

## FUND STRATEGY

The Delafield Fund will seek to achieve its objectives by investing primarily in the equity securities (i.e., common stocks, securities convertible into common stocks or rights or warrants to subscribe for or purchase common stocks) of domestic companies. Specifically, the Fund will primarily invest in equity securities which the portfolio managers believe to be undervalued or to represent special situations. An example of a special situation is a company undergoing change that might cause its market value to grow at a rate faster than the market generally.

## PERFORMANCE

Average Annual Returns as of 12/31/16\*

	3 Month	YTD	1YR	3YR	5YR	10YR
Fund	7.08%	22.87%	22.87%	-1.23%	8.37%	5.89%
Russell 2000 Index	8.83%	21.31%	21.31%	6.74%	14.46%	7.07%
S&P 500 Index	3.82%	11.96%	11.96%	8.87%	14.66%	6.95%

Performance data quoted represents past performance and 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 their original cost. The performance assumes reinvestment of capital gains and dividends. Fund performance current to the most recent month-end may be lower or higher than the performance quoted and can be obtained by calling 1-800-697-3863 or visiting [www.tocqueville.com/mutual-funds](http://www.tocqueville.com/mutual-funds).

^The Advisor has contractually agreed to waive management fees and/or reimburse expenses in order to ensure that the 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 3/1/2018. In the absence of these fee waivers, total returns would be lower. Expense cap of 1.25% was implemented on 11/1/2016.

\*Performance for periods before 9/27/09 is for Delafield Fund, Inc. (the "Predecessor Fund"), which was reorganized into The Delafield Fund on 9/28/09. The Predecessor Fund had the same Portfolio Managers, investment objectives and strategies as The Delafield Fund. Performance since 9/28/09 reflects actual Delafield Fund performance.

### Calendar Year Returns



## QUARTERLY UPDATE

- Investors' trepidation heading into the U.S. presidential election temporarily halted the U.S. equity market's upward march in the month of October. However, equity markets rallied sharply on the heels of the Trump victory in November, and U.S. equities held those gains in December, despite the Fed's move to raise rates mid-month. Strong consumer confidence and an improved unemployment report were among the economic data points that buoyed investor confidence during the quarter.
- The Fund generated a return of 7.08% in 4Q 2016, trailing the Russell 2000 Index which gained 8.83%, but ahead of the broader S&P 500 Index which returned 3.82%. Among sectors where we were more heavily exposed, we experienced strength in our Information Technology holdings which, in aggregate, contributed about 125 basis points to our relative performance. Our investments in the Industrials sector generated around a 10% absolute return, but modestly detracted from our relative performance. Additionally, our lack of exposure to the Financials sector was also a negative on a relative basis, as it was among the better performing sectors during the quarter.
- With market valuations generally appearing full to us, we maintained sizeable reserves during the quarter, which negatively impacted our relative performance by about 200 basis points. As a rule, markets do not move forever in one direction, and we will utilize our cash reserves to take advantage of reversals when they occur and to invest in new opportunities as we uncover them.
- Our top contributing stocks during the quarter included U.S. Concrete Inc., KEMET Corp., Harsco Corporation and Korn Ferry. In contrast, our largest detractors were Sequential Brands Group Inc. and Xerium Technologies Inc.
- Several new positions were initiated during the quarter, including, in size order, Abbott Labs Inc., G-III Apparel Group, Ltd., and Electro Scientific Industries Inc. A number of investments were sold out, the largest of which included Consol Energy Inc., McDermott International Inc., and Pier 1 Imports Inc.

## FUND OBJECTIVE

The Delafield Fund's investment objectives are to seek long-term preservation of capital (sufficient growth to outpace inflation over an extended period of time) and growth of capital.

## FUND FACTS

Symbol:	DEFIX
Cusip:	888894847
Dividend Policy:	Annual
Minimum Investment:	\$1,000 (\$250 IRA)
Total Fund Assets:	\$417.6 million
Expense Cap: <sup>^</sup>	1.25%
Gross Expense Ratio:	1.26%
Sales Charge:	None
Inception Date:	11/19/1993*
Managers' Tenure:	Co-Lead PMs: 23 Years Co-PMs: 1 Year
Morningstar Category:	Mid-Cap Value

## ASSET ALLOCATION

	% of Net Assets
Equities:	76.54%
Cash Equivalents, Other Assets, and Receivables:	23.46%

## PORTFOLIO STATISTICS

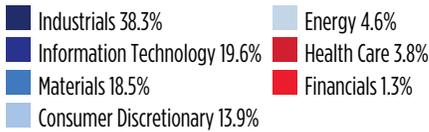
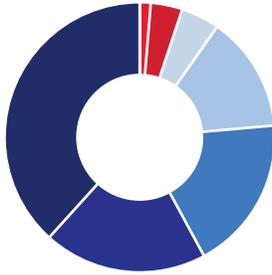
Total # Holdings:	49
P/E:	21.1x
Weighted Median Market Cap:	\$2.4 B
Weighted Avg. Market Cap:	\$7.9 B
Turnover Ratio:	44%

## RISK STATISTICS (3 YEAR)

R-Squared:	64.88
Alpha:	-6.75
Beta:	0.92
Sharpe Ratio:	-0.09
Std Dev:	14.19

## SECTOR ALLOCATION

% OF EQUITIES



## TOP TEN HOLDINGS

% OF NET ASSETS

Diebold Nixdorf, Inc.	4.22%
TrueBlue, Inc.	4.13%
Eastman Chemical Co.	3.42%
Hewlett Packard Enterprise Co.	2.77%
TEGNA, Inc.	2.69%
U.S. Concrete, Inc.	2.67%
Boardwalk Pipeline Partners LP	2.30%
KBR, Inc.	2.26%
TTM Technologies, Inc.	2.20%
HB Fuller Co.	2.14%
<b>Total</b>	<b>28.80%</b>

Fund holdings and sector weightings are subject to change at any time and are not recommendations to buy or sell any security. Holdings are based on percent of net assets.

## PORTFOLIO MANAGERS

J. Dennis Delafield, CFA, and Vincent Sellecchia, CFA, are co-lead portfolio managers of the Delafield Fund. Prior to joining Tocqueville in 2009, Mr. Delafield founded Delafield Asset Management, Inc. in 1980 which became a division of Reich & Tang Asset Management, LLC in 1991. He has a BA from Princeton University and holds the CFA designation. Prior to joining Tocqueville in 2009, Mr. Sellecchia held executive level positions at Reich & Tang Asset Management, LLC and Delafield Asset Management, Inc. He has a BA from Boston College and an MBA from New York University.

Joshua Kaufthal and James Maxwell, CFA, are co-portfolio managers of the Delafield Fund. Prior to joining Tocqueville in 2009, Mr. Kaufthal spent six years at Delafield Asset Management and three years as an equity analyst in the research department of UBS. He began his career at Bear Stearns as a financial analyst. Mr. Kaufthal earned a BA from the University of Pennsylvania. Prior to joining Tocqueville in 2009, Mr. Maxwell spent three years at Delafield Asset Management. Mr. Maxwell graduated Cum Laude from Northern Arizona University.

## GLOSSARY OF TERMS

**Alpha:** A statistic that measures the Fund's performance above and beyond the market return given its level of risk (as measured by beta) **Beta:** A measure of the Fund's sensitivity to market movements. A beta above or below 1 indicates the Fund is more or less volatile than the market. **P/E:** The weighted average of the price/earnings (P/E) ratios of the equity securities referenced. The P/E ratio is calculated by dividing the current price of the stock by the trailing earnings per share for the past 12 months. **R-Squared:** A statistical measure that represents the percentage of a Fund's movement that is explained by movements in a benchmark index. The higher the R-squared, the more meaningful the beta. **Sharpe Ratio:** A measure of return per unit of risk. A higher ratio indicates better risk adjusted performance. **Standard deviation:** A statistical measure of the volatility of the Fund's returns which is used as a proxy for risk.

**The Russell 2000 Index** consists of the smallest 2000 companies in a group of 3000 U.S. companies in the Russell 3000 Index, as ranked by market capitalization.

**The S&P 500 Index** is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation. You cannot invest directly in an index.

**The Morningstar Mid-Cap Value Portfolios** focus on medium-size companies while others land here because they own a mix of small-, mid-, and large-cap stocks. All look for U.S. stocks that are less expensive or growing more slowly than the market.

## DISCLOSURES

Mutual Fund investing involves risk. Principal loss is possible. **Past performance is not a guarantee of future results.** The Fund invests in smaller companies, which involve additional or special risks such as small companies rely on limited product lines, financial resources and business activities that may make them more susceptible than larger companies to setbacks or downturns; and small cap stocks are less liquid and more thinly traded which make them more volatile than stocks of larger companies.

*The Tocqueville Mutual Funds may be offered only to persons in the United States. This literature should not be considered a solicitation or offering of any investment products or services to investors residing outside of the United States.*

*Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectus which should be considered carefully before investing.*

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