



City Of Ormond Beach PO Pension Fund

Do Not Mail

,

September 30, 2016

Account number 3250000384

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 PO Pension Fund

3250000384

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).

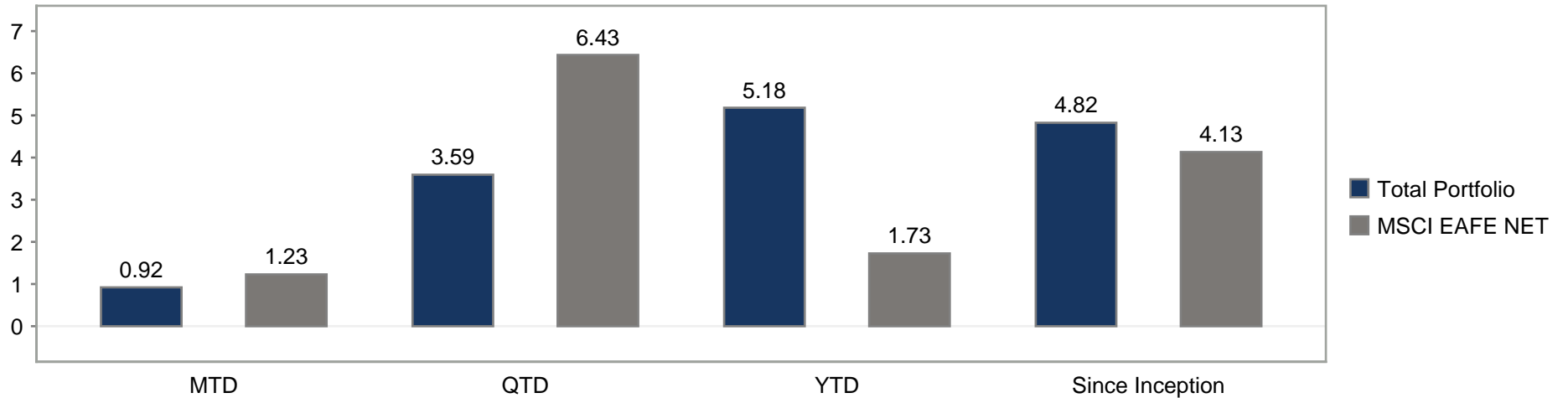
**Delaware Investments • 2005 Market Street • Philadelphia, Pennsylvania 19103-7094**

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



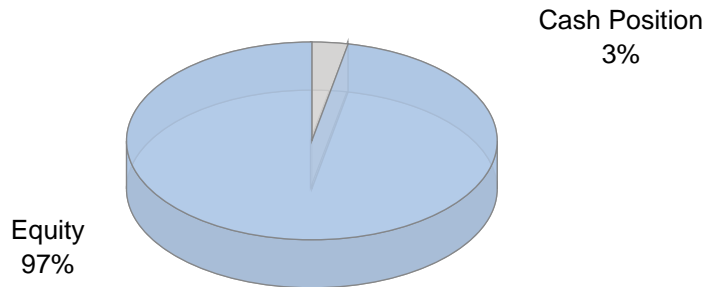
Segment	Month to Date	Quarter to Date	Year to Date	Since Inception
Total Portfolio	0.92	3.59	5.18	4.83
Cash Position	0.01	0.04	0.08	(0.02)
Equity	0.95	3.70	5.21	(0.56)
MSCI EAFE NET	1.23	6.43	1.73	4.13

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.

Segment	Market Value	%MV Last Quarter	%MV Current Quarter
Cash Position	44,194	3.1	3.2
Equity	1,345,484	96.9	96.8
<b>Grand Total</b>	<b>1,389,677</b>	<b>100.0</b>	<b>100.0</b>
Accrual	4,593		
<b>Grand Total Plus Accrual</b>	<b>\$1,394,270</b>		

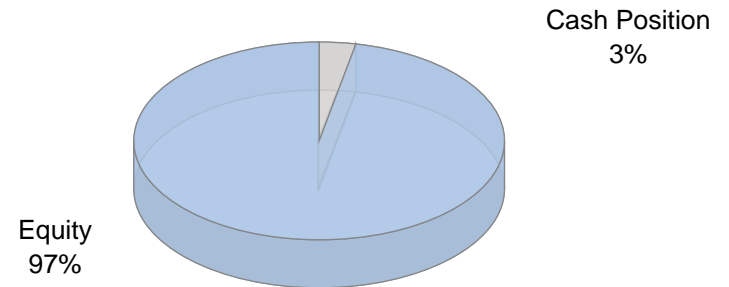
**Last Quarter**

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		44,194	44,194	3.2		0
<b>Total</b>			<b>44,194</b>	<b>44,194</b>	<b>3.2</b>		<b>0</b>
<b>Total Cash Position</b>			<b>44,194</b>	<b>44,194</b>	<b>3.2</b>		<b>0</b>
<b>Equity</b>							
<b>Australia</b>							
725	QBE INS GROUP LTD	SPONSORED ADR	9,534	5,154	0.4	06/30/2014	(4,380)
896	QBE INS GROUP LTD	SPONSORED ADR	6,963	6,370	0.5	06/30/2016	(593)
878	QBE INS GROUP LTD	SPONSORED ADR	7,821	6,242	0.4	06/10/2016	(1,579)
<b>2,499</b>	<b>QBE INS GROUP LTD</b>	<b>SPONSORED</b>	<b>24,319</b>	<b>17,766</b>	<b>1.3</b>		<b>(6,553)</b>
<b>Total Australia</b>			<b>24,319</b>	<b>17,766</b>	<b>1.3</b>		<b>(6,553)</b>
<b>France</b>							
783	SANOFI	SPONSORED ADR	26,000	29,903	2.2	06/30/2014	3,903
208	SANOFI	SPONSORED ADR	8,113	7,944	0.6	08/30/2016	(169)
207	SANOFI	SPONSORED ADR	9,399	7,905	0.6	12/12/2014	(1,493)
<b>1,198</b>	<b>SANOFI</b>	<b>SPONSORED ADR</b>	<b>43,512</b>	<b>45,752</b>	<b>3.3</b>		<b>2,240</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
315	TOTAL S A	SPONSORED ADR	19,515	15,026	1.1	06/30/2014	(4,490)
3	TOTAL S A	SPONSORED ADR	0	143	0.0	09/23/2015	0
3	TOTAL S A	SPONSORED ADR	147	143	0.0	04/19/2016	(4)
8	TOTAL S A	SPONSORED ADR	440	382	0.0	06/03/2015	(58)
3	TOTAL S A	SPONSORED ADR	0	143	0.0	12/16/2015	0
3	TOTAL S A	SPONSORED ADR	0	143	0.0	07/01/2016	0
<b>335</b>	<b>TOTAL S A</b>	<b>SPONSORED ADR</b>	<b>20,103</b>	<b>15,980</b>	<b>1.1</b>		<b>(4,123)</b>
<b>Total France</b>			<b>63,614</b>	<b>61,731</b>	<b>4.4</b>		<b>(1,883)</b>

## Germany

428	ALLIANZ SE	SP ADR 1/10 SH	7,047	6,354	0.5	07/30/2015	(693)
407	ALLIANZ SE	SP ADR 1/10 SH	6,495	6,042	0.4	08/31/2015	(453)
427	ALLIANZ SE	SP ADR 1/10 SH	7,329	6,339	0.5	08/11/2015	(990)
391	ALLIANZ SE	SP ADR 1/10 SH	5,978	5,805	0.4	06/10/2016	(173)
<b>1,653</b>	<b>ALLIANZ SE</b>	<b>SP ADR 1/10 SH</b>	<b>26,849</b>	<b>24,539</b>	<b>1.8</b>		<b>(2,310)</b>
95	DAIMLER AG	SPONSORED ADR	6,587	6,695	0.5	02/23/2016	108
250	DAIMLER AG	SPONSORED ADR	13,229	17,618	1.3	06/30/2014	4,389
<b>345</b>	<b>DAIMLER AG</b>	<b>SPONSORED ADR</b>	<b>19,816</b>	<b>24,313</b>	<b>1.7</b>		<b>4,497</b>
1,822	DEUTSCHE TELEKOM AG	SPONSORED	27,816	30,550	2.2	06/30/2014	2,733
251	RWE AG	SPONSORED ADR	6,797	4,326	0.3	02/13/2015	(2,472)
256	RWE AG	SPONSORED ADR	5,848	4,412	0.3	06/05/2015	(1,437)
690	RWE AG	SPONSORED ADR	38,292	11,891	0.9	06/30/2014	(26,401)
350	RWE AG	SPONSORED ADR	8,926	6,032	0.4	04/28/2015	(2,894)
<b>1,547</b>	<b>RWE AG</b>	<b>SPONSORED ADR</b>	<b>59,864</b>	<b>26,660</b>	<b>1.9</b>		<b>(33,204)</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
56	SAP SE	SPON ADR	3,818	5,119	0.4	10/08/2014	1,301
475	SAP SE	SPON ADR	35,544	43,420	3.1	06/30/2014	7,876
96	SAP SE	SPON ADR	6,505	8,775	0.6	03/12/2015	2,270
<b>627</b>	<b>SAP SE</b>	<b>SPON ADR</b>	<b>45,868</b>	<b>57,314</b>	<b>4.1</b>		<b>11,446</b>
<b>Total Germany</b>			<b>180,213</b>	<b>163,377</b>	<b>11.8</b>		<b>(16,837)</b>

## Hong Kong

375	CHINA MOBILE LIMITED	SPONSORED ADR	19,503	23,070	1.7	06/30/2014	3,567
<b>Total Hong Kong</b>			<b>19,503</b>	<b>23,070</b>	<b>1.7</b>		<b>3,567</b>

## Italy

215	ENI S P A	SPONSORED ADR	7,869	6,207	0.4	04/21/2015	(1,662)
625	ENI S P A	SPONSORED ADR	27,193	18,044	1.3	06/30/2014	(9,150)
222	ENI S P A	SPONSORED ADR	7,104	6,409	0.5	11/11/2015	(695)
<b>1,062</b>	<b>ENI S P A</b>	<b>SPONSORED ADR</b>	<b>42,167</b>	<b>30,660</b>	<b>2.2</b>		<b>(11,507)</b>
<b>Total Italy</b>			<b>42,167</b>	<b>30,660</b>	<b>2.2</b>		<b>(11,507)</b>

## Japan

1,025	CANON INC	SPONSORED ADR	36,090	29,756	2.1	06/30/2014	(6,334)
204	HONDA MOTOR LTD	AMERN SHS	7,047	5,900	0.4	08/04/2014	(1,147)
224	HONDA MOTOR LTD	AMERN SHS	7,561	6,478	0.5	09/08/2014	(1,083)
237	HONDA MOTOR LTD	AMERN SHS	7,363	6,854	0.5	11/11/2014	(509)
195	HONDA MOTOR LTD	AMERN SHS	6,509	5,639	0.4	02/23/2015	(870)

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
210	HONDA MOTOR LTD	AMERN SHS	7,141	6,073	0.4	08/14/2014	(1,068)
198	HONDA MOTOR LTD	AMERN SHS	6,317	5,726	0.4	10/02/2014	(591)
217	HONDA MOTOR LTD	AMERN SHS	6,682	6,276	0.5	12/08/2014	(407)
<b>1,485</b>	<b>HONDA MOTOR LTD</b>	<b>AMERN SHS</b>	<b>48,620</b>	<b>42,946</b>	<b>3.1</b>		<b>(5,674)</b>
308	KAO CORP	SPONSORED ADR	7,907	17,309	1.2	06/30/2014	9,402
850	NTT DOCOMO INC	SPONS ADR	13,395	21,598	1.6	06/30/2014	8,204
294	TAKEDA PHARMACEUTICAL CO LTD		6,771	7,001	0.5	07/09/2014	230
360	TAKEDA PHARMACEUTICAL CO LTD		7,833	8,573	0.6	07/28/2016	740
1,250	TAKEDA PHARMACEUTICAL CO LTD		30,107	29,767	2.1	06/30/2014	(339)
310	TAKEDA PHARMACEUTICAL CO LTD		7,559	7,382	0.5	07/02/2015	(177)
<b>2,214</b>	<b>TAKEDA PHARMACEUTICAL CO LTD</b>		<b>52,270</b>	<b>52,724</b>	<b>3.8</b>		<b>454</b>
1,081	TOKIO MARINE HOLDINGS INC	ADR	30,927	40,928	2.9	06/30/2014	10,000
922	TOKYO ELECTRON LTD	ADR	11,337	20,206	1.5	06/30/2014	8,869
<b>Total Japan</b>			<b>200,547</b>	<b>225,467</b>	<b>16.2</b>		<b>24,920</b>
<b>Netherlands</b>							
466	KONINKLIJKE AHOLD DELHAIZE N V		8,246	10,623	0.8	09/04/2014	2,377
1,629	KONINKLIJKE AHOLD DELHAIZE N V		24,989	37,147	2.7	06/30/2014	12,158
<b>2,095</b>	<b>KONINKLIJKE AHOLD DELHAIZE N V</b>		<b>33,235</b>	<b>47,770</b>	<b>3.4</b>		<b>14,535</b>
<b>Total Netherlands</b>			<b>33,235</b>	<b>47,770</b>	<b>3.4</b>		<b>14,535</b>
<b>Singapore</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
1,050	SINGAPORE TELECOMMUNICATNS LTD SPON		22,222	30,573	2.2	06/30/2014	8,351
799	UNITED OVERSEAS BK LTD	SPONSORED	16,163	22,069	1.6	06/30/2014	5,906
241	UNITED OVERSEAS BK LTD	SPONSORED	6,552	6,657	0.5	09/01/2015	105
203	UNITED OVERSEAS BK LTD	SPONSORED	7,433	5,607	0.4	05/06/2015	(1,826)
262	UNITED OVERSEAS BK LTD	SPONSORED	7,077	7,237	0.5	06/14/2016	160
<b>1,505</b>	<b>UNITED OVERSEAS BK LTD</b>		<b>37,224</b>	<b>41,570</b>	<b>3.0</b>		<b>4,346</b>
<b>Total Singapore</b>			<b>59,446</b>	<b>72,143</b>	<b>5.2</b>		<b>12,697</b>

## Spain

3,385	BANCO SANTANDER SA	ADR	29,012	14,928	1.1	06/30/2014	(14,084)
75	BANCO SANTANDER SA	ADR	0	331	0.0	11/13/2014	0
78	BANCO SANTANDER SA	ADR	0	344	0.0	04/09/2015	0
69	BANCO SANTANDER SA	ADR	0	304	0.0	08/11/2014	0
80	BANCO SANTANDER SA	ADR	0	353	0.0	02/09/2015	0
35	BANCO SANTANDER SA	ADR	0	154	0.0	10/15/2015	0
<b>3,722</b>	<b>BANCO SANTANDER SA</b>	<b>ADR</b>	<b>29,012</b>	<b>16,414</b>	<b>1.2</b>		<b>(12,598)</b>
44	IBERDROLA SA	SPON ADR	0	1,197	0.1	07/30/2014	0
41	IBERDROLA SA	SPON ADR	1,160	1,115	0.1	08/05/2015	(45)
40	IBERDROLA SA	SPON ADR	0	1,088	0.1	08/10/2016	0
1,644	IBERDROLA SA	SPON ADR	40,916	44,725	3.2	06/30/2014	3,809
48	IBERDROLA SA	SPON ADR	0	1,306	0.1	01/05/2015	0
40	IBERDROLA SA	SPON ADR	0	1,088	0.1	01/07/2016	0
<b>1,857</b>	<b>IBERDROLA SA</b>	<b>SPON ADR</b>	<b>42,076</b>	<b>50,520</b>	<b>3.6</b>		<b>8,444</b>
75	TELEFONICA S A	SPONSORED ADR	0	756	0.1	12/17/2014	0
625	TELEFONICA S A	SPONSORED ADR	6,446	6,300	0.5	02/19/2016	(146)

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
2,645	TELEFONICA S A	SPONSORED ADR	42,103	26,662	1.9	06/30/2014	(15,442)
80	TELEFONICA S A	SPONSORED ADR	0	806	0.1	11/16/2015	0
<b>3,425</b>	<b>TELEFONICA S A</b>	<b>SPONSORED</b>	<b>48,549</b>	<b>34,524</b>	<b>2.5</b>		<b>(14,025)</b>
<b>Total Spain</b>			<b>119,636</b>	<b>101,458</b>	<b>7.3</b>		<b>(18,179)</b>

## Sweden

534	TELIA COMPANY A B	ADR	6,951	4,789	0.3	01/27/2015	(2,162)
587	TELIA COMPANY A B	ADR	7,343	5,265	0.4	02/25/2015	(2,079)
638	TELIA COMPANY A B	ADR	7,431	5,722	0.4	04/21/2015	(1,709)
593	TELIA COMPANY A B	ADR	7,256	5,319	0.4	02/11/2015	(1,938)
537	TELIA COMPANY A B	ADR	6,736	4,816	0.3	03/05/2015	(1,920)
622	TELIA COMPANY A B	ADR	7,320	5,579	0.4	06/15/2015	(1,741)
<b>3,511</b>	<b>TELIA COMPANY A B</b>	<b>ADR</b>	<b>43,039</b>	<b>31,490</b>	<b>2.3</b>		<b>(11,549)</b>
<b>Total Sweden</b>			<b>43,039</b>	<b>31,490</b>	<b>2.3</b>		<b>(11,549)</b>

## Switzerland

478	ABB LTD	SPONSORED ADR	9,615	10,760	0.8	08/13/2015	1,145
1,769	ABB LTD	SPONSORED ADR	37,009	39,820	2.9	06/30/2014	2,811
<b>2,247</b>	<b>ABB LTD</b>	<b>SPONSORED ADR</b>	<b>46,624</b>	<b>50,580</b>	<b>3.6</b>		<b>3,956</b>
406	NESTLE S A	SPONSORED ADR	29,856	32,060	2.3	06/30/2014	2,204
34	NESTLE S A	SPONSORED ADR	2,459	2,685	0.2	10/09/2014	226
48	NESTLE S A	SPONSORED ADR	3,454	3,790	0.3	10/08/2014	336
<b>488</b>	<b>NESTLE S A</b>	<b>SPONSORED ADR</b>	<b>35,769</b>	<b>38,536</b>	<b>2.8</b>		<b>2,766</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
434	NOVARTIS A G	SPONSORED ADR	24,261	34,269	2.5	06/30/2014	10,008
48	NOVARTIS A G	SPONSORED ADR	3,406	3,790	0.3	04/01/2016	384
<b>482</b>	<b>NOVARTIS A G</b>	<b>SPONSORED</b>	<b>27,667</b>	<b>38,059</b>	<b>2.7</b>		<b>10,392</b>
110	SYNGENTA AG	SPONSORED ADR	7,124	9,636	0.7	12/04/2014	2,512
101	SYNGENTA AG	SPONSORED ADR	6,552	8,848	0.6	01/26/2015	2,295
92	SYNGENTA AG	SPONSORED ADR	6,516	8,059	0.6	02/27/2015	1,543
106	SYNGENTA AG	SPONSORED ADR	7,311	9,286	0.7	04/17/2015	1,974
<b>409</b>	<b>SYNGENTA AG</b>	<b>SPONSORED</b>	<b>27,503</b>	<b>35,828</b>	<b>2.6</b>		<b>8,325</b>
308	ZURICH INS GROUP LTD	SPONSORED	7,993	7,943	0.6	12/07/2015	(50)
900	ZURICH INS GROUP LTD	SPONSORED	21,450	23,210	1.7	06/30/2014	1,760
<b>1,208</b>	<b>ZURICH INS GROUP LTD</b>		<b>29,443</b>	<b>31,153</b>	<b>2.2</b>		<b>1,710</b>
<b>Total Switzerland</b>			<b>167,007</b>	<b>194,156</b>	<b>14.0</b>		<b>27,149</b>
<b>Taiwan</b>							
1,478	TAIWAN SEMICONDUCTOR MFG LTD		15,672	45,212	3.3	06/30/2014	29,540
<b>Total Taiwan</b>			<b>15,672</b>	<b>45,212</b>	<b>3.3</b>		<b>29,540</b>
<b>United Kingdom</b>							
809	BP PLC	SPONSORED ADR	50,559	28,444	2.0	06/30/2014	(22,115)
11	BP PLC	SPONSORED ADR	474	387	0.0	05/06/2015	(87)
206	BP PLC	SPONSORED ADR	7,350	7,243	0.5	08/11/2015	(107)
22	BP PLC	SPONSORED ADR	0	774	0.1	09/16/2016	0
9	BP PLC	SPONSORED ADR	0	316	0.0	08/06/2014	0
177	BP PLC	SPONSORED ADR	6,518	6,223	0.4	07/24/2015	(295)

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
23	BP PLC	SPONSORED ADR	737	809	0.1	06/17/2016	72
<b>1,257</b>	<b>BP PLC</b>	<b>SPONSORED ADR</b>	<b>65,638</b>	<b>44,196</b>	<b>3.2</b>		<b>(21,442)</b>
725	GLAXOSMITHKLINE PLC	SPONSORED	35,878	31,269	2.3	06/30/2014	(4,609)
150	GLAXOSMITHKLINE PLC	SPONSORED	6,451	6,470	0.5	06/26/2015	19
252	GLAXOSMITHKLINE PLC	SPONSORED	12,610	10,869	0.8	07/24/2014	(1,741)
<b>1,127</b>	<b>GLAXOSMITHKLINE PLC</b>		<b>54,939</b>	<b>48,608</b>	<b>3.5</b>		<b>(6,332)</b>
1,511	LLOYDS BANKING GROUP PLC	SPONSORED	6,621	4,337	0.3	12/08/2015	(2,284)
1,577	LLOYDS BANKING GROUP PLC	SPONSORED	6,467	4,526	0.3	01/11/2016	(1,941)
1,688	LLOYDS BANKING GROUP PLC	SPONSORED	6,728	4,845	0.3	04/04/2016	(1,884)
2,412	LLOYDS BANKING GROUP PLC	SPONSORED	6,664	6,922	0.5	07/05/2016	259
1,494	LLOYDS BANKING GROUP PLC	SPONSORED	6,637	4,288	0.3	11/20/2015	(2,349)
1,539	LLOYDS BANKING GROUP PLC	SPONSORED	6,652	4,417	0.3	01/05/2016	(2,235)
1,743	LLOYDS BANKING GROUP PLC	SPONSORED	6,701	5,002	0.4	01/26/2016	(1,699)
1,695	LLOYDS BANKING GROUP PLC	SPONSORED	6,818	4,865	0.4	04/21/2016	(1,953)
2,240	LLOYDS BANKING GROUP PLC	SPONSORED	6,502	6,429	0.5	09/27/2016	(73)
<b>15,899</b>	<b>LLOYDS BANKING GROUP PLC</b>		<b>59,790</b>	<b>45,630</b>	<b>3.3</b>		<b>(14,160)</b>
19	NATIONAL GRID PLC	SPON ADR NEW	1,290	1,351	0.1	08/05/2015	61
503	NATIONAL GRID PLC	SPON ADR NEW	27,056	35,768	2.6	06/30/2014	8,712
128	NATIONAL GRID PLC	SPON ADR NEW	8,796	9,102	0.7	08/20/2015	306
<b>650</b>	<b>NATIONAL GRID PLC</b>	<b>SPON ADR</b>	<b>37,142</b>	<b>46,222</b>	<b>3.3</b>		<b>9,079</b>
99	ROYAL DUTCH SHELL PLC	SPON ADR B	3,614	5,230	0.4	01/20/2016	1,616
243	ROYAL DUTCH SHELL PLC	SPON ADR B	10,223	12,838	0.9	02/03/2016	2,615
233	ROYAL DUTCH SHELL PLC	SPON ADR B	9,703	12,309	0.9	02/02/2016	2,606
219	ROYAL DUTCH SHELL PLC	SPON ADR B	9,820	11,570	0.8	02/16/2016	1,750
<b>794</b>	<b>ROYAL DUTCH SHELL PLC</b>	<b>SPON ADR</b>	<b>33,360</b>	<b>41,947</b>	<b>3.0</b>		<b>8,587</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
14	ROYAL DUTCH SHELL PLC	SPONS ADR A	746	701	0.1	09/20/2016	(45)
15	ROYAL DUTCH SHELL PLC	SPONS ADR A	736	751	0.1	06/27/2016	15
<b>29</b>	<b>ROYAL DUTCH SHELL PLC</b>	<b>SPONS</b>	<b>1,483</b>	<b>1,452</b>	<b>0.1</b>		<b>(31)</b>
3,650	TESCO PLC	SPONSORED ADR	65,081	26,023	1.9	06/30/2014	(39,058)
890	TESCO PLC	SPONSORED ADR	6,183	6,345	0.5	01/27/2016	162
936	TESCO PLC	SPONSORED ADR	7,145	6,673	0.5	11/30/2015	(472)
<b>5,476</b>	<b>TESCO PLC</b>	<b>SPONSORED ADR</b>	<b>78,409</b>	<b>39,042</b>	<b>2.8</b>		<b>(39,367)</b>
1,135	UNILEVER PLC	SPON ADR NEW	30,292	53,799	3.9	06/30/2014	23,507
353	VODAFONE GROUP PLC NEW	SPNSR ADR	14,440	10,290	0.7	06/30/2014	(4,150)
<b>Total United Kingdom</b>			<b>375,493</b>	<b>331,185</b>	<b>23.8</b>		<b>(44,308)</b>
<b>Total Equity</b>			<b>1,343,889</b>	<b>1,345,484</b>	<b>96.8</b>		<b>1,595</b>
<b>Grand Total</b>			<b>1,388,083</b>	<b>1,389,677</b>	<b>100.0</b>		
Accrual					4,593		
<b>Grand Total Plus Accrual</b>					<b>\$1,394,270</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>					
2,412.000	LLOYDS BANKING GROUP PLC SPONSORED ADR	6,663.87			07/05/2016
360.000	TAKEDA PHARMACEUTICAL CO LTD SPONSORED	7,833.46			07/28/2016
208.000	SANOFI SPONSORED ADR	8,112.94			08/30/2016
14.000	ROYAL DUTCH SHELL PLC SPONS ADR A	746.36			09/20/2016
2,240.000	LLOYDS BANKING GROUP PLC SPONSORED ADR	6,501.60			09/27/2016
<b>Total Purchases</b>		<b>\$29,858.23</b>			
<b>Sales</b>					
0.706	TOTAL S A SPONSORED ADR	0.00	33.73	0	07/08/2016
160.000	SEVEN and I HLDGS CO LTD ADR	1,861.43	3,445.55	1,584	07/12/2016
0.046	KONINKLIJKE AHOLD DELHAIZE N V SPONSORED ADR	0.70	0.00	(1)	07/20/2016
0.013	KONINKLIJKE AHOLD DELHAIZE N V SPONSORED ADR	0.23	0.00	(0)	07/20/2016
278.000	TOKYO ELECTRON LTD ADR	3,418.33	6,112.38	2,694	08/15/2016
69.000	NESTLE S A SPONSORED ADR	5,074.03	5,530.74	457	08/24/2016
281.000	ABB LTD SPONSORED ADR	5,878.79	6,311.12	432	09/30/2016
<b>Total Sales</b>		<b>\$16,233.51</b>	<b>21,433.52</b>	<b>5,166</b>	
<b>Contributions/ Withdrawals</b>					
1,629.177	KONINKLIJKE AHOLD DELHAIZE N V SPONSORED ADR	24,989.65			07/20/2016
465.882	KONINKLIJKE AHOLD DELHAIZE N V SPONSORED ADR	8,246.06			07/20/2016
3.706	TOTAL S A SPONSORED ADR	0.00			07/01/2016

## Activity Summary

September 30, 2016

Units	Security Description		Cost	Proceeds	Gain/ Loss	Transaction Date
495.000	KONINKLIJKE AHOLD N V	SPONSORED ADR NE	(8,246.06)			07/20/2016
1,731.000	KONINKLIJKE AHOLD N V	SPONSORED ADR NE	(24,989.65)			07/20/2016
40.000	IBERDROLA SA	SPON ADR	0.00			08/10/2016
22.000	BP PLC	SPONSORED ADR	0.00			09/16/2016
<b>Total Contributions/ Withdrawals</b>			<b>\$0.00</b>			

## Income/ Expense

0.000	TOKIO MARINE HOLDINGS INC	ADR	485.90			03/28/2016
0.000	TAKEDA PHARMACEUTICAL CO LTD	SPONSORED	593.49			03/29/2016
0.000	GLAXOSMITHKLINE PLC	SPONSORED ADR	558.08			05/11/2016
0.000	CHINA MOBILE LIMITED	SPONSORED ADR	260.02			05/31/2016
0.000	NATIONAL GRID PLC	SPON ADR NEW	1,315.93			06/01/2016
0.000	VODAFONE GROUP PLC NEW	SPNSR ADR	354.39			06/08/2016
0.000	CANON INC	SPONSORED ADR	642.26			06/27/2016
0.000	HONDA MOTOR LTD	AMERN SHS	267.15			06/27/2016
0.000	KAO CORP	SPONSORED ADR	108.62			06/27/2016
0.000	TAIWAN SEMICONDUCTOR MFG LTD	SPONSORED	1,110.79			06/27/2016
0.000	USD Cash		5.08			07/01/2016
0.000	IBERDROLA SA	SPON ADR	194.46			07/05/2016
0.000	RWE AG	SPONSORED ADR	115.21			07/05/2016
0.000	SAP SE	SPON ADR	84.45			07/05/2016
0.000	ABB LTD	SPONSORED ADR	1,846.91			07/08/2016
0.000	KONINKLIJKE AHOLD N V	SPONSORED ADR NE	2,962.92			07/15/2016
0.000	KONINKLIJKE AHOLD DELHAIZE N V	SPONSORED ADR	1.40			07/26/2016

## Activity Summary

September 30, 2016

Units	Security Description	Cost	Proceeds	Gain/ Loss	Transaction Date
0.000	BANCO SANTANDER SA ADR	175.67			07/27/2016
0.000	USD Cash	4.24			08/01/2016
0.000	UNILEVER PLC SPON ADR NEW	395.09			08/03/2016
0.000	IBERDROLA SA SPON ADR	9.87			08/10/2016
0.000	ROYAL DUTCH SHELL PLC SPON ADR B	746.36			08/10/2016
0.000	SINGAPORE TELECOMMUNICATNS LTD SPON ADR	813.69			08/10/2016
0.000	USD Cash	4.12			09/01/2016
0.000	USD Cash	1.90			09/07/2016
<b>Total Income/ Expense</b>		<b>\$13,058.00</b>			

## Cash Contributions/ Withdrawals

0.000	USD Cash	(108.94)			07/12/2016
0.000	USD Cash	(2,513.94)			08/29/2016
0.000	USD Cash	14.65			09/21/2016
0.000	USD Cash	13.30			09/22/2016
0.000	USD Cash	40.88			09/26/2016
0.000	USD Cash	0.01			09/29/2016
<b>Total Cash Contributions/ Withdrawals</b>		<b>\$(2,554.04)</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
281.000	ABB LTD	SPONSORED ADR	5,879	6,311	7.35	06/30/2014	09/30/2016	N/A	N/A
69.000	NESTLE S A	SPONSORED	5,074	5,531	9.00	06/30/2014	08/24/2016	N/A	N/A
278.000	TOKYO ELECTRON LTD	ADR	3,418	6,112	78.81	06/30/2014	08/15/2016	N/A	N/A
0.046	KONINKLIJKE AHOLD DELHAIZE N V		1	0	(100.00	06/30/2014	07/20/2016	N/A	N/A
0.013	KONINKLIJKE AHOLD DELHAIZE N V		0	0	(100.00	09/04/2014	07/20/2016	N/A	N/A
160.000	SEVEN and I HLDGS CO LTD	ADR	1,861	3,446	85.10	06/30/2014	07/12/2016	N/A	N/A
0.706	TOTAL S A	SPONSORED ADR	0	34	N/A	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>16,234</b>	<b>21,434</b>				<b>N/A</b>	<b>N/A</b>
<b>Net Gain/ Loss</b>									<b>0</b>