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

The Delafield Fund

January 17, 2019

Dear Fellow Shareholders:

During the past quarter, the Delafield Fund's net asset value declined 16.88% versus decreases of 13.52% for the Standard & Poor's 500 Index ("S&P 500") and 20.20% for the Russell 2000 Index ("Russell 2000"), each on a total return basis*. The Fund's net asset value as of December 31, 2018 was $17.65 per share after a net distribution of $1.353 per share was paid on December 12, 2018.

For the 2018 calendar year the Fund's net asset value declined 16.29% versus decreases of 4.38% for the S&P 500 Index and 11.01% for the Russell 2000 Index each on a total return basis*. At the beginning of the year our commitment to equities was 73.90% and at the end of the year it was 77.17% and our total net assets amounted to $196,996,630.

Collectively our team has ridden through many bad markets including the "Flash Crash of 1962", the extended decline of the seventies, October 1987, the collapse of the tech bubble in 2000, and, most recently, the 2008 financial crisis. The genesis of each was different but the pain similar. Some of these declines were protracted and some were sudden, but all were severe. The current slump, while reminiscent in intensity to 1987, is perhaps most similar to 1962, when President Kennedy threatened the steel industry, analogous to President Trump and his recent reproach of the Federal Reserve Board. However, the world is more complicated and less resilient today as deficits have sapped our economic reserves and extremely liberal monetary policy has left little room for further stimulation should it become necessary.

As to the investment climate, global uncertainty has become the dominant theme. The world and investors are troubled by doubts surrounding negotiations with North Korea, a more aggressive Russia, the United Kingdom in the throes of Brexit, France in turmoil and Italy showing renewed financial stress. Implications of the U.S. and China trade-war remain unknown, and here at home the House and Senate will be divided in the coming year while unpredictability reigns in the White House.

While the stock market is anticipating an economic downturn of sorts, actual business conditions remain strong in the U.S. and seem likely to continue so, although political uncertainty is leading to cautious corporate expansion plans, and raw material inflation has been difficult to overcome for manufacturing companies. The U.S. consumer is also in good shape. Unemployment is low and wages are rising. Driven by last year's tax modification, it is expected that 2018 tax refunds will be larger than normal which should support consumption, although real estate and auto sales are expected to moderate despite the fact that interest rates remain low by historical standards and should not be a deterrent to economic activity.

We have transitioned to hyper-volatility in the stock market, after a period of extended non-existent volatility. We have long worried about the state of the geo-political, military and economic complacency and so have kept reserves high since the extent of market corrections is unknowable. However, we have more recently begun to redeploy reserves into equity investments as stock valuations have become more attractive to us. We do not expect a v-shaped recovery in the markets following the capitulation we experienced in the fourth quarter. Rarely do stocks bottom and then start straight up, normally there are bumps along the way. However, in the near term, the market may draw support from the rebalancing of portfolios from debt into equities and a renewed flow of investible funds from 401K plans.

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* *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.tocquevillefunds.com/mutual-funds/delafield-fund/performance) to obtain the most recent month-end performance data.

As is our tradition in our year-end letter, we set forth below the principles of our investment approach to increase your real wealth over time. We think it is logical and has resulted in above average returns for many years and believe it will lead to attractive returns in the years ahead.

1. We search for companies that we believe are selling at prices which seem modest in relation to the company's intrinsic value.
2. We meet with management, visit plants, talk to competitors, consider the makeup of the Board of Directors and make a judgment as to whether we wish to be in business with the management. In other words, we try to understand the business of the companies in which we invest and the individuals who direct the company's future.
3. We search for companies wherein something may change which will alter the company's future for the better. These can be simple matters ranging from a change in management, management's attitudes, shareholder control, business opportunities or the dynamics of a company's cash flow and its use.
4. If we perform our analysis correctly, the value added we bring to you is an earlier and better understanding of the companies in our portfolio than that of other investors. Then, if the companies begin to improve, their earnings should increase, and they should be valued at a higher multiple of earnings.
5. We have never worried about the profits we did not make. We worry much more about what we might lose. We believe that stock selection is much more relevant to successful investing than total commitment to equities. In the volatile markets which have developed over the last 15 to 20 years, we have come to believe that the long-term investor's best hedge against volatility is to have cash with which to invest in companies when prices seem unduly depressed.

Below are short updates focusing on the financial strengths of several of our investments.

Eastman Chemical (EMN) is a company we have owned for quite some time. They are a diversified and vertically integrated materials and additives manufacturer with annual revenue approaching $10 billion. Key products include: coating and ink additives, adhesive resins, tire additives, specialty fluids, plasticizers, specialty plastics, advanced interlayers, performance films, acetate tow and acetate yarn. These formulations are used in a number of industries, including, transportation, building and construction, packaging, personal care, health and wellness and tobacco. For over a decade management has allocated capital extremely well and has largely transformed the enterprise from a commodity driven cyclical company to a higher margin specialty one. This has resulted in considerable earnings growth and very strong free cash flow. In 2019 we expect EPS to approach $9 per share, which is over four times higher than it was a decade ago. In the next three years we expect the company will continue to grow earnings thanks to their strong innovation platform along with prudent capital allocation (share buybacks and acquisitions). The cash flow the company is estimated to generate over the same timeframe is equally as impressive. We expect approximately $3.5 billion of aggregate free cash flow in the next three years-representing an annual free cash flow yield on equity of over 10% per year. At current levels we do not believe the stock valuation reflects the impressive free cash flow of the business. We also believe that management is of a similar mindset and could accelerate their rate of repurchase to take advantage of this near-term stock price dislocation.

While we wrote extensively about Acuity Brands, Inc. (AYI) in our third quarter letter, we want to reiterate our conviction in the investment again by focusing on the strength of the company's free cash flow generation. As a reminder, with net sales approximating $3.6 billion, Acuity is among the largest global providers of indoor and outdoor lighting fixtures and related controls. When we bought this stock earlier in 2018 we believed that Acuity had reached an inflection point following several quarters of lackluster earnings results. We continue to believe that our investment thesis for Acuity remains valid. Namely, that they will continue to benefit from the ongoing adoption of LED lighting, that over time they will experience gross margin expansion and that longer term they are uniquely positioned to grow meaningfully within the nascent connected lighting hardware and software market opportunity. That said, their end markets (largely non-residential construction) are not immune to potential cyclical contractions, and therefore, we view both their strong balance sheet and substantial free cash flow generation as critical to the investment. With respect to balance sheet strength, as of their last reported quarter, Acuity had net debt of roughly $142 million, representing less than 0.3 times trailing adjusted EBITDA. Interest coverage, as of the end of their last quarter was an impressive 17 times. In terms of free cash flow, we expect Acuity to generate more than $700 million in aggregate free cash flow over the next couple of years under current business conditions. Management has historically and successfully allocated capital to fund growth, both organically and through acquisitions, as well as to return cash to shareholders through dividends and shares repurchase. Importantly, Acuity generated positive free cash flow through the last cyclical downturn, which enabled them to sustain a high level of growth investment in the business and ultimately led to their dominant position in what was then a developing LED market. While we're not anticipating a downturn in the near term, we are comforted knowing that Acuity has the financial strength to weather a potential storm and that it has a history of emerging from these periodic slowdowns ahead of the pack.

Garrett Motion, Inc. (GTX) is a leader in the field of engine boosting technology, better known as turbocharging. The company, which has a 65-year history, was a wholly owned subsidiary of Honeywell International until October 2018 when it was spun-out as a public entity. Roughly 70% of its $3.5 billion in sales are to the light vehicle automotive market for gasoline and diesel engines. The balance of its sales are to a combination of aftermarket and commercial vehicle platforms. GTX is very much an international company as only 10% of sales are generated in the U.S. Europe is the largest market with 50%, followed by Asia with 30% of revenue.

In recent years Garrett has been the market leader in turbocharging with approximately a 50% win rate for new awards. The performance benefits of turbocharging have driven the business to grow at a faster rate than new vehicle sales. Performance benefits include up to 20% better fuel economy and 10-15% lower CO_2 emissions, an assist to meeting industry standards.

The business is evolving as gasoline engines are an increasingly important part of their mix at the expense of diesel. Moreover, hybrid will take meaningful share from the traditional internal combustion engine. GTX is well positioned on these future platforms. The biggest uncertainty in their future is the impact of the pure electric vehicle (EV), where they currently have nominal exposure. While electric vehicles are expected to grow rapidly from a nominal base, expectations are that they will only account for 5-10% of the total vehicle market by 2025. In a relatively flat OEM market, the company anticipates that the secular tailwind of turbocharging should allow it to grow 4-6% organically for the next several years.

In the near-term our concern is what will happen to worldwide auto sales. While the long-term nature of their program does provide platform clarity, it doesn't prevent volumes from falling when demand weakens. Helping to offset the impact to profits is the company's move to become less vertically integrated. Today their cost structure is roughly 80% variable. GTX is expected to generate $200 million of free cash flow per year enabling debt pay down to a ratio of less than two times debt/EBITDA by 2020. The shares today are trading at only four times EV/EBIDTA, which is inexpensive even for an automotive supplier. We think the company's strengths have not been recognized and believe it is an attractive long-term investment.

We are aware that many shareholders have not been receiving our quarterly letter since it is not 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 (212-698-0750) or write to us and we will be happy to add you to the distribution list.

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.tocquevillefunds.com

This discussion reflects the views of the authors 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*

Cumulative	Delafield Fund**	S&P 500 Total Index†	Russell 2000 Total Index†
Quarter ended December 31, 2018	(16.88)%	(13.52)%	(20.20)%
Twelve months ended December 31, 2018	(16.29)	(4.38)	(11.01)
Inception, November 19, 1993 to December 31, 2018	851.16	786.97	654.48
Annual Average			
One year ended December 31, 2018	(16.29)	(4.38)	(11.01)
Three years ended December 31, 2018	3.31	9.26	7.36
Five years ended December 31, 2018	(2.86)	8.49	4.41
Ten years ended December 31, 2018	9.29	13.12	11.97
Inception, November 19, 1993 to December 31, 2018	9.38	9.08	8.38

TEN LARGEST HOLDINGS‡

Security Name	% of Total Assets
TTM Technologies, Inc.	4.57%
Eastman Chemical Co.	4.08%
U.S. Concrete, Inc.	3.55%
Fabrinet	3.26%
WESCO International, Inc.	3.15%
Flex Ltd.	2.87%
Acuity Brands, Inc.	2.80%
Crane Co.	2.66%
HB Fuller Co.	2.65%
WR Grace & Co.	2.64%
TOTAL	**32.23%**

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	0.78%
Distribution and Service (12b-1) Fee	0.25%
Other Expenses	0.29%
Total Annual Fund Operating Expenses	**1.32%**
Less: Fee Waiver/Expense Reimbursement	-0.06%
Total Annual Fund Operating Expenses after Fee Waiver/Expense Reimbursement	**1.26%**

ASSET MIX

	12/31/18	*9/30/18*	*6/30/18*	*3/31/18*	*12/31/17*
Equities	77.17	66.73	73.95	71.49	73.90
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	22.83	33.27	26.05	28.51	26.10
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

* **The performance data quoted above represents past performance. Past performance does not guarantee future results. The investment return and principal 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.tocquevillefunds.com/mutual-funds/delafield-fund/performance) 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, 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 28, 2018. The Advisor has contractually agreed to waive management fees and/or reimburse expenses in order to ensure that Fund's expense ratio does not exceed 1.25% (excluding taxes, interest expense, acquired fund fees and expenses, or extraordinary expenses such as litigation) until at least 3/1/2019. In the absence of these fee waivers, total returns would be lower.**

STATEMENT OF NET ASSETS
December 31, 2018
(Unaudited)

Common Stocks - 77.17%	Shares	Value
Aerospace & Defense - 0.46%		
Ducommun, Inc. (a)	25,000	$ 908,000
Auto Components - 2.73%		
Garrett Motion, Inc. (a)	247,000	3,047,980
Gentex Corp.	115,000	2,324,150
		5,372,130
Building Products - 2.27%		
Apogee Enterprises, Inc.	150,000	4,477,500
Chemicals - 14.74%		
Eastman Chemical Co.	110,000	8,042,100
GCP Applied Technologies, Inc. (a)	135,000	3,314,250
HB Fuller Co.	122,500	5,227,075
Minerals Technologies, Inc.	80,000	4,107,200
PolyOne Corp.	110,000	3,146,000
WR Grace & Co.	80,000	5,192,800
		29,029,425
Commercial Services & Supplies - 1.19%		
Team, Inc. (a)	160,000	2,344,000
Communications Equipment - 1.60%		
Lumentum Holdings, Inc. (a)	75,000	3,150,750
Construction & Engineering - 0.99%		
Aegion Corp. (a)	120,000	1,958,400
Construction Materials - 3.55%		
U.S. Concrete, Inc. (a)	198,000	6,985,440
Electrical Equipment - 2.80%		
Acuity Brands, Inc.	48,000	5,517,600
Electronic Equipment, Instruments & Components - 14.12%		
Avnet, Inc.	74,000	2,671,400
Fabrinet (a)(b)	125,000	6,413,750
Flex Ltd. (a)(b)	743,000	5,654,230
Plexus Corp. (a)	80,000	4,086,400
TTM Technologies, Inc. (a)	925,000	9,000,250
		27,826,030
Energy Equipment & Services - 1.04%		
McDermott International, Inc. (a)(b)	312,500	2,043,752
Health Care Providers & Services - 0.84%		
Cross Country Healthcare, Inc. (a)	225,000	1,649,250

Common Stocks - 77.17%	Shares	Value
Household Durables - 3.60%		
Mohawk Industries, Inc. (a)	28,000	$ 3,274,880
Newell Brands, Inc.	205,000	3,810,950
		7,085,830
Interactive Media & Services - 2.43%		
Cars.com, Inc. (a)	222,200	4,777,300
Machinery - 5.81%		
Crane Co.	72,500	5,233,050
Harsco Corp. (a)	220,000	4,369,200
REV Group, Inc.	245,000	1,839,950
		11,442,200
Media - 2.48%		
TEGNA, Inc.	450,000	4,891,500
Metals & Mining - 2.28%		
Commercial Metals Co.	220,000	3,524,400
Schnitzer Steel Industries, Inc. - Class A	45,000	969,750
		4,494,150
Professional Services - 2.15%		
TrueBlue, Inc. (a)	190,000	4,227,500
Specialty Retail - 0.83%		
Tile Shop Holdings, Inc.	300,000	1,644,000
Technology Hardware, Storage & Peripherals - 1.88%		
Electronics For Imaging, Inc. (a)	83,000	2,058,400
Hewlett Packard Enterprise Co.	125,000	1,651,250
		3,709,650
Textiles, Apparel & Luxury Goods - 4.06%		
Hanesbrands, Inc.	230,000	2,881,900
PVH Corp.	55,100	5,121,545
		8,003,445
Trading Companies & Distributors - 5.32%		
Rush Enterprises, Inc. - Class A	124,400	4,289,312
WESCO International, Inc. (a)	129,100	6,196,800
		10,486,112
Total Common Stocks (Cost $147,869,009)		**152,023,964**

STATEMENT OF NET ASSETS, continued
December 31, 2018
(Unaudited)

Short-Term Investments - 22.91%	Shares	Value
Money Market Fund - 4.97%		
STIT-Treasury Portfolio-Institutional Class, 2.261% (c)	9,800,000	$ 9,800,000
	Principal Amount	
Money Market Deposit Account - 5.28%		
U.S. Bank Money Market Deposit Account, 0.300%	$10,396,577	10,396,577
US Treasury Bill - 12.66%		
2.321%, 02/07/2019 (d)	25,000,000	24,941,032
Total Short-Term Investments (Cost $45,136,154)		**45,137,609**
Total Investments (Cost $193,005,163) - 100.08%		**197,161,573**
Liabilities in Excess of Other Assets - (0.08)%		**(164,943)**
Total Net Assets - 100.0%		**$ 196,996,630**

Percentages are stated as a percent of net assets.
(a) Non-income producing security.
(b) Foreign issued Security. Foreign Concentration (including ADR's) was as follows: Cayman Islands 3.26%; Singapore 2.87%; Panama 1.04%.
(c) Rate listed is the 7-day effective yield.
(d) Rate shown is the effective yield based on purchased price. The calculation assumes the security is held to maturity.

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