

City Of Ormond Beach GE Pension Fund

Do Not Mail

,

March 31, 2016

Account number 3250000302

Enclosed is the most recent statement for your account at Delaware Capital Management. This statement includes account performance, realized gains and losses, and a detailed account summary as of the most recent quarter end.

Please let us know if there has been any significant change in your financial situation as outlined in your client questionnaire. As a fiduciary advisor, Delaware wants to make sure your portfolio with us is still a prudent and wise choice for your overall investment plan and asset allocation decision. Also, our most current Form ADV II is available should you request a copy.

Sincerely,



**James L. Hinkley**  
Senior Vice President  
Wealth Management Group  
Delaware Investments

Delaware Investments is not an authorized deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia) and that entity's obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of that entity, unless noted otherwise.

# Quarterly Performance Report

City Of Ormond Beach GE Pension Fund

3250000302

March 31, 2016

Charles H Mulfinger

Morgan Stanley

100 N. Tampa St, Ste 3000

Tampa, FL 33602

Commentary	2
Performance Review	7
Executive Summary	8
Portfolio Holdings	9
Activity Summary	18
Schedule Of Realized Gains & Losses	21

**Managed Accounts • Quarterly Commentary • March 31, 2016****International Equity ADR (SMA) Strategy**

Client use only

***International Economic/Sector Overview*****Central banks test the boundaries of negative interest rate policies**

Equity market volatility, currency surprise and almost celebrity-status central bankers characterized the quarter. Over the past twelve months, the once unorthodox negative interest rate policy, has become almost conventional. Central bankers at the Bank of Japan, the European Central Bank (ECB), the Swiss National Bank, the Danmarks Nationalbank, and the Riksbank all pushed short rates further into negative territory. According to the International Monetary Fund (IMF) and Lombard Street Research, close to 20% of the global economy now have negative policy rates. This reflects the continued fragility of the post-crisis global economy. It also has important implications for investors' discount rates, currency exchange rates and the outlook for the financials sector.

As a result of central bank actions, yield curves have generally steepened across the developed world in the past twelve months even as the absolute level of rates has fallen, especially at the short end. While U.S. policy rates rose in December for the first time since 2006, it has not had much of an impact on the yield curve as investors continue to expect only a very slow change in U.S. policy given the challenges elsewhere in the global economy, and the U.K. remains mired in its internal debate on membership of the European Union. In Switzerland and Japan, safe haven status and a large, captive buyer of government bonds has shifted rates lower across the curve. It is in Europe that the yield curve is now the steepest; the ECB is hoping that

combined with central bank subsidized lending programs, this will stimulate demand for credit across the eurozone. In this fragile environment, central bank policies across the world remain pro-growth, while inflation expectations remain low but positive at around 1%.

Longer term interest rates have held relatively stable, implying that most investors' discount rates for equities have not really changed in the past year despite the negative interest rate environment. While we would agree with that conclusion, we would also note that given the absolute low levels of yields, long term returns across asset classes are likely to remain low against history.

Despite the backdrop of lower policy rates, both the yen and the euro appreciated over the quarter with the euro rising 4.9% and the yen even stronger, up 7.0%. This has led some commentators to argue that the "currency wars" are over as central bank policy can no longer drive the exchange rate. We would rather argue that the forces affecting the exchange rate are more complex and best analyzed by looking at the underlying valuation of the exchange rate. Our analysis shows that both the euro and yen have been significantly undervalued against their long term fair value; it is not surprising that in an environment where the outlook for U.S. interest rates has become more uncertain, these currencies should have strengthened.

**Financials sector struggles; Mondrian portfolios remain significantly underweight to bank stocks**

The legacy impacts of the financial crisis – slower economic growth, little demand for credit, greater regulation, higher capital requirements and fines and penalties – on the financials sector continue to weigh 8-9 years on. The weakness of the financials sector over the quarter, down 9.6%, reflects the punitive effects of negative interest rates that are the latest challenge to banks' business models. With little hope of passing negative deposit rates on to their retail customers, banks appear caught by the zero boundary that central banks have moved through. Banks in affected economies are either going to have to see their "fees" charged to depositors and

other customers rise or experience contracting net interest margins as lending rates potentially fall. In the meantime, banks' cost of capital remains high and very sensitive to market volatility. During the quarter, this appeared evident in the trading of banks' AT1 (Additional Tier 1) bonds which count as equity capital and convert to common equity when a bank falls below a certain core capital level. During the quarter, concerns about Deutsche Bank's ability to continue paying dividends on their AT1 debt impacted the whole sector.

We remain significantly underweight the financials sector. Given the substantial legacy issues left post the financial crisis, most financial institutions are still struggling to build their capital positions, grow their earnings and pay sustainable and attractive dividends. We prefer conservative financial institutions in Asia, nonlife insurance companies which have the opportunity to grow their underwriting margins to offset negative interest rates, and retail banks such as Lloyds with a solid franchise and which have already been forced by their regulators to address past capital and operating issues.

#### **Brexit: Impact of the possible U.K. exit from the European Union**

The British pound has been the weakest major currency against the U.S. dollar in the quarter, falling 2.5%. This may reflect the announcement of the Brexit referendum in February and a narrowing of the polls in recent weeks. In our view Brexit still remains the unlikely outcome, but for the short to medium term view, the significant uncertainty attached to an exit outcome would be unsettling for markets both in the U.K. and Europe.

Given the binary nature of the outcome, we see two scenarios:

1) No exit, pre-referendum status quo maintained. The most likely case is a close vote; while the best case for the portfolio would be a convincing support for European Union (E.U.) membership enabling the U.K. to take the issue off the political agenda for the foreseeable future.

2) The more challenging scenario for the portfolio and the market would be a vote in favor of Brexit. Sterling would likely weaken further at least for the short term as would European markets. Short to medium-term economic growth in the U.K. and Europe would be impacted negatively as a period of uncertainty (2-5 years) ensues while trade and other treaties, including the legal and regulatory framework, are renegotiated. Most businesses' operations will not be impacted on a day-to-day basis near term, but strategic planning would become more challenging, putting pressure on capital investment. Longer term it is likely that British businesses would face higher operating costs in Europe and that Britain would have less say in creating European economic and trade policy. This would be most challenging for highly regulated businesses in the service sector such as finance. As the upheaval stabilizes, these pressures will weigh against any long term possible benefits from more autonomy. In the short term there is likely to be political upheaval in the U.K. as Prime Minister Cameron is forced to resign. Within Europe isolationist forces will push for advantage, while economic growth will come under pressure amidst political wrangling.

In our view, the immediate transmission mechanism for any Brexit vote would be through the financials sector; currency exchange rates, interest rates and financial asset prices. While the portfolio is overweight the U.K. equity market, it has a significant underweight exposure to both the U.K. and the European financials sectors which would likely suffer in a Brexit scenario. Also, we would estimate that the U.K.-listed companies held in the portfolio generate around one-third of revenues from the U.K., and a portion from Europe, leaving approximately about one half of revenues exposed to global markets that would be somewhat insulated from Brexit risks. Furthermore, we believe that at current prices, the U.K. market looks attractive in local currency terms, while the British pound is already undervalued versus the U.S. dollar, supporting our positioning.

#### ***International Equity ADR Investment Overview***

**The MSCI EAFE Index fell 3.0% in the first quarter (all returns in U.S. dollars)**

In a volatile start to the year, international equities initially fell as devaluation of the Chinese yuan continued and Chinese domestic market circuit-breakers were triggered, sparking renewed fears over the impact of a slowdown in China on global growth. Investors then worried about whether central banks had run out of options to stimulate growth after the Bank of Japan introduced negative interest rates. However, depreciation of the U.S. dollar as expectations for Federal Reserve rate hikes were pushed out further supported a recovery in commodities and emerging markets, which, together with further European Central Bank easing, helped to spur a partial rebound in international equity markets in March. Currency movements were a tailwind for U.S. dollar returns.

#### **Most equity markets registered losses during the quarter; returns in Asia Pacific lagged Europe**

In Europe, the Dutch and French equity markets generated positive returns, up 3.3% and 0.1% respectively, led by returns from stocks in the consumer discretionary sector in both markets. The Swedish market declined just 0.2% as the Riksbank cut its repo rate further than anticipated while the Economic Tendency Indicator continued to show strong confidence among manufacturers helped by the weak Swedish krona. Strong returns from stocks in commodity-linked sectors meant that the U.K. market fared well on a relative basis, down 2.3%. The German equity market fell just 2.5% helped by a recovery in the industrials sector after European Central Bank easing in March. Continued political uncertainty following the inconclusive Spanish election led to a 4.1% decline in the Spanish market. The Swiss equity market also lagged the broader index, down 5.5%, held back by the high weighting to the weak health care and financials sectors. The Italian equity market generated the lowest return in the region, down 11.7%, driven by weak returns from stocks in the financials sector amid fears over high levels of non-performing loans.

In the Asia Pacific region, the Singaporean equity market generated the highest return among major markets, up 5.0%, helped by improving sentiment towards

surrounding emerging markets. The bounce in commodity prices and higher than expected economic growth supported the Australian equity market, which increased 2.1%. The Japanese equity market fared less well, falling 6.5%, as the stronger yen weighed on exporters and business confidence, while the implications of negative interest rates hit the financials sector.

#### **The energy sector generated the strongest returns in the quarter, while the financials sector notably lagged**

The energy sector registered the strongest returns in the quarter, up 4.7%, helped by a recovery in the oil price; the International Energy Agency noted signs of oil market rebalancing with an accelerated decline in U.S. and other non-OPEC supply. The consumer staples sector continued to perform strongly, rising 3.3%, led by strong returns from U.K.-listed international companies with significant exposure to emerging markets where consumer sentiment improved. The bounce in commodity prices, spurred by U.S. dollar weakness and policies supporting Chinese growth, resulted in a 2.6% gain in the materials sector. The industrials sector rose 1.7% supported by strong returns from key eurozone markets seen as beneficiaries of European Central Bank easing. The consumer discretionary sector, however, declined 4.3% driven by poor performance from Japanese automakers hit by the strengthening yen. The health care sector fell 6.5% as a result of the weaker U.S. dollar and concerns over pricing. The financials sector generated the lowest return in the quarter, down 9.6%, as investors worried about the implications of negative interest rates alongside concerns over global growth and credit quality.

#### **Exchange rate movements added to U.S. dollar returns**

Most major currencies in the index appreciated against the U.S. dollar in the first quarter as expectations for Federal Reserve rate hikes were pushed out further. In particular, the Japanese yen appreciated by 7.0%, the Australian dollar strengthened by 5.7% and the euro appreciated by 4.9%. However, the British pound depreciated by 2.5% on fears over the outcome of the U.K. June referendum on membership of

the European Union.

#### **Performance Attribution for the first Quarter of 2016**

In a weak quarter for equity markets, the International Equity ADR Strategy returns exceeded the MSCI EAFE Index returns. The principal drivers of relative returns were:

#### **Country allocation added to relative investment returns**

The positive impact of the overweight positions in the U.K. and Singapore and the underweight position in Japan more than offset the impact of the underweight position in Australia.

#### **Stock selection within markets added to relative investment returns**

Stock selection was the dominant influence on relative investment returns, driven by strong stock selection in the U.K., Switzerland and Japan. At the sector level, allocation between sectors added to relative investment returns driven by the underweight position in the weak financials sector and the overweight position in the strong energy sector. Stock selection in all sectors added to relative returns, led by strong stock selection in the consumer staples and information technology sectors.

#### **Currency allocation held back relative investment returns**

Currency allocation effects were held back by the overweight position in the British pound and the underweight position in the Japanese yen

#### **Disclosures**

The views expressed represent the Manager's assessment of the account and market environment as of the date indicated and should not be considered a recommendation to buy, hold, or sell any security, and should not be relied on as research or investment advice. Holdings are as of the date indicated and subject to change. **Past performance is no guarantee of future results.**

#### **All investing is subject to risk, including the possible loss of principal.**

Unless otherwise noted, the source of statistical information used in this document was FactSet.

The MSCI EAFE (Europe, Australasia, Far East) Index measures equity market performance across developed market countries in Europe, Australasia, and the Far East. Index "net" return approximates the minimum possible dividend reinvestment after deduction of withholding tax at the highest possible rate.

The Swedish Economic Tendency Indicator is a survey of Swedish firms and consumers conducted by the National Institute of Economic Research (NIER) to capture trends in various economic variables.

Tier one contingent convertible bonds, also known as additional tier 1 capital (AT1 bonds), have their roots in the financial crisis, when governments were forced to bail out banks. Devised to help rebuild the capital that regulators require banks to hold in case of losses, they pay a fixed coupon, but convert to equity or can be written off when losses force a bank's capital below a certain threshold.

Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index.

International investments entail risks not ordinarily associated with U.S. investments including fluctuation in currency values, differences in accounting principles, or economic or political instability in other nations.

Investing in emerging markets can be riskier than investing in established foreign markets due to increased volatility and lower trading volume.

All third-party marks cited are the property of their respective owners.

Delaware Investments claims compliance with the Global Investment Performance Standards (GIPS®)

To receive a complete list and description of Delaware Investments composites and/or a presentation that adheres to the GIPS standards, contact managed accounts at 215-255-1000, or write Delaware Investments, 2005 Market Street, Philadelphia, PA 19103-7094, or email [managedaccounts@delinvest.com](mailto:managedaccounts@delinvest.com).

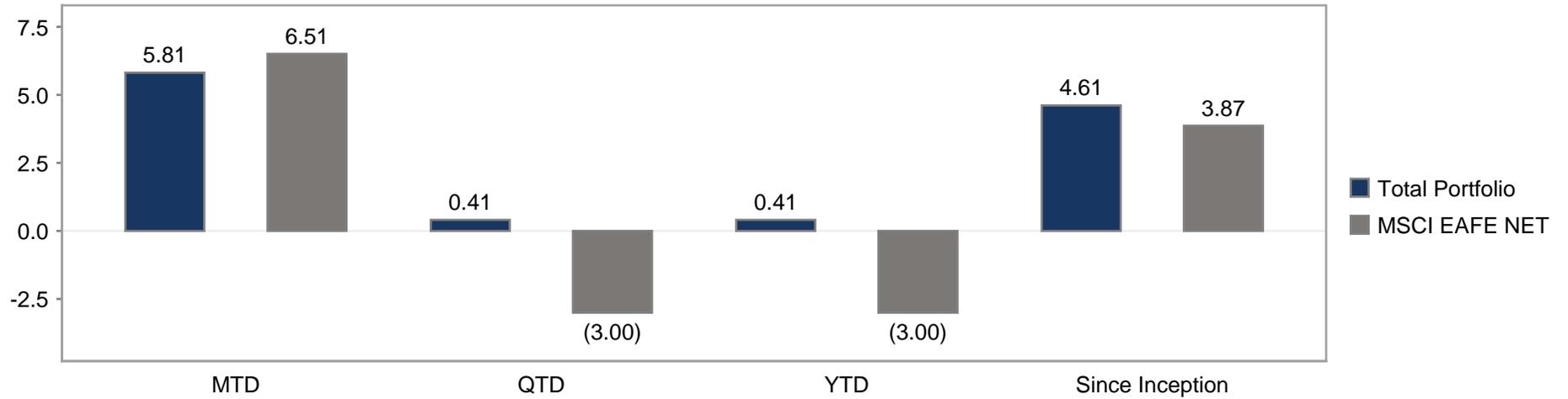
**Delaware Investments • 2005 Market Street • Philadelphia, Pennsylvania 19103-7094**

Delaware Investments, a member of Macquarie Group, refers to Delaware Management Holdings, Inc. and its affiliates. Macquarie Group refers to Macquarie Group Limited and its subsidiaries and affiliates worldwide. Advisory services provided by Delaware Management Business Trust, a registered investment adviser. Managed account advisory services are referred through Delaware Capital Management Advisers, Inc., a registered investment adviser.

Neither Delaware Investments nor its affiliates noted in this document are authorized deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank Limited (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities, unless noted otherwise.

**For managed account International Equity ADR client use only. Not for public distribution.**

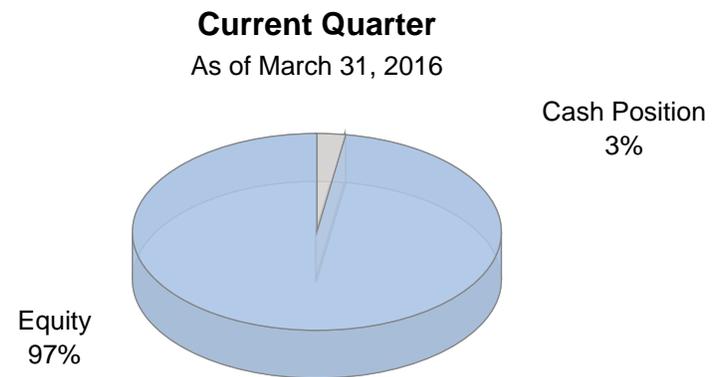
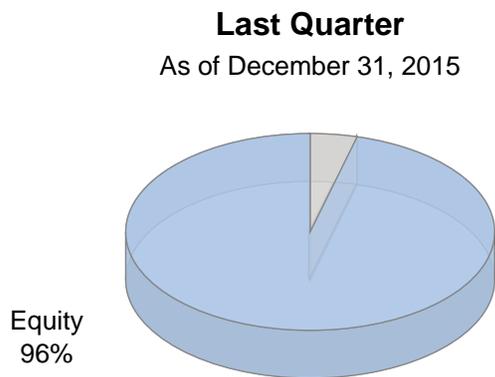
Daily Calculated Performance



Segment	Month to Date	Quarter to Date	Year to Date	Since Inception
Total Portfolio	5.81	0.41	0.41	4.61
Cash Position	0.01	0.02	0.02	0.03
Equity	5.93	0.30	0.30	(1.01)
MSCI EAFE NET	6.51	(3.00)	(3.00)	3.87

Note: Performance is reported gross of fees. Delaware Investments is not the source of the indexes. Delaware Investments is not the book of records and this statement should not be used for tax or legal purposes.

Segment	Market Value	%MV Last Quarter	%MV Current Quarter
Cash Position	48,120	4.1	2.5
Equity	1,871,274	95.9	97.5
<b>Grand Total</b>	<b>1,919,395</b>	<b>100.0</b>	<b>100.0</b>
Accrual	7,774		
<b>Grand Total Plus Accrual</b>	<b>\$1,927,169</b>		



## Portfolio Holdings

March 31, 2016

Security Units	Description		Cost	Market Value	% Market Value	Purchase Date	Gain/ Loss
<b>Cash Position</b>							
0	USD Cash		48,120	48,120	2.5		0
<b>Total</b>			<b>48,120</b>	<b>48,120</b>	<b>2.5</b>		<b>0</b>
<b>Total Cash Position</b>			<b>48,120</b>	<b>48,120</b>	<b>2.5</b>		<b>0</b>
<b>Equity</b>							
<b>Australia</b>							
1,050	QBE INS GROUP LTD	SPONSORED ADR	13,879	8,812	0.5	06/30/2014	(5,067)
<b>Total Australia</b>			<b>13,879</b>	<b>8,812</b>	<b>0.5</b>		<b>(5,067)</b>
<b>France</b>							
284	SANOFI	SPONSORED ADR	12,895	11,405	0.6	12/12/2014	(1,489)
1,148	SANOFI	SPONSORED ADR	38,149	46,104	2.4	06/30/2014	7,955
<b>1,432</b>	<b>SANOFI</b>	<b>SPONSORED ADR</b>	<b>51,044</b>	<b>57,509</b>	<b>3.0</b>		<b>6,465</b>
455	TOTAL S A	SPONSORED ADR	28,458	20,666	1.1	06/30/2014	(7,792)
5	TOTAL S A	SPONSORED ADR	0	227	0.0	09/23/2015	0
12	TOTAL S A	SPONSORED ADR	639	545	0.0	06/03/2015	(94)
5	TOTAL S A	SPONSORED ADR	0	227	0.0	12/16/2015	0

Please note: Delaware Investments is not the custodian or book of records of these assets. For any legal or tax records, please be sure to use the custodian or official book of records.

## Portfolio Holdings

March 31, 2016

Security Units	Description		Cost	Market Value	% Market Value	Purchase Date	Gain/ Loss
477	TOTAL S A	SPONSORED ADR	29,097	21,665	1.1		(7,432)
	Total France		80,141	79,174	4.1		(967)
<b>Germany</b>							
617	ALLIANZ SE	SP ADR 1/10 SH	10,591	10,051	0.5	08/11/2015	(540)
619	ALLIANZ SE	SP ADR 1/10 SH	10,192	10,083	0.5	07/30/2015	(108)
588	ALLIANZ SE	SP ADR 1/10 SH	9,383	9,578	0.5	08/31/2015	195
<b>1,824</b>	<b>ALLIANZ SE</b>	<b>SP ADR 1/10 SH</b>	<b>30,166</b>	<b>29,713</b>	<b>1.5</b>		<b>(453)</b>
124	DAIMLER AG	SPONSORED ADR	8,597	9,520	0.5	02/23/2016	922
375	DAIMLER AG	SPONSORED ADR	19,926	28,789	1.5	06/30/2014	8,863
<b>499</b>	<b>DAIMLER AG</b>	<b>SPONSORED ADR</b>	<b>28,524</b>	<b>38,309</b>	<b>2.0</b>		<b>9,785</b>
3,172	DEUTSCHE TELEKOM AG	SPONSORED	48,258	57,021	3.0	06/30/2014	8,764
1,000	RWE AG	SPONSORED ADR	54,016	12,962	0.7	06/30/2014	(41,053)
506	RWE AG	SPONSORED ADR	12,905	6,559	0.3	04/28/2015	(6,346)
361	RWE AG	SPONSORED ADR	9,776	4,679	0.2	02/13/2015	(5,097)
370	RWE AG	SPONSORED ADR	8,453	4,796	0.2	06/05/2015	(3,657)
<b>2,237</b>	<b>RWE AG</b>	<b>SPONSORED ADR</b>	<b>85,149</b>	<b>28,997</b>	<b>1.5</b>		<b>(56,152)</b>
118	SAP SE	SPON ADR	8,046	9,490	0.5	10/08/2014	1,444
650	SAP SE	SPON ADR	48,560	52,273	2.7	06/30/2014	3,713
139	SAP SE	SPON ADR	9,419	11,178	0.6	03/12/2015	1,759
<b>907</b>	<b>SAP SE</b>	<b>SPON ADR</b>	<b>66,025</b>	<b>72,941</b>	<b>3.8</b>		<b>6,916</b>
	<b>Total Germany</b>		<b>258,121</b>	<b>226,981</b>	<b>11.8</b>		<b>(31,140)</b>

Please note: Delaware Investments is not the custodian or book of records of these assets. For any legal or tax records, please be sure to use the custodian or official book of records.

## Portfolio Holdings

March 31, 2016

Security Units	Description		Cost	Market Value	% Market Value	Purchase Date	Gain/ Loss
<b>Hong Kong</b>							
500	CHINA MOBILE LIMITED	SPONSORED ADR	25,962	27,725	1.4	06/30/2014	1,763
<b>Total Hong Kong</b>			<b>25,962</b>	<b>27,725</b>	<b>1.4</b>		<b>1,763</b>
<b>Israel</b>							
157	TEVA PHARMACEUTICAL INDS LTD	ADR	6,477	8,401	0.4	06/30/2014	1,924
<b>Total Israel</b>			<b>6,477</b>	<b>8,401</b>	<b>0.4</b>		<b>1,924</b>
<b>Italy</b>							
900	ENI S P A	SPONSORED ADR	39,162	27,198	1.4	06/30/2014	(11,964)
321	ENI S P A	SPONSORED ADR	10,272	9,701	0.5	11/11/2015	(571)
315	ENI S P A	SPONSORED ADR	11,529	9,519	0.5	04/21/2015	(2,010)
<b>1,536</b>	<b>ENI S P A</b>	<b>SPONSORED ADR</b>	<b>60,963</b>	<b>46,418</b>	<b>2.4</b>		<b>(14,545)</b>
<b>Total Italy</b>			<b>60,963</b>	<b>46,418</b>	<b>2.4</b>		<b>(14,545)</b>
<b>Japan</b>							
1,450	CANON INC	SPONSORED ADR	49,390	43,239	2.3	06/30/2014	(6,151)
295	HONDA MOTOR LTD	AMERN SHS	10,190	8,065	0.4	08/04/2014	(2,125)
304	HONDA MOTOR LTD	AMERN SHS	10,337	8,311	0.4	08/14/2014	(2,026)
287	HONDA MOTOR LTD	AMERN SHS	9,157	7,847	0.4	10/02/2014	(1,310)
315	HONDA MOTOR LTD	AMERN SHS	9,700	8,612	0.4	12/08/2014	(1,088)
323	HONDA MOTOR LTD	AMERN SHS	10,902	8,831	0.5	09/08/2014	(2,072)

Please note: Delaware Investments is not the custodian or book of records of these assets. For any legal or tax records, please be sure to use the custodian or official book of records.

## Portfolio Holdings

March 31, 2016

Security Units	Description		Cost	Market Value	% Market Value	Purchase Date	Gain/ Loss
342	HONDA MOTOR LTD	AMERN SHS	10,626	9,350	0.5	11/11/2014	(1,275)
282	HONDA MOTOR LTD	AMERN SHS	9,413	7,710	0.4	02/23/2015	(1,703)
<b>2,148</b>	<b>HONDA MOTOR LTD</b>	<b>AMERN SHS</b>	<b>70,325</b>	<b>58,726</b>	<b>3.1</b>		<b>(11,599)</b>
800	KAO CORP	SPONSORED ADR	20,602	42,728	2.2	06/30/2014	22,125
1,225	NTT DOCOMO INC	SPONS ADR	19,297	27,893	1.5	06/30/2014	8,596
232	SEVEN and I HLDGS CO LTD	ADR	2,698	4,946	0.3	06/30/2014	2,248
434	TAKEDA PHARMACEUTICAL CO LTD		9,995	9,916	0.5	07/09/2014	(79)
1,800	TAKEDA PHARMACEUTICAL CO LTD		43,216	41,126	2.1	06/30/2014	(2,090)
447	TAKEDA PHARMACEUTICAL CO LTD		10,900	10,213	0.5	07/02/2015	(687)
<b>2,681</b>	<b>TAKEDA PHARMACEUTICAL CO LTD</b>		<b>64,111</b>	<b>61,255</b>	<b>3.2</b>		<b>(2,855)</b>
1,564	TOKIO MARINE HOLDINGS INC	ADR	44,164	52,878	2.8	06/30/2014	8,714
1,800	TOKYO ELECTRON LTD	ADR	22,133	29,372	1.5	06/30/2014	7,238
<b>Total Japan</b>			<b>292,721</b>	<b>321,037</b>	<b>16.7</b>		<b>28,316</b>
<b>Netherlands</b>							
2,383	KONINKLIJKE AHOLD N V	SPONSORED	33,887	53,686	2.8	06/30/2014	19,800
837	KONINKLIJKE AHOLD N V	SPONSORED	13,943	18,857	1.0	09/04/2014	4,913
<b>3,220</b>	<b>KONINKLIJKE AHOLD N V</b>		<b>47,830</b>	<b>72,543</b>	<b>3.8</b>		<b>24,713</b>
<b>Total Netherlands</b>			<b>47,830</b>	<b>72,543</b>	<b>3.8</b>		<b>24,713</b>
<b>Singapore</b>							
1,500	SINGAPORE TELECOMMUNICATNS LTD SPON		32,030	42,552	2.2	06/30/2014	10,522

Please note: Delaware Investments is not the custodian or book of records of these assets. For any legal or tax records, please be sure to use the custodian or official book of records.

## Portfolio Holdings

March 31, 2016

Security Units	Description		Cost	Market Value	% Market Value	Purchase Date	Gain/ Loss
347	UNITED OVERSEAS BK LTD	SPONSORED	9,433	9,725	0.5	09/01/2015	292
1,145	UNITED OVERSEAS BK LTD	SPONSORED	23,339	32,090	1.7	06/30/2014	8,751
305	UNITED OVERSEAS BK LTD	SPONSORED	11,168	8,548	0.4	05/06/2015	(2,620)
<b>1,797</b>	<b>UNITED OVERSEAS BK LTD</b>		<b>43,940</b>	<b>50,363</b>	<b>2.6</b>		<b>6,423</b>
<b>Total Singapore</b>			<b>75,970</b>	<b>92,914</b>	<b>4.8</b>		<b>16,945</b>

## Spain

113	BANCO SANTANDER SA	ADR	857	493	0.0	04/09/2015	(364)
109	BANCO SANTANDER SA	ADR	0	475	0.0	11/13/2014	0
4,917	BANCO SANTANDER SA	ADR	42,129	21,438	1.1	06/30/2014	(20,691)
51	BANCO SANTANDER SA	ADR	0	222	0.0	10/15/2015	0
100	BANCO SANTANDER SA	ADR	0	436	0.0	08/11/2014	0
116	BANCO SANTANDER SA	ADR	0	506	0.0	02/09/2015	0
<b>5,406</b>	<b>BANCO SANTANDER SA</b>	<b>ADR</b>	<b>42,986</b>	<b>23,570</b>	<b>1.2</b>		<b>(19,416)</b>
63	IBERDROLA SA	SPON ADR	0	1,683	0.1	07/30/2014	0
58	IBERDROLA SA	SPON ADR	1,634	1,550	0.1	08/05/2015	(85)
2,381	IBERDROLA SA	SPON ADR	58,848	63,610	3.3	06/30/2014	4,762
68	IBERDROLA SA	SPON ADR	0	1,817	0.1	01/05/2015	0
58	IBERDROLA SA	SPON ADR	0	1,550	0.1	01/07/2016	0
<b>2,628</b>	<b>IBERDROLA SA</b>	<b>SPON ADR</b>	<b>60,482</b>	<b>70,209</b>	<b>3.7</b>		<b>9,726</b>
918	TELEFONICA S A	SPONSORED ADR	9,467	10,217	0.5	02/19/2016	750
108	TELEFONICA S A	SPONSORED ADR	0	1,202	0.1	12/17/2014	0
115	TELEFONICA S A	SPONSORED ADR	0	1,280	0.1	11/16/2015	0
3,813	TELEFONICA S A	SPONSORED ADR	61,468	42,439	2.2	06/30/2014	(19,030)

Please note: Delaware Investments is not the custodian or book of records of these assets. For any legal or tax records, please be sure to use the custodian or official book of records.

## Portfolio Holdings

March 31, 2016

Security Units	Description		Cost	Market Value	% Market Value	Purchase Date	Gain/ Loss
4,954	TELEFONICA S A	SPONSORED	70,936	55,138	2.9		(15,798)
<b>Total Spain</b>			<b>174,404</b>	<b>148,917</b>	<b>7.8</b>		<b>(25,487)</b>

## Sweden

858	TELIA COMPANY A B	ADR	10,499	8,926	0.5	02/11/2015	(1,573)
776	TELIA COMPANY A B	ADR	9,735	8,073	0.4	03/05/2015	(1,661)
900	TELIA COMPANY A B	ADR	10,592	9,363	0.5	06/15/2015	(1,228)
772	TELIA COMPANY A B	ADR	10,049	8,032	0.4	01/27/2015	(2,017)
850	TELIA COMPANY A B	ADR	10,634	8,843	0.5	02/25/2015	(1,790)
923	TELIA COMPANY A B	ADR	10,751	9,603	0.5	04/21/2015	(1,149)
<b>5,079</b>	<b>TELIA COMPANY A B</b>	<b>ADR</b>	<b>62,259</b>	<b>52,840</b>	<b>2.8</b>		<b>(9,419)</b>
<b>Total Sweden</b>			<b>62,259</b>	<b>52,840</b>	<b>2.8</b>		<b>(9,419)</b>

## Switzerland

2,975	ABB LTD	SPONSORED ADR	62,311	57,774	3.0	06/30/2014	(4,536)
681	ABB LTD	SPONSORED ADR	13,698	13,225	0.7	08/13/2015	(473)
<b>3,656</b>	<b>ABB LTD</b>	<b>SPONSORED ADR</b>	<b>76,008</b>	<b>71,000</b>	<b>3.7</b>		<b>(5,009)</b>
50	NESTLE S A	SPONSORED ADR	3,616	3,751	0.2	10/09/2014	135
20	NESTLE S A	SPONSORED ADR	1,431	1,501	0.1	10/07/2014	69
86	NESTLE S A	SPONSORED ADR	6,189	6,452	0.3	10/08/2014	263
650	NESTLE S A	SPONSORED ADR	47,691	48,768	2.5	06/30/2014	1,077
<b>806</b>	<b>NESTLE S A</b>	<b>SPONSORED ADR</b>	<b>58,927</b>	<b>60,472</b>	<b>3.2</b>		<b>1,545</b>
628	NOVARTIS A G	SPONSORED ADR	35,247	45,492	2.4	06/30/2014	10,245

Please note: Delaware Investments is not the custodian or book of records of these assets. For any legal or tax records, please be sure to use the custodian or official book of records.

## Portfolio Holdings

March 31, 2016

Security Units	Description		Cost	Market Value	% Market Value	Purchase Date	Gain/ Loss
132	SYNGENTA AG	SPONSORED ADR	9,349	10,932	0.6	02/27/2015	1,583
159	SYNGENTA AG	SPONSORED ADR	10,297	13,168	0.7	12/04/2014	2,871
147	SYNGENTA AG	SPONSORED ADR	9,536	12,175	0.6	01/26/2015	2,638
153	SYNGENTA AG	SPONSORED ADR	10,553	12,671	0.7	04/17/2015	2,119
<b>591</b>	<b>SYNGENTA AG</b>	<b>SPONSORED</b>	<b>39,736</b>	<b>48,947</b>	<b>2.6</b>		<b>9,211</b>
1,400	ZURICH INS GROUP LTD	SPONSORED	33,594	32,644	1.7	06/30/2014	(950)
348	ZURICH INS GROUP LTD	SPONSORED	9,031	8,114	0.4	12/07/2015	(916)
<b>1,748</b>	<b>ZURICH INS GROUP LTD</b>		<b>42,625</b>	<b>40,759</b>	<b>2.1</b>		<b>(1,866)</b>
<b>Total Switzerland</b>			<b>252,543</b>	<b>266,670</b>	<b>13.9</b>		<b>14,126</b>
<b>Taiwan</b>							
2,238	TAIWAN SEMICONDUCTOR MFG LTD		24,782	58,636	3.1	06/30/2014	33,853
<b>Total Taiwan</b>			<b>24,782</b>	<b>58,636</b>	<b>3.1</b>		<b>33,853</b>
<b>United Kingdom</b>							
14	BP PLC	SPONSORED ADR	0	423	0.0	08/06/2014	0
276	BP PLC	SPONSORED ADR	10,164	8,330	0.4	07/24/2015	(1,834)
16	BP PLC	SPONSORED ADR	673	483	0.0	05/06/2015	(190)
1,149	BP PLC	SPONSORED ADR	68,330	34,677	1.8	06/30/2014	(33,653)
298	BP PLC	SPONSORED ADR	10,633	8,994	0.5	08/11/2015	(1,639)
<b>1,753</b>	<b>BP PLC</b>	<b>SPONSORED ADR</b>	<b>89,800</b>	<b>52,906</b>	<b>2.8</b>		<b>(36,894)</b>
218	GLAXOSMITHKLINE PLC	SPONSORED	9,375	8,840	0.5	06/26/2015	(535)
1,100	GLAXOSMITHKLINE PLC	SPONSORED	54,708	44,605	2.3	06/30/2014	(10,103)

Please note: Delaware Investments is not the custodian or book of records of these assets. For any legal or tax records, please be sure to use the custodian or official book of records.

## Portfolio Holdings

March 31, 2016

Security Units	Description		Cost	Market Value	% Market Value	Purchase Date	Gain/ Loss
313	GLAXOSMITHKLINE PLC	SPONSORED	15,662	12,692	0.7	07/24/2014	(2,970)
<b>1,631</b>	<b>GLAXOSMITHKLINE PLC</b>		<b>79,746</b>	<b>66,137</b>	<b>3.4</b>		<b>(13,609)</b>
2,185	LLOYDS BANKING GROUP PLC	SPONSORED	9,574	8,631	0.4	12/08/2015	(944)
2,281	LLOYDS BANKING GROUP PLC	SPONSORED	9,354	9,010	0.5	01/11/2016	(344)
2,226	LLOYDS BANKING GROUP PLC	SPONSORED	9,622	8,793	0.5	01/05/2016	(829)
2,161	LLOYDS BANKING GROUP PLC	SPONSORED	9,600	8,536	0.4	11/20/2015	(1,064)
2,521	LLOYDS BANKING GROUP PLC	SPONSORED	9,692	9,958	0.5	01/26/2016	266
<b>11,374</b>	<b>LLOYDS BANKING GROUP PLC</b>		<b>47,842</b>	<b>44,927</b>	<b>2.3</b>		<b>(2,915)</b>
28	NATIONAL GRID PLC	SPON ADR NEW	1,874	2,000	0.1	08/05/2015	126
857	NATIONAL GRID PLC	SPON ADR NEW	46,546	61,207	3.2	06/30/2014	14,661
181	NATIONAL GRID PLC	SPON ADR NEW	12,438	12,927	0.7	08/20/2015	489
<b>1,066</b>	<b>NATIONAL GRID PLC</b>	<b>SPON ADR</b>	<b>60,858</b>	<b>76,134</b>	<b>4.0</b>		<b>15,275</b>
143	ROYAL DUTCH SHELL PLC	SPON ADR B	5,220	7,034	0.4	01/20/2016	1,814
352	ROYAL DUTCH SHELL PLC	SPON ADR B	14,808	17,315	0.9	02/03/2016	2,507
316	ROYAL DUTCH SHELL PLC	SPON ADR B	14,170	15,544	0.8	02/16/2016	1,375
337	ROYAL DUTCH SHELL PLC	SPON ADR B	14,034	16,577	0.9	02/02/2016	2,543
<b>1,148</b>	<b>ROYAL DUTCH SHELL PLC</b>	<b>SPON ADR</b>	<b>48,232</b>	<b>56,470</b>	<b>2.9</b>		<b>8,238</b>
5,250	TESCO PLC	SPONSORED ADR	93,684	43,419	2.3	06/30/2014	(50,265)
1,287	TESCO PLC	SPONSORED ADR	8,941	10,644	0.6	01/27/2016	1,703
1,383	TESCO PLC	SPONSORED ADR	10,557	11,438	0.6	11/30/2015	881
<b>7,920</b>	<b>TESCO PLC</b>	<b>SPONSORED ADR</b>	<b>113,182</b>	<b>65,500</b>	<b>3.4</b>		<b>(47,682)</b>
1,640	UNILEVER PLC	SPON ADR NEW	43,381	74,095	3.9	06/30/2014	30,714
750	VODAFONE GROUP PLC NEW	SPNSR ADR	29,982	24,038	1.3	06/30/2014	(5,944)
<b>Total United Kingdom</b>			<b>513,024</b>	<b>460,206</b>	<b>24.0</b>		<b>(52,817)</b>

Please note: Delaware Investments is not the custodian or book of records of these assets. For any legal or tax records, please be sure to use the custodian or official book of records.

**Portfolio Holdings**

**March 31, 2016**

Security Units	Description	Cost	Market Value	% Market Value	Purchase Date	Gain/ Loss
	<b>Total Equity</b>	<b>1,889,075</b>	<b>1,871,274</b>	<b>97.5</b>		<b>(17,801)</b>
	<b>Grand Total</b>	<b>1,937,195</b>	<b>1,919,395</b>	<b>100.0</b>		
	Accrual		7,774			
	<b>Grand Total Plus Accrual</b>		<b>\$1,927,169</b>			

Please note: Delaware Investments is not the custodian or book of records of these assets. For any legal or tax records, please be sure to use the custodian or official book of records.



## Activity Summary

March 31, 2016

Units	Security Description		Cost	Proceeds	Gain/ Loss	Transaction Date
<b>Purchases</b>						
2,226.000	LLOYDS BANKING GROUP PLC	SPONSORED ADR	9,621.67			01/05/2016
2,281.000	LLOYDS BANKING GROUP PLC	SPONSORED ADR	9,354.15			01/11/2016
143.000	ROYAL DUTCH SHELL PLC	SPON ADR B	5,219.86			01/20/2016
2,521.000	LLOYDS BANKING GROUP PLC	SPONSORED ADR	9,691.98			01/26/2016
1,287.000	TESCO PLC	SPONSORED ADR	8,941.05			01/27/2016
337.000	ROYAL DUTCH SHELL PLC	SPON ADR B	14,034.34			02/02/2016
352.000	ROYAL DUTCH SHELL PLC	SPON ADR B	14,808.31			02/03/2016
316.000	ROYAL DUTCH SHELL PLC	SPON ADR B	14,169.53			02/16/2016
918.000	TELEFONICA S A	SPONSORED ADR	9,467.43			02/19/2016
124.000	DAIMLER AG	SPONSORED ADR	8,597.16			02/23/2016
<b>Total Purchases</b>			<b>\$103,905.48</b>			

## Sales

696.000	BG GROUP PLC	ADR FIN INST N	5,909.76	8,797.13	2,887	01/20/2016
151.000	TEVA PHARMACEUTICAL INDS LTD	ADR	6,229.05	9,566.33	3,337	01/26/2016
369.000	ROYAL DUTCH SHELL PLC	SPONS ADR A	23,855.09	15,302.92	(8,552)	02/02/2016
9.000	ROYAL DUTCH SHELL PLC	SPONS ADR A	591.72	378.19	(214)	02/03/2016
13.000	ROYAL DUTCH SHELL PLC	SPONS ADR A	0.00	546.27	0	02/03/2016
295.000	ROYAL DUTCH SHELL PLC	SPONS ADR A	19,071.14	12,396.09	(6,675)	02/03/2016
11.000	ROYAL DUTCH SHELL PLC	SPONS ADR A	558.27	462.21	(96)	02/03/2016
331.000	IBERDROLA SA	SPON ADR	8,180.87	8,783.88	603	02/19/2016
929.000	BG GROUP PLC	ADR FIN INST N	7,888.18	14,113.61	6,225	03/07/2016

## Activity Summary

March 31, 2016

Units	Security Description		Cost	Proceeds	Gain/ Loss	Transaction Date
<b>Total Sales</b>			<b>\$72,284.08</b>	<b>70,346.63</b>	<b>(2,484)</b>	
<b>Contributions/ Withdrawals</b>						
58.000	IBERDROLA SA	SPON ADR	0.00			01/07/2016
<b>Total Contributions/ Withdrawals</b>			<b>\$0.00</b>			
<b>Income/ Expense</b>						
0.000	GLAXOSMITHKLINE PLC	SPONSORED ADR	887.29			11/10/2015
0.000	UNITED OVERSEAS BK LTD	SPONSORED ADR	504.02			11/13/2015
0.000	VODAFONE GROUP PLC NEW	SPNSR ADR	380.31			11/18/2015
0.000	NATIONAL GRID PLC	SPON ADR NEW	1,196.37			11/24/2015
0.000	SINGAPORE TELECOMMUNICATNS LTD	SPON ADR	679.71			12/18/2015
0.000	HONDA MOTOR LTD	AMERN SHS	342.60			12/28/2015
0.000	USD Cash		1.92			01/04/2016
0.000	BANCO SANTANDER SA	ADR	224.54			01/27/2016
0.000	USD Cash		3.95			02/01/2016
0.000	UNILEVER PLC	SPON ADR NEW	532.34			02/03/2016
0.000	BP PLC	SPONSORED ADR	1,043.04			02/10/2016
0.000	ROYAL DUTCH SHELL PLC	SPON ADR B	1,079.12			02/17/2016
0.000	TEVA PHARMACEUTICAL INDS LTD	ADR	45.37			02/25/2016
0.000	USD Cash		3.64			03/01/2016
<b>Total Income/ Expense</b>			<b>\$6,924.22</b>			

**Activity Summary**

**March 31, 2016**

Units	Security Description	Cost	Proceeds	Gain/ Loss	Transaction Date
<b>Cash Contributions/ Withdrawals</b>					
0.000	USD Cash	(171.83)			01/11/2016
0.000	USD Cash	(155.79)			01/12/2016
0.000	USD Cash	2.67			01/28/2016
0.000	USD Cash	(3,595.24)			02/09/2016
0.000	USD Cash	0.54			02/16/2016
0.000	USD Cash	(58.02)			02/17/2016
<b>Total Cash Contributions/ Withdrawals</b>		<b>\$(3,977.67)</b>			

## Schedule Of Realized Gains &amp; Losses

March 31, 2016

Units	Security Description		Cost	Proceeds	% Gain/ Loss	Purchase Date	Sale Date	Short Term	Long Term
929.000	BG GROUP PLC	ADR FIN INST	7,888	14,114	78.92	06/30/2014	03/07/2016	N/A	N/A
331.000	IBERDROLA SA	SPON ADR	8,181	8,784	7.37	06/30/2014	02/19/2016	N/A	N/A
9.000	ROYAL DUTCH SHELL PLC	SPONS	592	378	(36.09)	05/13/2015	02/03/2016	N/A	N/A
13.000	ROYAL DUTCH SHELL PLC	SPONS	0	546	N/A	11/10/2015	02/03/2016	N/A	N/A
295.000	ROYAL DUTCH SHELL PLC	SPONS	19,071	12,396	(35.00)	06/30/2014	02/03/2016	N/A	N/A
11.000	ROYAL DUTCH SHELL PLC	SPONS	558	462	(17.21)	09/21/2015	02/03/2016	N/A	N/A
369.000	ROYAL DUTCH SHELL PLC	SPONS	23,855	15,303	(35.85)	06/30/2014	02/02/2016	N/A	N/A
151.000	TEVA PHARMACEUTICAL INDS LTD	ADR	6,229	9,566	53.58	06/30/2014	01/26/2016	N/A	N/A
696.000	BG GROUP PLC	ADR FIN INST	5,910	8,797	48.86	06/30/2014	01/20/2016	N/A	N/A
<b>Total Gain</b>								<b>N/A</b>	<b>N/A</b>
<b>Total Loss</b>								<b>N/A</b>	<b>N/A</b>
<b>Grand Total</b>			<b>72,284</b>	<b>70,347</b>				<b>N/A</b>	<b>N/A</b>
<b>Net Gain/ Loss</b>									<b>0</b>