



City Of Ormond Beach FF Pension Fund

Do Not Mail

,

September 30, 2016

Account number 3250000222

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,

A handwritten signature in cursive script that reads 'James L. Hinkley'. The signature is written in black ink and is positioned above the typed name.

**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 FF Pension Fund

3250000222

September 30, 2016

Charles H Mulfinger

Morgan Stanley

100 N. Tampa St, Ste 3000

Tampa, FL 33602

Commentary	2
Performance Review	6
Executive Summary	7
Portfolio Holdings	8
Activity Summary	17
Schedule Of Realized Gains & Losses	20

**Managed Accounts • Quarterly Commentary • September 30, 2016****International Equity ADR (SMA) Strategy**

Client use only

***International Economic/Sector Overview*****Brexit – 3 months on**

Three months have passed since the unexpected UK referendum result in favor of leaving the European Union. The subsequent stock market rally in local currency terms might lead some to conclude that the economic consequences have been negligible and that it is business as normal for the UK and its European neighbors. Certainly, short-term data suggest that the UK economy in particular has shown resilience. The swift resolution of the Conservative leadership race with the appointment of Theresa May as Prime Minister and the Bank of England's decision to cut interest rates to 25bp and to expand its quantitative easing program has also helped near term market sentiment. Moreover, sterling, which continues to fall to very depressed levels against the U.S. dollar, is likely to provide support to the economy. The dramatic decline of the currency, however, also reflects the lingering uncertainty associated with this momentous decision, a perceived lack of preparation within the country to deal with the aftermath of the decision, and the likely possibility of a "hard Brexit". As we have written before at length, it will be some time before the full impact of the decision to leave will be known. Nor are we likely to gain greater clarity as to what form negotiations will take, other than posturing by British and EU politicians, before the political situation on the continent also becomes clearer. However, despite the obvious medium term negatives, we view the current undervaluation of the pound as just one factor supporting our decision to add to several positions in the UK in the aftermath of the vote.

**Political risk in Europe**

The political environment on the European continent is likely to become more complicated in the coming twelve months as Italy holds a referendum on constitutional reform, Spain continues to struggle to form a government, and elections loom in France and Germany. Amidst the backdrop of a fragile economic recovery propped up by the liquidity provided by the European Central Bank and the tail wind from lower energy prices, the rising popularity of anti-EU parties across Europe could easily produce a result that would unsettle markets. The mainstream parties are struggling to combat these forces, trapped between the security fears of their constituents and the horrific Syrian civil war on their doorstep. However any broad measures to introduce restrictions on the free movement of labor and capital or to generally promote protectionism may also have wider negative impacts for economic growth and investment risk. Any change to the structures of the European Union would also have major implications for any future negotiations that Britain and the EU will have. Brexit was a warning to anticipate the unexpected but political uncertainty in Europe is not a new phenomenon and the undervaluation of many European exposed names suggests that global investors already attach a risk premium to many companies for this reason. We remain underweight markets such as France and underweight the European banking sector but continue to identify value in stocks elsewhere in Europe, gravitating in particular to stocks and sectors which have broader geographic exposures.

**Perceived rising inequality – wider implications for policy, risk and volatility**

In a low growth world where real incomes have stagnated in recent years in much of the developed world, unemployment looks structural and inequality has risen, it is not surprising that we are seeing a populist reaction against globalization. The Gini coefficient which is an imperfect but long dated measure of income dispersion among individuals or households within a country has been rising for many countries. A rising value suggests greater inequality within society. Other approaches which

measure more extreme divergences of wealth show an equally worrying trend. Even in more stable countries, job security and other concerns are fanning the allure of populist parties.

In the post-financial crisis world, many are blaming low interest rates and now questioning the effectiveness, fairness, and limits of quantitative easing so the debate is switching back to using fiscal policies and regulation as tools to address inequality, drive growth and safeguard jobs. The room for aggressive fiscal stimulus, in a world where aggregate government debt levels have continued to edge up and where, in the EU's case, limits are placed on budget deficits, is challenging outside Germany, but cannot be ruled out with interest costs at historic lows. Governments, for example in the UK, Italy, Spain and Japan, increasingly feel they have the mandate. Investment levels in Europe have been improving but remain below historic levels and so any step up in fixed asset investment would be an important contributor to growth.

Intervention by politicians in markets is also more likely whether it is through the introduction of minimum wages, changing taxation, greater regulation, price controls, litigation or other protectionist measures. The appetite for, and ability to, implement deeper reforms to boost productivity for now may also be waning. In aggregate these measures add to the cost and complexity of managing businesses, and we have already seen a considerable impact on the valuations of stocks in certain sectors such as the financials and utilities sectors where governments and regulators have intervened since the financial crisis. Incrementally we believe it is reasonable to assume that direct and indirect government intervention could place pressure on broader productivity and corporate profitability. While such small marginal changes are difficult to predict, we try to incorporate and quantify some of these risks in our stock valuation work to ensure that we are thinking not just about the economic cycle but the underlying profitability of a business. Such forces are likely to put pressure on future long term returns.

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

#### **The MSCI EAFE Index rose 6.4% in the third quarter (all returns in U.S. dollars)**

Supportive central banks and rising hopes of additional stimulus helped international equities to shrug off Brexit concerns to register strong gains in the third quarter, led by cyclically sensitive sectors.

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

In Europe, improved Purchasing Manager's Index (PMI) data indicating an initial resilience to the UK referendum result helped core eurozone markets to rebound, led by the German equity market which gained 10.0%. The Spanish market rose 9.3% despite the continued political deadlock, led by a recovery in the banks. The French market performed in line with the index, up 6.4%, led by cyclically sensitive sectors buoyed by improved Insee business climate data. The UK equity market fared less well on a relative basis, up 4.0%; strong local returns, as cyclical sectors rebounded, were held back by further British pound depreciation. The high weighting to the weak health care sector held back returns from the Swiss market, which gained just 2.6%. Despite a partial recovery in the hard hit banks, the Italian market rose only 2.2%, held back by declines from stocks in the energy and utilities sectors, and by political uncertainty regarding the constitutional referendum due to take place in December. The Danish market was the weakest market in the quarter, down 6.3%, driven by declines in the pharmaceutical company Novo Nordisk, which has a high weighting in the index, after it highlighted pricing pressure in the U.S.

In Asia Pacific, the Hong Kong equity market generated the strongest return among major markets, up 11.9%, as second quarter Chinese economic growth figures exceeded expectations, aided by short term government stimulus measures. The Japanese market rose 8.6%, led by cyclically sensitive sectors. Prime Minister Abe's coalition won an increased majority in the Upper House election and announced a new fiscal stimulus package, while the Bank of Japan (BoJ) expanded monetary stimulus through increased ETF purchases and adopted a target for long-term

interest rates but did not extend negative interest rates. Rising coal and other commodity prices supported the Australian market, which gained 7.9%. The Singaporean market fared less well however, down 0.1%, as the Singaporean Ministry of Trade and Industry reduced their economic growth forecasts for the year.

#### **Most sectors registered gains in the quarter, led by cyclically sensitive sectors**

In a strong quarter for equities, cyclically sensitive sectors led returns. Increases in the prices of commodities including coal, supported by US dollar weakness and improving data from China, resulted in a 15.8% gain in the materials sector. The information technology sector rose 14.8%, supported by M&A activity. The consumer discretionary sector rose 10.9%, supported by strong returns from automobile-related stocks. The financials sector gained 9.7%; Japanese financials rose after the BoJ confirmed it was not taking interest rates further into negative territory, while solid European Central Bank lending survey data and hopes over a solution to the Italian banking crisis supported European financials. The financials sector rebound was partially dampened in September however by concerns over the capital position of Deutsche Bank which is facing potentially heavy US Department of Justice regulatory fines for miss-selling mortgage-backed securities. Traditionally more defensive sectors fared less well in the third quarter. The telecommunication services sector fell 0.4%, held back by declines from stocks in the sector in the UK and Germany. Despite OPEC reaching an initial agreement in Algiers on modest output cuts, the energy sector ended the quarter down 1.5%. The health care sector was the weakest sector in the quarter, down 2.4%. US presidential candidate Hillary Clinton continued to increase political pressure around drug pricing which weighed on the sector.

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

The U.S. dollar depreciated against most major international currencies in the third quarter as expectations for a rise in U.S. interest rates were pushed out further. In particular, the Norwegian krone, the Australian dollar, and the Japanese yen strengthened by 4.7%, 2.8%, and 1.3% respectively. The British pound, however,

depreciated by a further 2.8%.

#### ***Performance Attribution for the third quarter of 2016***

In a strong quarter for equities, the portfolio achieved strong absolute returns, but lagged the broader index. For the third quarter, the principal drivers of relative returns were:

#### **Country allocation slightly held back relative investment returns**

Country allocation in Europe added to relative returns, led by the underweight position in the weak Danish market and the overweight position in the strong German market. This was more than offset, however, by the negative impact of country allocation in Asia Pacific, driven by the overweight position in the Singaporean market.

#### **Stock selection within markets held back relative investment returns**

Although strong stock selection in Switzerland added to relative returns, this was more than offset by the impact of stock selection in the UK and France. At the sector level, allocation between sectors held back relative returns, driven by the overweight positions in the weak energy and telecommunication services sectors. Stock selection within sectors also weighed slightly on relative returns. The positive impact of strong stock selection in the health care and industrials sectors was more than offset by the impact of stock selection in the financials and information technology sectors.

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

Currency allocation effects held back relative returns, driven by the overweight position in the British pound and the underweight position in the Australian dollar.

#### ***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.

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 American Depositary receipts (ADRs) may have some limitations for investors such as the absence of voting rights.

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).

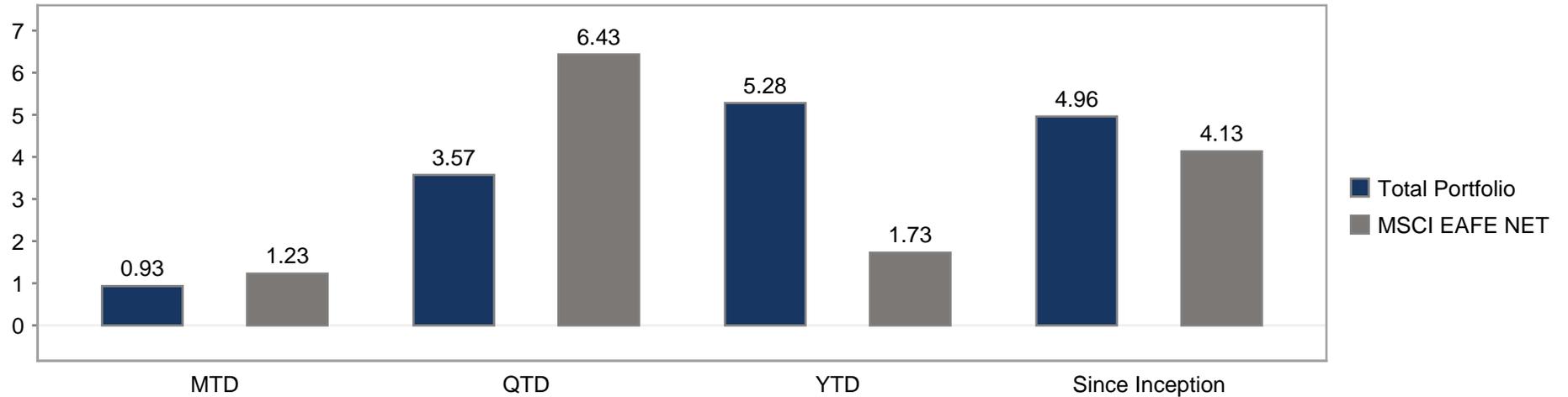
**Delaware Investments • 2005 Market Street • Philadelphia, Pennsylvania 19103-7094**

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



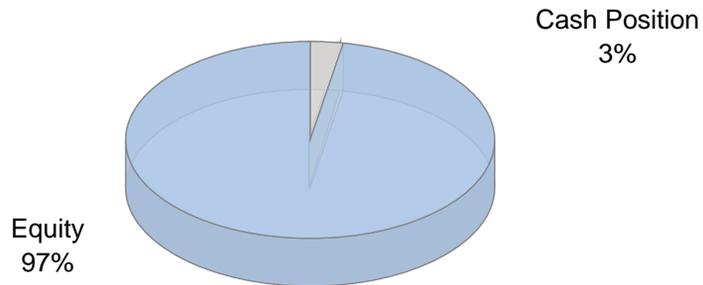
Segment	Month to Date	Quarter to Date	Year to Date	Since Inception
Total Portfolio	0.93	3.57	5.28	4.96
Cash Position	0.01	0.03	0.08	0.03
Equity	0.96	3.66	5.30	(0.53)
MSCI EAFE NET	1.23	6.43	1.73	4.13

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.

<b>Segment</b>	<b>Market Value</b>	<b>%MV Last Quarter</b>	<b>%MV Current Quarter</b>
Cash Position	32,118	2.9	3.2
Equity	968,206	97.1	96.8
<b>Grand Total</b>	<b>1,000,324</b>	<b>100.0</b>	<b>100.0</b>
Accrual	3,312		
<b>Grand Total Plus Accrual</b>	<b>\$1,003,636</b>		

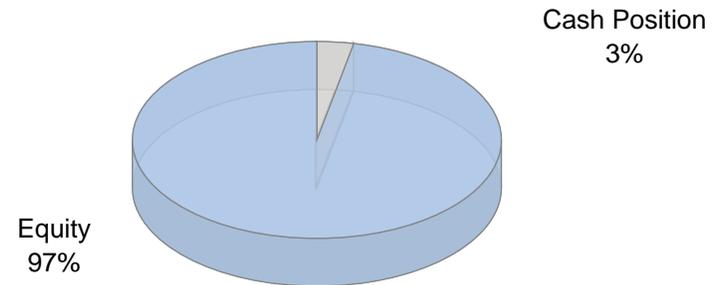
**Last Quarter**

As of June 30, 2016



**Current Quarter**

As of September 30, 2016



## Portfolio Holdings

September 30, 2016

Security Units	Description		Cost	Market Value	% Market Value	Purchase Date	Gain/ Loss
<b>Cash Position</b>							
0	USD Cash		32,118	32,118	3.2		0
<b>Total</b>			<b>32,118</b>	<b>32,118</b>	<b>3.2</b>		<b>0</b>
<b>Total Cash Position</b>			<b>32,118</b>	<b>32,118</b>	<b>3.2</b>		<b>0</b>
<b>Equity</b>							
<b>Australia</b>							
525	QBE INS GROUP LTD	SPONSORED ADR	6,933	3,732	0.4	06/30/2014	(3,201)
646	QBE INS GROUP LTD	SPONSORED ADR	5,020	4,593	0.5	06/30/2016	(428)
628	QBE INS GROUP LTD	SPONSORED ADR	5,594	4,465	0.4	06/10/2016	(1,130)
<b>1,799</b>	<b>QBE INS GROUP LTD</b>	<b>SPONSORED</b>	<b>17,547</b>	<b>12,789</b>	<b>1.3</b>		<b>(4,758)</b>
<b>Total Australia</b>			<b>17,547</b>	<b>12,789</b>	<b>1.3</b>		<b>(4,758)</b>
<b>France</b>							
573	SANOFI	SPONSORED ADR	18,926	21,883	2.2	06/30/2014	2,957
150	SANOFI	SPONSORED ADR	5,851	5,728	0.6	08/30/2016	(122)
139	SANOFI	SPONSORED ADR	6,311	5,308	0.5	12/12/2014	(1,003)
<b>862</b>	<b>SANOFI</b>	<b>SPONSORED ADR</b>	<b>31,088</b>	<b>32,920</b>	<b>3.3</b>		<b>1,832</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

September 30, 2016

Security Units	Description		Cost	Market Value	% Market Value	Purchase Date	Gain/ Loss
226	TOTAL S A	SPONSORED ADR	14,226	10,780	1.1	06/30/2014	(3,446)
2	TOTAL S A	SPONSORED ADR	0	95	0.0	09/23/2015	0
2	TOTAL S A	SPONSORED ADR	98	95	0.0	04/19/2016	(3)
6	TOTAL S A	SPONSORED ADR	316	286	0.0	06/03/2015	(30)
2	TOTAL S A	SPONSORED ADR	0	95	0.0	12/16/2015	0
2	TOTAL S A	SPONSORED ADR	97	95	0.0	07/01/2016	(2)
<b>240</b>	<b>TOTAL S A</b>	<b>SPONSORED ADR</b>	<b>14,738</b>	<b>11,448</b>	<b>1.1</b>		<b>(3,290)</b>
<b>Total France</b>			<b>45,826</b>	<b>44,368</b>	<b>4.4</b>		<b>(1,458)</b>

## Germany

307	ALLIANZ SE	SP ADR 1/10 SH	5,055	4,558	0.5	07/30/2015	(497)
292	ALLIANZ SE	SP ADR 1/10 SH	4,660	4,335	0.4	08/31/2015	(325)
307	ALLIANZ SE	SP ADR 1/10 SH	5,270	4,558	0.5	08/11/2015	(712)
283	ALLIANZ SE	SP ADR 1/10 SH	4,327	4,201	0.4	06/10/2016	(125)
<b>1,189</b>	<b>ALLIANZ SE</b>	<b>SP ADR 1/10 SH</b>	<b>19,311</b>	<b>17,651</b>	<b>1.8</b>		<b>(1,660)</b>
73	DAIMLER AG	SPONSORED ADR	5,061	5,145	0.5	02/23/2016	83
175	DAIMLER AG	SPONSORED ADR	9,314	12,333	1.2	06/30/2014	3,018
<b>248</b>	<b>DAIMLER AG</b>	<b>SPONSORED ADR</b>	<b>14,376</b>	<b>17,477</b>	<b>1.7</b>		<b>3,102</b>
1,311	DEUTSCHE TELEKOM AG	SPONSORED	20,034	21,982	2.2	06/30/2014	1,948
177	RWE AG	SPONSORED ADR	4,793	3,050	0.3	02/13/2015	(1,743)
184	RWE AG	SPONSORED ADR	4,203	3,171	0.3	06/05/2015	(1,033)
500	RWE AG	SPONSORED ADR	27,529	8,617	0.9	06/30/2014	(18,913)
251	RWE AG	SPONSORED ADR	6,401	4,326	0.4	04/28/2015	(2,076)
<b>1,112</b>	<b>RWE AG</b>	<b>SPONSORED ADR</b>	<b>42,927</b>	<b>19,164</b>	<b>1.9</b>		<b>(23,764)</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

September 30, 2016

Units	Security Description		Cost	Market Value	% Market Value	Purchase Date	Gain/Loss
32	SAP SE	SPON ADR	2,182	2,925	0.3	10/08/2014	743
350	SAP SE	SPON ADR	26,209	31,994	3.2	06/30/2014	5,785
69	SAP SE	SPON ADR	4,676	6,307	0.6	03/12/2015	1,632
<b>451</b>	<b>SAP SE</b>	<b>SPON ADR</b>	<b>33,066</b>	<b>41,226</b>	<b>4.1</b>		<b>8,160</b>
<b>Total Germany</b>			<b>129,714</b>	<b>117,500</b>	<b>11.7</b>		<b>(12,215)</b>
<b>Hong Kong</b>							
275	CHINA MOBILE LIMITED	SPONSORED ADR	14,432	16,918	1.7	06/30/2014	2,486
<b>Total Hong Kong</b>			<b>14,432</b>	<b>16,918</b>	<b>1.7</b>		<b>2,486</b>
<b>Italy</b>							
154	ENI S P A	SPONSORED ADR	5,637	4,446	0.4	04/21/2015	(1,191)
450	ENI S P A	SPONSORED ADR	19,557	12,992	1.3	06/30/2014	(6,566)
159	ENI S P A	SPONSORED ADR	5,088	4,590	0.5	11/11/2015	(498)
<b>763</b>	<b>ENI S P A</b>	<b>SPONSORED ADR</b>	<b>30,282</b>	<b>22,028</b>	<b>2.2</b>		<b>(8,254)</b>
<b>Total Italy</b>			<b>30,282</b>	<b>22,028</b>	<b>2.2</b>		<b>(8,254)</b>
<b>Japan</b>							
700	CANON INC	SPONSORED ADR	23,982	20,321	2.0	06/30/2014	(3,661)
147	HONDA MOTOR LTD	AMERN SHS	5,078	4,251	0.4	08/04/2014	(826)
161	HONDA MOTOR LTD	AMERN SHS	5,434	4,656	0.5	09/08/2014	(778)
171	HONDA MOTOR LTD	AMERN SHS	5,313	4,945	0.5	11/11/2014	(368)
141	HONDA MOTOR LTD	AMERN SHS	4,706	4,078	0.4	02/23/2015	(629)

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

September 30, 2016

Security Units	Description		Cost	Market Value	% Market Value	Purchase Date	Gain/ Loss
156	HONDA MOTOR LTD	AMERN SHS	4,804	4,512	0.5	12/08/2014	(292)
142	HONDA MOTOR LTD	AMERN SHS	4,530	4,107	0.4	10/02/2014	(424)
151	HONDA MOTOR LTD	AMERN SHS	5,135	4,367	0.4	08/14/2014	(768)
<b>1,069</b>	<b>HONDA MOTOR LTD</b>	<b>AMERN SHS</b>	<b>35,001</b>	<b>30,915</b>	<b>3.1</b>		<b>(4,085)</b>
222	KAO CORP	SPONSORED ADR	5,491	12,476	1.2	06/30/2014	6,985
625	NTT DOCOMO INC	SPONS ADR	9,842	15,881	1.6	06/30/2014	6,039
900	TAKEDA PHARMACEUTICAL CO LTD		21,551	21,432	2.1	06/30/2014	(119)
222	TAKEDA PHARMACEUTICAL CO LTD		5,413	5,287	0.5	07/02/2015	(127)
211	TAKEDA PHARMACEUTICAL CO LTD		4,859	5,025	0.5	07/09/2014	165
260	TAKEDA PHARMACEUTICAL CO LTD		5,658	6,192	0.6	07/28/2016	534
<b>1,593</b>	<b>TAKEDA PHARMACEUTICAL CO LTD</b>		<b>37,481</b>	<b>37,935</b>	<b>3.8</b>		<b>454</b>
778	TOKIO MARINE HOLDINGS INC	ADR	22,113	29,456	2.9	06/30/2014	7,343
664	TOKYO ELECTRON LTD	ADR	7,962	14,552	1.5	06/30/2014	6,590
<b>Total Japan</b>			<b>141,872</b>	<b>161,537</b>	<b>16.1</b>		<b>19,665</b>

## Netherlands

331	KONINKLIJKE AHOLD DELHAIZE N V		5,860	7,550	0.8	09/04/2014	1,689
1,174	KONINKLIJKE AHOLD DELHAIZE N V		17,964	26,767	2.7	06/30/2014	8,803
<b>1,505</b>	<b>KONINKLIJKE AHOLD DELHAIZE N V</b>		<b>23,825</b>	<b>34,317</b>	<b>3.4</b>		<b>10,492</b>
<b>Total Netherlands</b>			<b>23,825</b>	<b>34,317</b>	<b>3.4</b>		<b>10,492</b>

## Singapore

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

September 30, 2016

Units	Security Description		Cost	Market Value	% Market Value	Purchase Date	Gain/Loss
750	SINGAPORE TELECOMMUNICATNS LTD SPON		15,874	21,838	2.2	06/30/2014	5,964
561	UNITED OVERSEAS BK LTD	SPONSORED	11,196	15,495	1.5	06/30/2014	4,299
173	UNITED OVERSEAS BK LTD	SPONSORED	4,703	4,778	0.5	09/01/2015	75
159	UNITED OVERSEAS BK LTD	SPONSORED	5,822	4,392	0.4	05/06/2015	(1,430)
189	UNITED OVERSEAS BK LTD	SPONSORED	5,105	5,220	0.5	06/14/2016	116
<b>1,082</b>	<b>UNITED OVERSEAS BK LTD</b>		<b>26,826</b>	<b>29,886</b>	<b>3.0</b>		<b>3,060</b>
<b>Total Singapore</b>			<b>42,700</b>	<b>51,724</b>	<b>5.2</b>		<b>9,024</b>

## Spain

49	BANCO SANTANDER SA	ADR	0	216	0.0	07/10/2014	0
57	BANCO SANTANDER SA	ADR	0	251	0.0	02/09/2015	0
25	BANCO SANTANDER SA	ADR	0	110	0.0	10/15/2015	0
2,432	BANCO SANTANDER SA	ADR	20,717	10,725	1.1	06/30/2014	(9,992)
53	BANCO SANTANDER SA	ADR	0	234	0.0	11/13/2014	0
56	BANCO SANTANDER SA	ADR	424	247	0.0	04/09/2015	(177)
<b>2,672</b>	<b>BANCO SANTANDER SA</b>	<b>ADR</b>	<b>21,140</b>	<b>11,784</b>	<b>1.2</b>		<b>(9,357)</b>
1,178	IBERDROLA SA	SPON ADR	29,318	32,047	3.2	06/30/2014	2,729
36	IBERDROLA SA	SPON ADR	0	979	0.1	01/05/2015	0
28	IBERDROLA SA	SPON ADR	0	762	0.1	01/07/2016	0
33	IBERDROLA SA	SPON ADR	0	898	0.1	06/30/2014	0
31	IBERDROLA SA	SPON ADR	880	843	0.1	08/05/2015	(36)
29	IBERDROLA SA	SPON ADR	0	789	0.1	08/10/2016	0
<b>1,335</b>	<b>IBERDROLA SA</b>	<b>SPON ADR</b>	<b>30,198</b>	<b>36,319</b>	<b>3.6</b>		<b>6,121</b>
54	TELEFONICA S A	SPONSORED ADR	0	544	0.1	12/17/2014	0
445	TELEFONICA S A	SPONSORED ADR	4,589	4,486	0.4	02/19/2016	(104)

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

September 30, 2016

Units	Security Description		Cost	Market Value	% Market Value	Purchase Date	Gain/Loss
1,906	TELEFONICA S A	SPONSORED ADR	31,374	19,212	1.9	06/30/2014	(12,161)
57	TELEFONICA S A	SPONSORED ADR	0	575	0.1	11/16/2015	0
<b>2,462</b>	<b>TELEFONICA S A</b>	<b>SPONSORED</b>	<b>35,963</b>	<b>24,817</b>	<b>2.5</b>		<b>(11,146)</b>
<b>Total Spain</b>			<b>87,301</b>	<b>72,919</b>	<b>7.3</b>		<b>(14,382)</b>

## Sweden

384	TELIA COMPANY A B	ADR	4,998	3,444	0.3	01/27/2015	(1,554)
423	TELIA COMPANY A B	ADR	5,292	3,794	0.4	02/25/2015	(1,498)
458	TELIA COMPANY A B	ADR	5,335	4,108	0.4	04/21/2015	(1,227)
427	TELIA COMPANY A B	ADR	5,225	3,830	0.4	02/11/2015	(1,395)
385	TELIA COMPANY A B	ADR	4,830	3,453	0.3	03/05/2015	(1,377)
447	TELIA COMPANY A B	ADR	5,261	4,009	0.4	06/15/2015	(1,251)
<b>2,524</b>	<b>TELIA COMPANY A B</b>	<b>ADR</b>	<b>30,940</b>	<b>22,638</b>	<b>2.3</b>		<b>(8,303)</b>
<b>Total Sweden</b>			<b>30,940</b>	<b>22,638</b>	<b>2.3</b>		<b>(8,303)</b>

## Switzerland

342	ABB LTD	SPONSORED ADR	6,879	7,698	0.8	08/13/2015	819
1,275	ABB LTD	SPONSORED ADR	26,730	28,700	2.9	06/30/2014	1,971
<b>1,617</b>	<b>ABB LTD</b>	<b>SPONSORED ADR</b>	<b>33,609</b>	<b>36,399</b>	<b>3.6</b>		<b>2,790</b>
300	NESTLE S A	SPONSORED ADR	22,071	23,690	2.4	06/30/2014	1,619
25	NESTLE S A	SPONSORED ADR	1,808	1,974	0.2	10/09/2014	166
26	NESTLE S A	SPONSORED ADR	1,871	2,053	0.2	10/08/2014	182
<b>351</b>	<b>NESTLE S A</b>	<b>SPONSORED ADR</b>	<b>25,751</b>	<b>27,717</b>	<b>2.8</b>		<b>1,967</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

September 30, 2016

Security Units	Description		Cost	Market Value	% Market Value	Purchase Date	Gain/ Loss
35	NOVARTIS A G	SPONSORED ADR	2,484	2,764	0.3	04/01/2016	280
312	NOVARTIS A G	SPONSORED ADR	17,371	24,636	2.5	06/30/2014	7,264
<b>347</b>	<b>NOVARTIS A G</b>	<b>SPONSORED</b>	<b>19,855</b>	<b>27,399</b>	<b>2.7</b>		<b>7,544</b>
79	SYNGENTA AG	SPONSORED ADR	5,116	6,920	0.7	12/04/2014	1,804
66	SYNGENTA AG	SPONSORED ADR	4,675	5,782	0.6	02/27/2015	1,107
73	SYNGENTA AG	SPONSORED ADR	4,736	6,395	0.6	01/26/2015	1,659
76	SYNGENTA AG	SPONSORED ADR	5,242	6,658	0.7	04/17/2015	1,416
<b>294</b>	<b>SYNGENTA AG</b>	<b>SPONSORED</b>	<b>19,769</b>	<b>25,754</b>	<b>2.6</b>		<b>5,986</b>
144	ZURICH INS GROUP LTD	SPONSORED	3,737	3,714	0.4	12/07/2015	(23)
725	ZURICH INS GROUP LTD	SPONSORED	17,504	18,697	1.9	06/30/2014	1,193
<b>869</b>	<b>ZURICH INS GROUP LTD</b>		<b>21,241</b>	<b>22,411</b>	<b>2.2</b>		<b>1,170</b>
<b>Total Switzerland</b>			<b>120,224</b>	<b>139,680</b>	<b>14.0</b>		<b>19,457</b>
<b>Taiwan</b>							
1,120	TAIWAN SEMICONDUCTOR MFG LTD		12,264	34,261	3.4	06/30/2014	21,997
<b>Total Taiwan</b>			<b>12,264</b>	<b>34,261</b>	<b>3.4</b>		<b>21,997</b>
<b>United Kingdom</b>							
7	BP PLC	SPONSORED ADR	0	246	0.0	08/06/2014	0
109	BP PLC	SPONSORED ADR	4,167	3,832	0.4	07/22/2015	(334)
16	BP PLC	SPONSORED ADR	513	563	0.1	06/17/2016	50
599	BP PLC	SPONSORED ADR	36,079	21,061	2.1	06/30/2014	(15,018)
8	BP PLC	SPONSORED ADR	351	281	0.0	05/06/2015	(70)
148	BP PLC	SPONSORED ADR	5,281	5,204	0.5	08/11/2015	(77)

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

September 30, 2016

Security Units	Description		Cost	Market Value	% Market Value	Purchase Date	Gain/ Loss
16	BP PLC	SPONSORED ADR	0	563	0.1	08/03/2016	0
<b>903</b>	<b>BP PLC</b>	<b>SPONSORED ADR</b>	<b>46,390</b>	<b>31,749</b>	<b>3.2</b>		<b>(14,640)</b>
153	GLAXOSMITHKLINE PLC	SPONSORED	7,656	6,599	0.7	07/24/2014	(1,057)
550	GLAXOSMITHKLINE PLC	SPONSORED	27,194	23,722	2.4	06/30/2014	(3,472)
107	GLAXOSMITHKLINE PLC	SPONSORED	4,601	4,615	0.5	06/26/2015	13
<b>810</b>	<b>GLAXOSMITHKLINE PLC</b>		<b>39,451</b>	<b>34,935</b>	<b>3.5</b>		<b>(4,516)</b>
1,074	LLOYDS BANKING GROUP PLC	SPONSORED	4,771	3,082	0.3	11/20/2015	(1,689)
1,106	LLOYDS BANKING GROUP PLC	SPONSORED	4,781	3,174	0.3	01/05/2016	(1,606)
1,254	LLOYDS BANKING GROUP PLC	SPONSORED	4,821	3,599	0.4	01/26/2016	(1,222)
1,220	LLOYDS BANKING GROUP PLC	SPONSORED	4,907	3,501	0.4	04/21/2016	(1,406)
1,615	LLOYDS BANKING GROUP PLC	SPONSORED	4,688	4,635	0.5	09/27/2016	(52)
1,086	LLOYDS BANKING GROUP PLC	SPONSORED	4,759	3,117	0.3	12/08/2015	(1,642)
1,133	LLOYDS BANKING GROUP PLC	SPONSORED	4,646	3,252	0.3	01/11/2016	(1,395)
1,215	LLOYDS BANKING GROUP PLC	SPONSORED	4,843	3,487	0.3	04/04/2016	(1,356)
1,741	LLOYDS BANKING GROUP PLC	SPONSORED	4,810	4,997	0.5	07/05/2016	187
<b>11,444</b>	<b>LLOYDS BANKING GROUP PLC</b>		<b>43,026</b>	<b>32,844</b>	<b>3.3</b>		<b>(10,182)</b>
14	NATIONAL GRID PLC	SPON ADR NEW	925	996	0.1	08/05/2015	71
360	NATIONAL GRID PLC	SPON ADR NEW	19,537	25,600	2.6	06/30/2014	6,063
93	NATIONAL GRID PLC	SPON ADR NEW	6,391	6,613	0.7	08/20/2015	222
<b>467</b>	<b>NATIONAL GRID PLC</b>	<b>SPON ADR</b>	<b>26,853</b>	<b>33,208</b>	<b>3.3</b>		<b>6,356</b>
71	ROYAL DUTCH SHELL PLC	SPON ADR B	2,592	3,751	0.4	01/20/2016	1,159
176	ROYAL DUTCH SHELL PLC	SPON ADR B	7,404	9,298	0.9	02/03/2016	1,894
157	ROYAL DUTCH SHELL PLC	SPON ADR B	7,040	8,294	0.8	02/16/2016	1,254
167	ROYAL DUTCH SHELL PLC	SPON ADR B	6,955	8,823	0.9	02/02/2016	1,868
<b>571</b>	<b>ROYAL DUTCH SHELL PLC</b>	<b>SPON ADR</b>	<b>23,990</b>	<b>30,166</b>	<b>3.0</b>		<b>6,175</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

September 30, 2016

Units	Security Description		Cost	Market Value	% Market Value	Purchase Date	Gain/Loss
10	ROYAL DUTCH SHELL PLC	SPONS ADR A	0	501	0.1	08/10/2016	0
10	ROYAL DUTCH SHELL PLC	SPONS ADR A	491	501	0.1	06/27/2016	10
<b>20</b>	<b>ROYAL DUTCH SHELL PLC</b>	<b>SPONS</b>	<b>491</b>	<b>1,001</b>	<b>0.1</b>		<b>510</b>
772	TESCO PLC	SPONSORED ADR	5,893	5,504	0.6	11/30/2015	(389)
2,525	TESCO PLC	SPONSORED ADR	45,081	18,002	1.8	06/30/2014	(27,079)
639	TESCO PLC	SPONSORED ADR	4,439	4,556	0.5	01/27/2016	117
<b>3,936</b>	<b>TESCO PLC</b>	<b>SPONSORED ADR</b>	<b>55,413</b>	<b>28,062</b>	<b>2.8</b>		<b>(27,351)</b>
805	UNILEVER PLC	SPON ADR NEW	21,200	38,157	3.8	06/30/2014	16,957
254	VODAFONE GROUP PLC NEW	SPNSR ADR	10,143	7,404	0.7	06/30/2014	(2,739)
<b>Total United Kingdom</b>			<b>266,958</b>	<b>237,528</b>	<b>23.7</b>		<b>(29,430)</b>
<b>Total Equity</b>			<b>963,884</b>	<b>968,206</b>	<b>96.8</b>		<b>4,322</b>
<b>Grand Total</b>			<b>996,002</b>	<b>1,000,324</b>	<b>100.0</b>		
Accrual				3,312			
<b>Grand Total Plus Accrual</b>				<b>\$1,003,636</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

September 30, 2016

Units	Security Description	Cost	Proceeds	Gain/ Loss	Transaction Date
<b>Purchases</b>					
1,741.000	LLOYDS BANKING GROUP PLC SPONSORED ADR	4,810.03			07/05/2016
260.000	TAKEDA PHARMACEUTICAL CO LTD SPONSORED	5,657.50			07/28/2016
150.000	SANOFI SPONSORED ADR	5,850.68			08/30/2016
1,615.000	LLOYDS BANKING GROUP PLC SPONSORED ADR	4,687.54			09/27/2016
<b>Total Purchases</b>		<b>\$21,005.75</b>			
<b>Sales</b>					
0.656	TOTAL S A SPONSORED ADR	31.98	31.34	(1)	07/08/2016
115.000	SEVEN and I HLDGS CO LTD ADR	1,348.81	2,476.49	1,128	07/12/2016
0.688	KONINKLIJKE AHOLD DELHAIZE N V SPONSORED ADR	10.53	0.00	(11)	07/20/2016
0.194	KONINKLIJKE AHOLD DELHAIZE N V SPONSORED ADR	3.44	0.00	(3)	07/20/2016
336.000	TOKYO ELECTRON LTD ADR	4,028.91	7,387.63	3,359	08/15/2016
50.000	NESTLE S A SPONSORED ADR	3,678.55	4,007.78	329	08/24/2016
200.000	ABB LTD SPONSORED ADR	4,192.89	4,491.90	299	09/30/2016
<b>Total Sales</b>		<b>\$13,295.11</b>	<b>18,395.14</b>	<b>5,100</b>	
<b>Contributions/ Withdrawals</b>					
1,174.588	KONINKLIJKE AHOLD DELHAIZE N V SPONSORED ADR	17,974.67			07/20/2016
331.294	KONINKLIJKE AHOLD DELHAIZE N V SPONSORED ADR	5,863.86			07/20/2016
2.656	TOTAL S A SPONSORED ADR	129.47			07/01/2016
1,248.000	KONINKLIJKE AHOLD N V SPONSORED ADR NE	(17,974.67)			07/20/2016

## Activity Summary

September 30, 2016

Units	Security Description	Cost	Proceeds	Gain/ Loss	Transaction Date
352.000	KONINKLIJKE AHOLD N V SPONSORED ADR NE	(5,863.86)			07/20/2016
16.000	BP PLC SPONSORED ADR	0.00			08/03/2016
29.000	IBERDROLA SA SPON ADR	0.00			08/10/2016
10.000	ROYAL DUTCH SHELL PLC SPONS ADR A	0.00			08/10/2016
<b>Total Contributions/ Withdrawals</b>		<b>\$129.47</b>			

## Income/ Expense

0.000	TOKIO MARINE HOLDINGS INC ADR	349.71			03/28/2016
0.000	TAKEDA PHARMACEUTICAL CO LTD SPONSORED	426.72			03/29/2016
0.000	GLAXOSMITHKLINE PLC SPONSORED ADR	401.11			05/11/2016
0.000	CHINA MOBILE LIMITED SPONSORED ADR	190.68			05/31/2016
0.000	NATIONAL GRID PLC SPON ADR NEW	945.44			06/01/2016
0.000	VODAFONE GROUP PLC NEW SPNSR ADR	255.00			06/08/2016
0.000	CANON INC SPONSORED ADR	438.62			06/27/2016
0.000	HONDA MOTOR LTD AMERN SHS	192.31			06/27/2016
0.000	KAO CORP SPONSORED ADR	78.29			06/27/2016
0.000	TAIWAN SEMICONDUCTOR MFG LTD SPONSORED	841.74			06/27/2016
0.000	USD Cash	3.42			07/01/2016
0.000	IBERDROLA SA SPON ADR	139.77			07/05/2016
0.000	RWE AG SPONSORED ADR	82.89			07/05/2016
0.000	ABB LTD SPONSORED ADR	1,327.47			07/08/2016
0.000	KONINKLIJKE AHOLD N V SPONSORED ADR NE	2,129.68			07/15/2016
0.000	KONINKLIJKE AHOLD DELHAIZE N V SPONSORED ADR	20.91			07/26/2016
0.000	BANCO SANTANDER SA ADR	126.12			07/27/2016

## Activity Summary

September 30, 2016

Units	Security Description	Cost	Proceeds	Gain/ Loss	Transaction Date
0.000	USD Cash	2.80			08/01/2016
0.000	UNILEVER PLC SPON ADR NEW	280.22			08/03/2016
0.000	IBERDROLA SA SPON ADR	0.57			08/10/2016
0.000	SINGAPORE TELECOMMUNICATNS LTD SPON ADR	581.21			08/10/2016
0.000	USD Cash	2.85			09/01/2016
<b>Total Income/ Expense</b>		<b>\$8,817.53</b>			

## Cash Contributions/ Withdrawals

0.000	USD Cash	(78.39)			07/12/2016
0.000	USD Cash	(1,809.00)			08/29/2016
0.000	USD Cash	1.37			09/07/2016
0.000	USD Cash	3.92			09/21/2016
0.000	USD Cash	8.85			09/22/2016
0.000	USD Cash	32.61			09/26/2016
<b>Total Cash Contributions/ Withdrawals</b>		<b>\$(1,840.64)</b>			

## Schedule Of Realized Gains &amp; Losses

September 30, 2016

Units	Security Description		Cost	Proceeds	% Gain/ Loss	Purchase Date	Sale Date	Short Term	Long Term
200.000	ABB LTD	SPONSORED ADR	4,193	4,492	7.13	06/30/2014	09/30/2016	N/A	N/A
50.000	NESTLE S A	SPONSORED	3,679	4,008	8.95	06/30/2014	08/24/2016	N/A	N/A
336.000	TOKYO ELECTRON LTD	ADR	4,029	7,388	83.37	06/30/2014	08/15/2016	N/A	N/A
0.688	KONINKLIJKE AHOLD DELHAIZE N V		11	0	(100.00	06/30/2014	07/20/2016	N/A	N/A
0.194	KONINKLIJKE AHOLD DELHAIZE N V		3	0	(100.00	09/04/2014	07/20/2016	N/A	N/A
115.000	SEVEN and I HLDGS CO LTD	ADR	1,349	2,476	83.61	06/30/2014	07/12/2016	N/A	N/A
0.656	TOTAL S A	SPONSORED ADR	32	31	(2.00)	07/01/2016	07/08/2016	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>13,295</b>	<b>18,395</b>				<b>N/A</b>	<b>N/A</b>
<b>Net Gain/ Loss</b>									<b>0</b>