>
Electronic Equipment, Instruments & Components (8.15%)		
Checkpoint Systems, Inc. (a)	1,275,000	22,134,000
Flextronics International Ltd. (a)	5,100,000	28,560,000
Lecroy Corp. (a)	450,000	2,155,500
Vishay Intertechnology, Inc. (a)	1,350,000	10,449,000
		<u>63,298,500</u>
Food & Staples Retailing (0.80%)		
SUPERVALU, Inc.	575,000	6,233,000
Glass and Glass Product Manufacturing (1.86%)		
Owens Illinois, Inc. (a)	545,000	14,415,250
Household Durables (3.59%)		
Ethan Allen Interiors, Inc.	550,000	7,694,500
Stanley Black & Decker, Inc.	400,000	20,208,000
		<u>27,902,500</u>

Common Stocks (83.39%)	Shares	Value (Note 1)
Industrial Conglomerates (3.14%)		
Carlisle Companies, Inc.	250,000	\$ 9,032,500
Standex International Corp.	70,000	1,774,500
Tyco International Ltd.	385,000	13,563,550
		<u>24,370,550</u>
Life Sciences Tools & Services (2.52%)		
Thermo Fisher Scientific, Inc. (a)	400,000	19,620,000
Machinery (15.07%)		
Albany International Group, Inc.	1,150,000	18,618,500
Barnes Group, Inc.	925,000	15,160,750
Crane Co.	350,000	10,573,500
Dover Corp.	310,000	12,954,900
Federal Signal Corp.	1,600,000	9,664,000
Harsco Corp.	375,000	8,812,500
IDEX Corp.	225,000	6,428,250
Ingersoll-Rand PLC	500,000	17,245,000
Kennametal, Inc.	550,000	13,986,500
Lydall, Inc. (a)	480,975	3,674,649
		<u>117,118,549</u>
Medical Equipment and Supplies Manufacturing (0.30%)		
WR Grace & Co. (a)	110,000	2,314,400
Metals & Mining (0.64%)		
Commercial Metals Co.	150,000	1,983,000
Kaiser Aluminum Corp.	85,473	2,963,349
		<u>4,946,349</u>
Oil and Gas Extraction (1.80%)		
Minerals Technologies, Inc.	295,000	14,024,300
Oil, Gas & Consumable Fuels (2.78%)		
El Paso Corp.	825,000	9,165,750
Southern Union Co.	570,000	12,460,200
		<u>21,625,950</u>
Professional Services (0.81%)		
School Specialty, Inc. (a)	350,000	6,324,500
Semiconductors & Semiconductor Equipment (2.35%)		
Fairchild Semiconductor International (a)	850,000	7,148,500
Teradyne, Inc. (a)	825,000	8,043,750
Verigy Ltd. (a)	350,000	3,041,500
		<u>18,233,750</u>
Specialty Retail (4.40%)		
Collective Brands, Inc. (a)	1,250,000	19,750,000
Foot Locker, Inc.	625,000	7,887,500
Gamestop Corp. (a)	350,000	6,576,500
		<u>34,214,000</u>
Support Activities for Mining (0.69%)		
Weatherford International Ltd. (a)	410,000	5,387,400
Trading Companies & Distributors (1.96%)		
Rush Enterprises, Inc. (a)	635,000	8,483,600
WESCO International, Inc. (a)	200,000	6,734,000
		<u>15,217,600</u>
Total Common Stocks (Cost \$640,420,317)		<u>\$648,014,994</u>

STATEMENT OF NET ASSETS*, continued
June 30, 2010
(Unaudited)

	<u>Principal Amount</u>	<u>Value (Note 1)</u>		<u>Principal Amount</u>	<u>Value (Note 1)</u>
Corporate Bonds (1.90%)			U.S. Treasury Obligations		
Aerospace & Defense (0.14%)			United States Treasury Notes (1.29%)		
Honeywell International, Inc. 3.875%, 02/15/2014	\$1,000,000	\$ 1,076,566	1.000%, 07/31/2011	\$10,000,000	\$ 10,064,060
Chemicals (0.51%)			Total U.S. Treasury Obligations (Cost \$9,968,186)		<u>\$ 10,064,060</u>
Dow Chemical Co. 7.600%, 05/15/2014 5.900%, 02/15/2015	2,500,000 1,000,000	2,889,610 <u>1,093,935</u> <u>3,983,545</u>	Short Term Investments (14.15%)	<u>Shares</u>	
Diversified Financial Services (0.14%)			Money Market Funds (14.15%)		
JP Morgan Chase & Co. 4.650%, 06/01/2014	1,000,000	<u>1,067,230</u>	AIM STIT Treasury Portfolio – Institutional Class 0.04% (c)	109,968,492	<u>109,968,492</u>
Electric Utilities (0.13%)			Total Short-Term Investments (Cost \$109,968,492)		<u>\$ 109,968,492</u>
Duke Energy Corp. 3.950%, 09/15/2014	1,000,000	<u>1,052,442</u>	Total Investments (Cost \$780,007,068) (101.77%)		<u>\$ 790,918,997</u>
Health Care Equipment & Supplies (0.14%)			Liabilities in Excess of Other Assets (1.77%)		<u>\$(13,791,161)</u>
St. Jude Medical, Inc. 3.750%, 07/15/2014	1,000,000	<u>1,056,816</u>	Total Net Assets (100.00%)		<u>\$ 777,127,836</u>
Management of Companies and Enterprises (0.07%)					
BAE Systems Holdings, Inc. 4.950%, 06/01/2014 (c)	500,000	<u>542,915</u>			
Natural Gas Distribution (0.09%)					
Sonat, Inc. 7.625%, 07/15/2011	655,000	<u>678,956</u>			
Oil, Gas & Consumable Fuels (0.13%)					
El Paso Corp. 7.875%, 06/15/2012	1,000,000	<u>1,054,919</u>			
Software (0.14%)					
Oracle Corp. 3.750%, 07/08/2014	1,000,000	<u>1,071,628</u>			
Telecommunications (0.41%)					
Deutsche Telekom International Finance BV 4.875%, 07/08/2014 (b)	3,000,000	<u>3,217,842</u>			
Total Corporate Bonds (Cost \$13,647,486)		<u>14,802,859</u>			
REITs (1.04%)	<u>Shares</u>				
Real Estate Investment Trusts (REITs) (1.04%)					
Kimco Realty Corp.	600,000	<u>8,064,000</u>			
Total REITs (Cost \$5,536,617)		<u>8,064,000</u>			
Warrants (0.00%)					
Air Freight & Logistics (0.00%)					
Clark Holdings, Inc. Expires 02/15/2011 Exercise Price: \$6.00 (a)	410,000	<u>4,592</u>			
Total Warrants (Cost \$465,970)		<u>4,592</u>			

Percentages are stated as a percent of net assets.

(a) Non-income producing security.

(b) Foreign issued security.

(c) Variable rate security. The rate listed is as of June 30, 2010.

Note 1: Equity securities are valued at the last sale or official closing price. Equity securities for which no sales were reported are valued at the mean between the last reported bid and asked prices. Debt instruments are valued by an independent pricing agent at the evaluated mean price. Short-term investments having a maturity of 60 days or less are valued at amortized cost which approximates market value.