



40 West 57th Street
New York, NY 10019
800.697.3863



The Delafield Fund

October 17, 2011

Dear Fellow Shareholders,

During the quarter the Delafield Fund's net asset value declined an extraordinary 24.15% versus decreases of 13.87% in the Standard and Poor's 500 and 21.87% in the Russell 2000, each on a total return basis. The fund's net asset value as of September 30th was \$23.30 per share. The total net asset value amounted to \$1,087,380,002, of which 84.43% was in equities, with the balance held in reserves.

Our performance this past quarter ranks as one of the worst we have ever suffered. In our June letter we referred to Benjamin Graham's observation that in the short term the market acts as a voting machine but that in the long term the market is a weighing machine, which will ultimately reflect the true value of the companies. We continue to believe that this bodes well for our investments in the long term, but today the voting clearly reflects fear and uncertainty about the immediate future.

The market's activity appears to be dominated by short term traders. This is reflected in enormous volatility, characterized by huge daily swings and a resurgence of trading sessions in which more than 90% of shares rise or fall in tandem. Needless to say such conditions have led to the redemption of mutual fund shares, putting even more pressure on the market. We are grateful that our shareholder base has remained steadfast.

We have lived through such extraordinary declining markets in the past, as recently as late 2008/early 2009, in 1987 and others before. Our experience has been that such intense selling usually leads to attractive investment opportunities and, once the panic subsides, to significant gains. No one can predict near term market movements with any degree of certainty. However, the continuation of historically low interest rates is likely to leave many corporate pension funds under-funded. While this will somewhat penalize earnings, contributions to these pension plans will be needed which should eventually generate long term investment demand.

With respect to the global economic picture, only very slow growth is expected over the next year or two in the United States and in Europe, while emerging markets may continue to grow at substantially higher rates. Unemployment levels are likely to remain high in the U.S. and even worse in Europe, particularly amongst the young. Individuals' balance sheets are stressed, with default rates on consumer credit rising in the U.S. and the consumers' net worth declining due to continued softness in housing prices and losses in the stock market.

Consumers and investors have certainly been influenced by the continuous barrage of bad news concerning unrest around the world, the plight of European and American banks and political rhetoric from the extreme right and left. Unfortunately, politicians today seem unable to talk to each other and neither side is willing to compromise on any

* *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 90 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.

*A Lipper Fund Award is awarded to one fund in each Lipper classification for achieving the strongest trend of consistent risk-adjusted performance against its classification peers over a three, five or ten-year period, if applicable. Although Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Lipper. Lipper Analytical Services, Inc. is an independent mutual fund research and rating service. **Past performance does not guarantee future results.***

issue. This has led to a general state of discontent with our government and has left individuals and corporations unwilling to make long term plans since the road map is unclear.

The present state of the economy has led to a reduction in many commodity prices which should ultimately reduce worries of inflation. We are hopeful that with oil prices coming down, gasoline prices at the pump will continue to decline. Also, as the government's effort to reduce long-term interest rates gears up, mortgage rates should decline further. Both factors should enhance consumer purchasing power.

As recently noted in a New York Times article, the market is being dragged down by an accumulation of worries. The economic news continues mixed, and there is worry about the European debt situation and our own political impasse. Such news rings alarm bells for people and makes them more cautious about equities.

Over the last 45 days we have visited with many companies in the field, at their headquarters and at conferences. While managements sense the same uncertainties as consumers and lead times for their services or products have shortened, business conditions around the world are generally satisfactory today. A very positive sign for investors is that managements and their boards of directors have been increasingly investing their personal funds in the shares of their own companies, sometimes in very large amounts. Moreover, as cash flows and cash balances increase, companies will be able to put excess cash to good use, either through attractive acquisitions and share repurchases that further their own value, and/or by increasing their dividends. In fact, for the first time in many years, dividend yields on numerous companies are above the yields available in quality bonds, which is a situation that is bound to attract investment funds from savvy long-term investors.

While there is much about the future which we cannot know, **here is what we do know**. In general our investments have solid balance sheets, strong free cash flow generation, excellent management teams and relatively low inventories. Additionally, most believe that their customers also have low inventories. As the market has declined, we have selectively added to our favorite holdings. Over time we believe that these companies should prosper and increase in value, but patience will be required.

As is our custom, the balance of this letter will share some insight into the broad themes and select companies that impacted our performance during the past quarter.

Our electronic/technology investments performed poorly during the quarter. Several of these companies have reported disappointing sales trends, which we believe is largely due to inventory destocking in the supply chain in anticipation of reduced consumer demand. Actual end market datapoints are mixed. Large retailers and broad based distributors have been reporting sluggish sales in Southern Europe, stable sales in North America and growth, albeit decelerating, in Asia. Semiconductor manufacturers have reported declining sales into their distribution channels serving PC's and consumer electronics, but are still seeing relatively strong sales for industrial applications. The balance sheets of all twelve of our holdings in this category are excellent. Ten of twelve currently have cash in excess of debt, compared with the 2008/9 recession when only four of ten held excess cash. These companies have also restructured their businesses during the past three years, permanently reducing fixed costs and improving their cash breakeven levels. This should serve them well if business conditions deteriorate and will yield stronger margins and returns in good environments. Forward earnings multiples have declined creating what we believe is an opportunity to invest at desirable prices. Despite the muddled near term picture, we believe our electronic/technology holdings are well positioned to endure a downturn and thrive in an upturn.

During the quarter Tyco International Ltd. announced plans to split into three independent, publically traded companies. The three companies will consist of ADT North America Residential, Flow Control, and Commercial Fire and Security. The separation will be in the form of tax-free stock dividends of ADT North America Residential and Flow Control to existing shareholders. It is expected to cost \$700 million in one-time costs with completion due by September 2012. The individual companies will be able to pursue unique business goals, allocate capital more efficiently, and better align management compensation with individual performance. It is still unclear how costs and debt financing will be allocated across the three companies, but we believe the split makes strategic sense, and expect it to create value for shareholders once complete.

One of our larger holdings, Checkpoint Systems, Inc., experienced another difficult quarter. While the company's second quarter results were largely in-line with our own lowered expectations, some investors appeared to have been confused by the accounting treatment of a particular contract renewal transaction and had been anticipating better operating results than were reported. The company's exposure to retail end markets was also a negative, with investor's perception of consumer demand becoming increasingly more downbeat. Finally, management seems to have lost the confidence of two large shareholders, Shapiro Capital Management Co., Inc. and MMI Investments, L.P., with each publicly agitating for a review of strategic alternatives, including the outright sale of the company. Despite the continuing challenges, we believe that the shares represent a good long term investment, trading at about 4.0 times

our 2012 EBITDA estimate. Insider buying has also resumed in recent months, including a 10,000 share purchase by the CEO in mid August.

Ferro Corporation's shares lost over half their value during the quarter. The market has punished the company for their exposure to the solar industry, European end markets and their relatively high debt level. Additionally, it has become increasingly apparent that fresh demand for their conductive solar cell pastes has not yet materialized and the company's 2011 guidance is at risk. We have adjusted our earnings estimate to approximately \$0.80 per share for 2011 which assumes anemic levels of solar paste demand. In our opinion, the current earnings multiple of 7.5 times attributes no value to their solar paste business which we expect will provide substantial earnings growth over the next three years. With respect to their balance sheet, we believe the company's debt load is reasonable at less than 2 times debt to EBITDA and \$350 million is still available under their revolver.

The shares of Ingersoll-Rand plc came under pressure during the quarter as the company pre-announced a sales and earnings shortfall. The primary issue was weakness in their North American residential HVAC (heating, ventilation and air conditioning) business and home security unit. It is likely that the malaise in these markets will continue and result in weaker than previously expected earnings for the next several quarters. We believe their profit improvement program is sensible but that the economy will push out targeted returns for one to two years. Having said this, the current valuation appears to reflect much of this uncertainty and when the turn comes our reward should be substantial.

In conjunction with the release of second quarter earnings, Collective Brands Inc. announced that its board had commenced a review of strategic alternatives to enhance shareholder value. Working with Perella Weinberg Partners (investment bankers) and Kurt Salmon (retail consultants), management and the board will explore a full range of alternatives for the company, which we expect to include a possible outright sale or splitting the Payless retail business from the wholesale brands. To review, the primary weakness at the company is its domestic Payless business. The wholesale operation has grown at strong rates and seems to be a very attractive business. Concurrent with this announcement, the company also announced that it will close 475 underperforming retail stores over the next three years, with 300 occurring before the end of this fiscal year. We expect an announcement regarding the strategic review in the coming months.

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.

This discussion reflects the views of the author as of the date or dates cited and may change at any time. The information should not be construed as investment advice. No representation is made concerning the accuracy of cited data, nor is there any guarantee that any projection, forecast or opinion will be realized.

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TOTAL RETURN WITH INCOME*

	Delafield Fund**	S&P 500 Total Index†	Russell 2000 Total Index†
Cumulative			
Quarter ended September 30, 2011	-24.15%	-13.87%	-21.87%
Nine months ended September 30, 2011	-20.72	-8.68	-17.02
Inception, November 19, 1993 to September 30, 2011	505.38	243.60	226.00
Annual Average			
One year ended September 30, 2011	-8.98	1.14	-3.53
Three years ended September 30, 2011	3.00	1.23	-0.37
Five years ended September 30, 2011	1.92	-1.18	-1.02
Ten years ended September 30, 2011	9.40	2.82	6.12
Inception, November 19, 1993 to September 30, 2011	10.61	7.15	6.84

TEN LARGEST HOLDINGS‡

Company	% of Net Assets
Tyco International Ltd.	2.93%
Dover Corp.	2.89%
El Paso Corp.	2.87%
Checkpoint Systems, Inc.	2.69%
Kennametal, Inc.	2.63%
Celanese Corp.	2.42%
Honeywell International, Inc.	2.40%
Flextronics International Ltd.	2.33%
FMC Corp.	2.26%
Collective Brands, Inc.	2.23%
TOTAL	25.66%

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
Redemption Fee for Shares held 90 days or less (as a percent of amount redeemed)	2.00%
Exchange Fee	None

Annual Fund Operating Expenses

(expenses that are deducted from Fund assets)

Management Fees	0.75%
Distribution and Service (12b-1) Fee	0.25%
Acquired Fund Fees and Expenses	0.02%
Other Expenses	0.27%
Total Annual Fund Operating Expenses	1.29%

ASSET MIX

	9/30/11	6/30/11	3/31/11	12/31/10	9/30/10
Equities	84.43	80.27	80.07%	78.32%	85.17%
Corporate Bonds	0.00	0.92	0.99	1.34	1.71
Real Estate Investment Trust	0.83	0.78	0.80	0.98	1.08
Cash Equivalents	14.74	18.03	18.14	19.36	12.04
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 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, 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 90 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, 2011.

STATEMENT OF NET ASSETS*
September 30, 2011
(Unaudited)

Common Stocks (84.43%)	Shares	Value
Aerospace & Defense (2.40%)		
Honeywell International, Inc.	595,000	\$ 26,126,450
Building Products (2.21%)		
Griffon Corp. (a)	1,550,000	12,679,000
NCI Building Systems, Inc. (a)	500,000	3,780,000
Trex Co., Inc. (a)	475,000	7,614,250
		<u>24,073,250</u>
Chemicals (16.96%)		
A. Schulman, Inc.	590,000	10,024,100
Ashland, Inc.	500,000	22,070,000
Celanese Corp.	810,000	26,349,300
Cytec Industries, Inc.	350,000	12,299,000
Eastman Chemical Co.	350,000	23,985,500
Ferro Corp. (a)	2,400,000	14,760,000
FMC Corp.	355,000	24,551,800
Minerals Technologies, Inc. (b)	420,000	20,693,400
PolyOne Corp.	1,525,000	16,332,750
Solutia, Inc. (a)	975,000	12,528,750
Spartech Corp. (a)	246,170	787,744
		<u>184,382,344</u>
Commercial Banks (1.13%)		
Hancock Holding Co.	460,000	12,318,800
Commercial Services & Supplies (1.91%)		
Avery Dennison Corp.	450,000	11,286,000
RR Donnelley & Sons Co.	675,000	9,531,000
		<u>20,817,000</u>
Communications Equipment (2.04%)		
Harris Corp.	650,000	22,210,500
Computers & Peripherals (0.76%)		
Diebold, Inc.	300,000	8,253,000
Construction & Engineering (0.80%)		
Insituform Technologies, Inc. (a)	750,000	8,685,000
Containers & Packaging (3.33%)		
Owens-Illinois, Inc. (a)	800,000	12,096,000
Sealed Air Corp.	600,000	10,020,000
Sonoco Products Co.	500,000	14,115,000
		<u>36,231,000</u>
Electrical Equipment (6.23%)		
Acuity Brands, Inc.	375,000	13,515,000
AMETEK, Inc.	275,000	9,066,750
Belden, Inc.	300,000	7,737,000
Brady Corp.	455,000	12,025,650
Cooper Industries PLC (c)	175,000	8,071,000
Hubbell, Inc.	350,000	17,339,000
		<u>67,754,400</u>
Electronic Equipment, Instruments & Components (9.09%)		
Checkpoint Systems, Inc. (a)(b)	2,150,000	29,197,000
Corning, Inc.	1,100,000	13,596,000
Flextronics International Ltd. (a)(c)	4,500,000	25,335,000
Ingram Micro, Inc. (a)	850,000	13,710,500
Plexus Corp. (a)	750,000	16,965,000
		<u>98,803,500</u>
Health Care Equipment & Supplies (1.24%)		
Teleflex, Inc.	250,000	13,442,500

Common Stocks (84.43%)	Shares	Value
Household Durables (2.78%)		
Ethan Allen Interiors, Inc.	450,000	\$ 6,124,500
Stanley Black & Decker, Inc.	490,000	24,059,000
		<u>30,183,500</u>
Industrial Conglomerates (4.91%)		
Carlisle Companies, Inc.	675,000	21,519,000
Tyco International Ltd. (c)	782,000	31,866,500
		<u>53,385,500</u>
Insurance (0.41%)		
CNA Financial Corp.	200,000	4,494,000
Life Sciences Tools & Services (1.28%)		
Thermo Fisher Scientific, Inc. (a)	275,000	13,926,000
Machinery (11.84%)		
Albany International Corp. (b)	725,000	13,231,250
Crane Co.	315,000	11,242,350
Dover Corp.	675,000	31,455,000
Federal Signal Corp.	1,900,000	8,398,000
IDEX Corp.	350,000	10,906,000
Ingersoll-Rand PLC (c)	650,000	18,258,500
Kennametal, Inc.	875,000	28,647,500
Timken Co.	200,000	6,564,000
		<u>128,702,600</u>
Metals & Mining (0.33%)		
Commercial Metals Co.	150,000	1,426,500
Universal Stainless & Alloy (a)	85,000	2,160,700
		<u>3,587,200</u>
Oil, Gas & Consumable Fuels (2.87%)		
El Paso Corp.	1,785,000	31,201,800
Professional Services (1.54%)		
TrueBlue, Inc. (a)	1,475,000	16,711,750
Semiconductors & Semiconductor Equipment (5.95%)		
Brooks Automation, Inc.	1,150,000	9,372,500
Diodes, Inc. (a)	550,000	9,856,000
Fairchild Semiconductor International, Inc. (a)	1,300,000	14,040,000
Formfactor, Inc. (a)	600,000	3,738,000
International Rectifier Corp. (a)	193,800	3,608,550
LTX-Credence Corp. (a)	2,000,000	10,580,000
Teradyne, Inc. (a)	1,225,000	13,487,250
		<u>64,682,306</u>
Specialty Retail (2.23%)		
Collective Brands, Inc. (a)	1,875,000	24,300,000
Trading Companies & Distributors (2.19%)		
Rush Enterprises, Inc. (a)	675,000	9,558,000
WESCO International, Inc. (a)	425,000	14,258,750
		<u>23,816,750</u>
Total Common Stocks (Cost \$1,016,083,093)		<u>918,089,150</u>
Real Estate Investment Trusts (REITs) (0.83%)		
Real Estate (0.83%)		
Kimco Realty Corp.	600,000	9,018,000
Total Real Estate Investment Trusts (Cost \$5,536,617)		<u>9,018,000</u>

STATEMENT OF NET ASSETS*, continued
September 30, 2011
(Unaudited)

Short-Term Investments (13.77%)	Principal Amount	Value
Money Market Fund (13.77%)		
AIM STIT-Treasury Portfolio (0.02%) (d)	\$149,694,634	\$ 149,694,634
Total Short-Term Investments (Cost \$149,694,634)		<u>149,694,634</u>
Total Investments (Cost \$1,171,314,344) (99.03%)		<u>1,076,801,784</u>
Other Assets in Excess of Liabilities (0.97%)		<u>10,578,218</u>
Total Net Assets (100.0%)		<u>\$1,087,380,002</u>

Percentages are stated as a percent of net assets.

(a) Non-income producing security.

(b) Affiliated company.

(c) Foreign issued security. Foreign concentration (including ADRs) was as follows: Ireland 2.42%; Singapore 2.33%; Switzerland 2.93%

(d) Variable rate security. The rate listed is as of September 30, 2011.