TOCQUEVILLE
40 West 57th Street
New York, NY 10019
800.697.3863

The Delafield Fund

October 17, 2016

Dear Fellow Shareholders:

During the quarter, the Delafield Fund's net assets increased 9.22% versus increases of 3.85% in the Standard & Poor's 500 and 9.05% in the Russell 2000, each on a total return basis. The Fund's net asset value as of September 30th was $27.48 per share. The total net asset value amounted to $424,716,696, of which 80.42% was in equities, with the balance held in reserves.

We live in interesting times. The political situation here in the U.S. seems as polarized as it has ever been in modern memory. Global economic conditions are soft, with only modest growth expected, restrained by high debt levels and industrial overcapacity. At the same time, interest rates remain close to zero, kept there by government fiat, with peripheral consequences including depressed consumer and corporate spending. The former because individuals who rely on fixed income investments must save more for retirement and the latter due to corporations' need to fund ever larger deficits in their pension fund programs. An offset to this is low mortgage rates, but even this benefit is tempered by general consumer uncertainty about the economic outlook.

One pledge common to both the Republican and Democratic platforms is increased spending on infrastructure. Should this come to fruition, the resulting jobs growth will almost certainly stimulate consumer income and raise average hourly earnings. This should allow the Federal Reserve Board to increase interest rates at a measured pace, perhaps alleviating the compulsion of consumers to save an ever greater percentage of their income. Collaterally, increased interest rates may well strengthen the dollar which could retard economic growth to some extent, and higher rates on the national debt will consume a larger portion of governmental expenditures. So we are in somewhat of a bind, still on the whole the U.S. economy seems to be one of the strongest around the globe.

Equity markets continue thin, dominated by ETFs and computerized trading programs. The result is that unexpected news tends to drive the market, at least temporarily, sharply in one direction or the other. These overreactions on the downside should lead to attractive investment opportunities. Further, with the market selling at a historically high valuation of earnings, our strategy of investing in companies that are unloved or misunderstood should prove rewarding.

Our reserves remain high largely because of the political and economic concerns. Our goal is to increase your wealth through successful equity investments while keeping reserves to protect against unexpected shocks, be they economic, political or terrorist. The tribulations of Deutsche Bank are just the latest reminder that we must always be adequately prepared for the unexpected. While they may not have to pay the entire $14 billion fine as was first proposed by the SEC, Deutsche Bank will still have trouble maintaining adequate capital, and the potential ramifications to the global financial system are unknown.

It was an active quarter for a number of our holdings and the balance of our letter will focus on a number of these.

During the quarter, Diebold, Incorporated's merger with Wincor Nixdorf AG continued to proceed as expected. In early August Diebold received antitrust clearance for the transaction in Poland. As a result, with all mandated antitrust clearances attained, Diebold was able to complete the acquisition of all tendered shares of Wincor on August 15th and the combined organization began to operate under the Diebold Nixdorf banner the following day. With roughly 23% of Wincor shares not having been tendered, German law required Diebold to seek a vote on a domination and profit and loss pooling agreement for these minority Wincor shareholders. As Diebold controlled in excess of 75% of Wincor's outstanding shares, this vote was essentially procedural, and successfully took place in late September at a special shareholders meeting held in Germany. For all intents and purposes, Diebold and its management team now control all aspects of Wincor's business as well as all profits and cash flows from its operations, save for a €3.13 per share gross dividend to be paid annually to the

* *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.*

Please visit our website (www.tocqueville.com/mutual-funds/delafield-fund/performance) to obtain the most recent month-end performance data.

Wincor minority shareholders. Diebold's team has already begun to implement the new corporate governance and management structure and has begun the ramp of synergy activities, which are still expected to generate $160 million in savings over the next three years. We remain confident that CEO Andy Mattes and his team are more than capable of successfully integrating the two companies and continue to believe that the shares, currently trading at less than seven times our pro forma 2017 EBITDA estimate, are undervalued.

In our first quarter letter we explained our decision to not sell out our entire investment in Harsco Corporation despite the continuing challenges the company was facing. Specifically, we did not believe that the valuation at the time was fully accounting for various actions that we anticipated management might initiate to improve its balance sheet situation. Since that time, management has indeed pulled several levers available to it to maximize cash flow and improve its liquidity, including strict working capital management, the monetization of cash value swaps, and the decision to move to a pay-in-kind option for the Brand Energy dividend. Most recently, the company announced in mid-September that they had sold their 26% interest in the Brand Energy joint venture to their partner for net cash of $145 million, with the proceeds to be used for debt reduction. These actions, coupled with a somewhat earlier than expected improvement in their metals & minerals business segment have indeed encouraged the market and the shares have increased sharply since the end of the first quarter. We continue to believe that management is keen on increasing value for shareholders and think they might pursue the sale of their nicely profitable, but non-strategic, industrial boiler business and will likely continue to try to monetize the metals and minerals business. We continue to hold our remaining position as we actively monitor the situation.

Shares in Hewlett Packard Enterprise Company (HPE) continued their strong performance in the quarter. In September the company announced plans to spin-off and merge their software assets with United Kingdom based Micro Focus in a transaction valued at approximately $8.8 billion. When the deal closes in mid-2017 HPE shareholders will receive 50.1% ownership in the newly combined company and $2.5 billion of onshore cash. The newly formed company will be run by the current Micro Focus CEO, have approximately $4.5 billion in revenue, and anticipates increasing combined operating profits by over $500 million during the next three years. Once the previously announced CSC transaction and the Micro Focus deal close in 2017, the remaining company HPE ("remain-co HPE") will be solely composed of their Enterprise Products Group (servers, storage and networking equipment for cloud and data center applications) and their internal financing division. Remain-co HPE will have annual revenues of approximately $28 billion and derive almost 60% of their operating profit from recurring sources. If we value remain-co HPE at 5 times remain-co expected EBITDA, add $4.50 per share of value for our future stake in CSC, and $4 per share for our future stake in Micro Focus we derive a value for HPE shares that is in the high $20's. We believe that over time the market will come to agree with us and expect further appreciation from current levels.

TEGNA, Inc. took the first step to unlocking value from its conglomerate structure by announcing the spin-off of Cars.com and the proposed sale of CareerBuilder. The remaining entity will be a pure-play local television broadcast business. We believe that the spin-off will highlight the valuation disparity between the TV business and Cars.com while enabling both entities to allocate capital more effectively. Given the significant consolidation occurring in the local TV industry, TEGNA will now be better positioned to participate in M&A transactions. We believe the sum of the parts is significantly higher than TEGNA's current valuation and have increased our position.

During the quarter we began buying shares in consulting firm Korn Ferry International. The company has annual revenues of $1.6 billion split between three business units (38% Executive Search, 47% Hay Group, 15% Futurestep). The executive search business is the legacy of the company and Korn Ferry is very well respected in the industry. At the end of fiscal year 2016 the company employed almost 500 executive search consultants. Korn Ferry is typically hired on a retainer to recruit directors and senior management for large corporations across the world. For this service the company gets paid approximately one third of the employee's first year cash compensation which is then split with individual consultants. The executive search business is very cyclical but over time has grown due to wage growth and market share gains. Hay Group was acquired by the company in December 2015 for $265 million in cash and 5.9 million shares (total consideration of about $480 million). Hay provides products and services to help organizations determine and manage employee compensation, engagement and rewards. They are well regarded and used frequently by advisory boards and executive management. The integration of Hay Group appears to have been successful, they have lost very few revenue generating consultants while improving profits by rationalizing support staff at multiple Hay offices. The Futurestep business unit performs general recruiting while also offering Recruitment Process Outsourcing (RPO) services to large corporations. RPO is a fast growing segment of the industry and we expect Futurestep will continue to grow in excess of 10% per year.

The shares of Korn Ferry are trading at less than 10 times expected forward EPS and 5 times EBITDA as investors are concerned that we may be at the peak of the employment cycle in the U.S. While we agree that we may be closer to the peak than the trough, the valuation discount appears excessive and we expect the shares to trade higher if stability in their results continues. It is also encouraging to see senior management purchase shares at this level.

Our investment in Ascena Retail Group, Inc. has thus far been a mistake. While we believe that the logical benefits of the shared services strategy that the company has pursued remain intact, we failed to adequately anticipate the persistently sluggish apparel sales environment, as well as the accelerating headwinds facing many brick and mortar retailers. Further, the diversified nameplate approach has not been constructive, as several of the company's seven individual brands have experienced operational issues at different times, thus obfuscating improvements made in other divisions. Ascena's fourth fiscal quarter earnings results highlighted these issues. While the Justice division's performance evidenced signs of a developing turnaround and the integration of ANN Inc. yielded stronger than expected savings in the quarter, these positives were more than offset by high single digit traffic declines across most of the divisions as well as brand specific issues at DressBarn.

Reflecting this, the shares are now trading at a reasonable 3.5 times EV/EBITDA. From our perspective, management's fiscal 2017 earnings guidance is achievable. Additionally, the stock does not seem to be pricing in any value for the ramp in free cash flow that is expected following several years of heavy capital investment, nor the bulk of the $235 million in ANN Inc. merger synergies that are still to be realized. Therefore, we have maintained our position but will continue to re-evaluate our holdings as the situation develops.

Despite some bumps in the road since our initial investment in Jabil Circuit, Inc. two years ago, the company has successfully managed the wind-down of its Blackberry business, navigated through some turbulence related to its largest customer, Apple Inc. and strategically redeployed the proceeds from the sale of its aftermarket services business to capacity expansion in low cost regions. In addition, margins have rebounded back into targeted range owing to benefits realized from a restructuring program as well as from leverage generated on topline growth. The stock has reflected these achievements and the investment has been a good one. However, while the shares are arguably still inexpensive today, we believe that the current valuation is appropriate in light of the risk inherent in the Apple related business, which remains volatile and still accounts for nearly 25% of total company revenue, and we therefore sold out of our position.

Xerium Technologies, Inc. raised $473 million from the issuance of a 9.5% Senior Note due 2021. The proceeds were used to refinance debt maturing in 2018 and 2019. While the funding is expensive, it does provide the company with the financial flexibility to continue to upgrade product offerings and facility realignment. Management expects to generate $20 to 30 million per year in free cash flow for the next 3 years, with the funds to be used to strengthen the balance sheet.

We began buying shares of Chemtura Corporation as the shares came under pressure during the quarter. Unfortunately, before we had completed building a full position, the company announced a definitive agreement to be acquired by LANXESS for $33.50 per share yielding a nice gain. As is our norm, we have sold the shares.

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	Vincent Sellecchia	Joshua Kaufthal	James Maxwell
Tel. 212.698.0752	Tel. 212.698.0751	Tel. 646.467.6512	Tel. 646.467.6513

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.tocqueville.com/mutual-funds

TOTAL RETURN WITH INCOME*

Cumulative	Delafield Fund**	S&P 500 Total Index†	Russell 2000 Total Index†
Quarter ended September 30, 2016	9.22%	3.85%	9.05%
Nine months ended September 30, 2016	14.74	7.84	11.46
Inception, November 19, 1993 to September 30, 2016	889.69	633.37	579.51
Annual Average			
One year ended September 30, 2016	16.12	15.43	15.47
Three years ended September 30, 2016	-0.88	11.16	6.71
Five years ended September 30, 2016	10.33	16.37	15.82
Ten years ended September 30, 2016	6.04	7.24	7.07
Inception, November 19, 1993 to September 30, 2016	10.55	9.11	8.74

TEN LARGEST HOLDINGS‡

Security Name	% of Total Assets
TrueBlue, Inc.	4.27%
Eastman Chemical Co.	3.43%
Flex Ltd.	3.05%
Diebold, Inc.	2.98%
Hewlett Packard Enterprise Co.	2.68%
WESCO International, Inc.	2.61%
Dover Corp.	2.60%
Boardwalk Pipeline Partners LP	2.53%
Team, Inc.	2.50%
Minerals Technologies, Inc.	2.50%
TOTAL	**29.13%**

FEES[(a)]

Shareholder Fees (fees paid directly from your investment)	
Maximum Sales Charge Imposed on Purchases	None
Maximum Deferred Sales Charge	None
Maximum Sales Charge Imposed on Reinvested Dividends/Distributions	None
Exchange Fee	None
Annual Fund Operating Expenses (expenses that are deducted from Fund assets)	
Management Fees	0.73%
Distribution and Service (12b-1) Fee	0.25%
Other Expenses	0.28%
Total Annual Fund Operating Expenses	**1.26%**

ASSET MIX

	9/30/16	*6/30/16*	*3/31/16*	*12/31/15*	*9/30/15*
Equities	80.42	77.48	81.21	84.81	88.70
Corporate Bonds	0.00	0.00	0.00	0.00	0.00
Real Estate Investment Trust	0.00	0.00	0.00	0.00	0.00
Cash Equivalents	19.58	22.52	18.79	15.19	11.30
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

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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 Tocqueville Mutual Funds may be offered only to persons in the United States and by way of a prospectus. This letter should not be considered a solicitation or offering of any investment products or services to investors residing outside of the United States.

The Delafield Fund is distributed by Tocqueville Securities L.P., 40 West 57th Street, 19th Floor, New York, NY 10019.

** **The Delafield Fund performance is stated after fees.**

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 prospectus, dated February 26, 2016.**

STATEMENT OF NET ASSETS
September 30, 2016
(Unaudited)

Common Stocks - 80.42%	Shares	Value
Aerospace & Defense - 2.86%		
Ducommun, Inc. (a)	200,000	$ 4,568,000
Honeywell International, Inc.	65,000	7,578,350
		12,146,350
Auto Components - 2.82%		
Gentex Corp.	325,000	5,707,000
Horizon Global Corp. (a)(b)	315,000	6,277,950
		11,984,950
Chemicals - 11.46%		
Calgon Carbon Corp.	325,000	4,930,250
Eastman Chemical Co.	215,000	14,551,200
HB Fuller Co.	200,000	9,294,000
Minerals Technologies, Inc.	150,000	10,603,500
PolyOne Corp.	275,000	9,297,750
		48,676,700
Commercial Services & Supplies - 2.50%		
Team, Inc. (a)	325,000	10,630,750
Construction & Engineering - 3.11%		
KBR, Inc.	450,000	6,808,500
Aegion Corp. (a)	335,000	6,388,450
		13,196,950
Construction Materials - 0.95%		
U.S. Concrete, Inc. (a)	87,500	4,030,687
Diversified Consumer Services - 0.55%		
H&R Block, Inc.	100,000	2,315,000
Electrical Equipment - 0.49%		
Babcock & Wilcox Enterprises, Inc. (a)	125,000	2,062,500
Electronic Equipment, Instruments & Components - 7.78%		
Flex Ltd. (a)(c)	950,000	12,939,000
Kemet Corp. (a)	1,300,000	4,641,000
Plexus Corp. (a)	125,000	5,847,500
TTM Technologies, Inc. (a)	535,000	6,125,750
Zebra Technologies Corp. - Class A (a)	50,000	3,480,500
		33,033,750
Energy Equipment & Services - 1.57%		
Aspen Aerogels, Inc. (a)	550,000	3,278,000
McDermott International, Inc. (a)(c)	675,000	3,381,750
		6,659,750
Health Care Equipment & Supplies - 0.78%		
Invacare Corp.	295,000	3,295,150
Industrial Conglomerates - 0.72%		
Carlisle Cos., Inc.	30,000	3,077,100
Insurance - 0.95%		
XL Group Ltd. (c)	120,000	4,035,600

Common Stocks - 80.42%	Shares	Value
Machinery - 12.41%		
Barnes Group, Inc.	190,000	$ 7,704,500
Crane Co.	145,000	9,136,450
Dover Corp.	150,000	11,046,000
Harsco Corp.	725,000	7,199,250
Stanley Black & Decker, Inc.	85,000	10,453,300
Xerium Technologies, Inc. (a)(b)	900,000	7,155,000
		52,694,500
Media - 1.67%		
TEGNA, Inc.	325,000	7,104,500
Metals & Mining - 1.72%		
Carpenter Technology Corp.	125,000	5,157,500
Materion Corp.	50,000	1,535,500
Real Industry, Inc. (a)	100,000	612,000
		7,305,000
Oil, Gas & Consumable Fuels - 4.03%		
Boardwalk Pipeline Partners LP	625,000	10,725,000
CONSOL Energy, Inc.	225,000	4,320,000
Marathon Petroleum Corp.	51,500	2,090,385
		17,135,385
Professional Services - 5.63%		
Korn/Ferry International	275,000	5,775,000
TrueBlue, Inc. (a)	800,000	18,128,000
		23,903,000
Semiconductors & Semiconductor Equipment - 2.16%		
Teradyne, Inc.	425,000	9,171,500
Specialty Retail - 2.54%		
Ascena Retail Group, Inc. (a)	1,350,000	7,546,500
Pier 1 Imports, Inc.	500,000	2,120,000
Stage Stores, Inc.	200,000	1,122,000
		10,788,500
Technology Hardware, Storage & Peripherals - 5.65%		
Diebold, Inc.	510,000	12,642,900
Hewlett Packard Enterprise Co.	500,000	11,375,000
		24,017,900
Textiles, Apparel & Luxury Goods - 3.88%		
PVH Corp.	47,000	5,193,500
Ralph Lauren Corp.	50,000	5,057,000
Sequential Brands Group, Inc. (a)	650,000	5,200,000
Unifi, Inc. (a)	35,599	1,047,679
		16,498,179
Trading Companies & Distributors - 4.19%		
Rush Enterprises, Inc. - Class A (a)	275,000	6,732,000
WESCO International, Inc. (a)	180,000	11,068,200
		17,800,200
Total Common Stocks (Cost $256,483,411)		**341,563,901**

STATEMENT OF NET ASSETS, continued
September 30, 2016
(Unaudited)

Short - Term Investments - 19.42%	Shares	Value
Money Market Fund - 4.95%		
STIT - Treasury Portfolio - Institutional Class - 0.230%(d)	21,039,345	$ 21,039,345
		21,039,345
	Principal Amount	
Money Market Deposit Account - 14.47%		
U.S. Bank Money Market Deposit Account, 0.10%	$ 61,448,167	61,448,167
		61,448,167
Total Short - Term Investments (Cost $82,487,512)		**82,487,512**
Total Investments (Cost $338,970,923) - 99.84%		**424,051,413**
Other Assets in Excess of Liabilities - 0.16%		**665,283**
Total Net Assets - 100.00%		**$ 424,716,696**

Percentages are stated as a percent of net assets.
(a) Non-income producing security.
(b) Affiliated company.
(c) Foreign issued security. Foreign concentration was as follows: Bermuda 0.95%; Panama 0.80%; Singapore 3.05%.
(d) Rate listed is the 7-day effective yield.