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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

Mail Processing  
Section

MAY 30 2017

SEC FILE NUMBER
8-29755

Washington DC

**FACING PAGE  
Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 04/01/2016 AND ENDING 03/31/2017  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Delaware Distributors LP  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
2005 Market Street, Level 9

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)  
Philadelphia PA 19103  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Richard Salus (215) 255-1010  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
PriceWaterhouseCoopers

(Name - if individual, state last, first, middle name)  
2001 Market Street Philadelphia PA 19103  
(Address) (City) (State) (Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Richard Salus, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Delaware Distributors LP, as of May 26, 2017, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

COMMONWEALTH OF PENNSYLVANIA

NOTARIAL SEAL
CARMELETTE MARQUEZ, Notary Public
City of Philadelphia, Phila. County
My Commission Expires May 19, 2018

Handwritten signature of Sr Vice President, Chief Financial Officer

Signature

Sr Vice President, Chief Financial Officer

Title

Handwritten signature of Notary Public

Notary Public

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss).
(d) Statement of Changes in Financial Condition.
(e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
(f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
(g) Computation of Net Capital.
(h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
(i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
(j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
(k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
(l) An Oath or Affirmation.
(m) A copy of the SIPC Supplemental Report.
(n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**Delaware Distributors, L.P.**

**Financial Statements and Supplemental Information**

**Fiscal Year Ended March 31, 2017**

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## Report of Independent Registered Public Accounting Firm

To Management and the Board of Directors of Delaware Distributors, L.P.:

In our opinion, the accompanying statement of financial condition and the related statements of operations, of changes in partners' capital and of cash flows present fairly, in all material respects, the financial position of Delaware Distributors, L.P. as of March 31, 2017, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission is supplemental information required by Rule 17a-5 under the Securities Exchange Act of 1934. The supplemental information is the responsibility of the Company's management. The supplemental information has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, the Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission is fairly stated, in all material respects, in relation to the financial statements as a whole.

*PricewaterhouseCoopers LLP*

May 26, 2017

Delaware Distributors, L.P.

Statement of Financial Condition

March 31, 2017

(In Thousands)

<b>Assets</b>	
Cash and cash equivalents	\$ 37,598
Deferred dealer commissions, less accumulated amortization of \$2,288	1,535
Due from affiliated mutual funds	7,009
Due from affiliates	2,018
Prepaid expenses and other assets	817
<hr/>	
Total assets	\$ 48,977
<hr/>	
<b>Liabilities and partners' capital</b>	
Liabilities:	
Accounts payable and accrued liabilities	\$ 17,159
Due to affiliates	7,279
Accrued salaries and related expenses	5,240
<hr/>	
Total liabilities	29,678
<hr/>	
Partners' capital:	
General partner	193
Limited partners	19,106
<hr/>	
Total partners' capital	19,299
<hr/>	
Total liabilities and partners' capital	\$ 48,977
<hr/>	

See accompanying notes.

Delaware Distributors, L.P.

Statement of Operations

Fiscal Year Ended March 31, 2017

*(In Thousands)*

<b>Revenues</b>	
Distribution fees	\$ 85,815
Administrative fees	82,264
Commissions and other income, net	1,746
<hr/>	
Total revenues	169,825
<hr/>	
<b>Expenses</b>	
Distribution costs	114,470
Salaries and related expenses	33,900
Selling, general, and administrative	16,051
Deferred dealer commission amortization	5,040
<hr/>	
Total expenses	169,461
<hr/>	
Net income	\$ 364
<hr/>	

*See accompanying notes.*

Delaware Distributors, L.P.

Statement of Changes in Partners' Capital

Fiscal Year Ended March 31, 2017

*(In Thousands)*

	<b>Delaware Distributors, Inc. (General Partner)</b>	<b>Delaware Investments Distribution Partner, Inc. (Limited Partner)</b>	<b>Delaware Capital Management Series (Limited Partner)</b>	<b>Total</b>
<b>Percentage interest per partnership agreement</b>	<b>1%</b>	<b>98%</b>	<b>1%</b>	<b>100%</b>
Balances as of March 31, 2016	189	18,557	189	18,935
Net income for the fiscal year ended March 31, 2017	4	356	4	364
Balances as of March 31, 2017	\$ 193	\$ 18,913	\$ 193	\$ 19,299

*See accompanying notes.*

Delaware Distributors, L.P.

Statement of Cash Flows

Fiscal Year Ended March 31, 2017

*(In Thousands)*

<b>Cash flows from operating activities</b>	
Net income	\$ 364
Adjustments to reconcile net income to net cash provided by operating activities:	
Deferred dealer commission amortization	5,040
Change in assets and liabilities:	
Increase in Deferred dealer commissions	(4,416)
Decrease in Due from affiliated mutual funds	243
Decrease in Prepaid expenses and other assets	183
Increase in Due from affiliates	(1,217)
Increase in Due to affiliates	182
Increase in Accounts payable and accrued liabilities	1,450
Increase in Accrued salaries and related expenses	758
<hr/>	
Net cash provided by operating activities	2,587
<hr/>	
Net increase in cash	2,587
Cash at beginning of year	35,011
<hr/>	
Cash at end of year	\$ 37,598

*See accompanying notes.*



Delaware Distributors, L.P.

Notes to Financial Statements  
*(In Thousands)*

March 31, 2017

## **1. Description of Business and Ownership and Basis of Presentation**

Delaware Distributors, L.P. (“the Partnership”) is a registered broker-dealer with the Financial Industry Regulatory Authority (“FINRA”) and is the national distributor for affiliated mutual funds. The partners are Delaware Distributors, Inc. (“DDI”) (1% General Partner), Delaware Investments Distribution Partner, Inc. (“DIDP”) (98% Limited Partner), and Delaware Capital Management Series of Macquarie Investment Management Business Trust (formerly Delaware Capital Management Series of Delaware Management Business Trust) (“DCM”) (1% Limited Partner). DDI is a direct wholly-owned subsidiary of Macquarie Management Holdings, Inc. (formerly Delaware Management Holdings, Inc.) (“Holdings”). DIDP and DCM are indirect wholly-owned subsidiaries of Holdings. Holdings, an indirect majority-owned subsidiary of Macquarie Group Limited (“Macquarie”), views the Partnership as an integral part of its investment management strategy.

The Partnership and other affiliated entities with which the Partnership does business are under common ownership and management control. The existence of this control could result in operating results or financial position of the Partnership significantly different from those that would have been obtained if the Partnership were autonomous.

The accompanying financial statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”).

## **2. Significant Accounting Policies**

### **Fair Value Measurements**

The Partnership utilizes The Fair Value Measurements and Disclosures topic of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) (“Topic 820”) to measure fair value of its financial instruments. Topic 820 defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value instruments. The topic establishes a three-level fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value. The three-level hierarchy for fair value measurement is defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Delaware Distributors, L.P.

Notes to Financial Statements  
*(In Thousands)*

**2. Significant Accounting Policies (continued)**

**Fair Value Measurements (continued)**

- Level 2 – inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies. The Partnership does not hold any Level 2 assets or liabilities.
- Level 3 – inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability, including assumptions regarding risk. The Partnership does not hold any Level 3 assets or liabilities.

**Cash**

Cash is maintained in demand deposits accounts.

The Partnership had cash at March 31, 2017 of \$37,598 which was held at a reputable institution.

The Partnership holds cash in certain financial institutions over and above the Federal Deposit Insurance Corporation insurance limit of \$250.

**Due from affiliated mutual funds**

Amounts included in Due from affiliated mutual funds on the Statement of Financial Condition are deemed to approximate fair value due to the short collection cycle.

**Deferred Dealer Commissions**

Sales commissions paid to dealers in connection with the sale of certain shares of open-end affiliated mutual funds sold without a front-end sales charge are capitalized and amortized over a

Delaware Distributors, L.P.

Notes to Financial Statements  
(In Thousands)

**2. Significant Accounting Policies (continued)**

**Deferred Dealer Commissions (continued)**

period that approximates the period of time during which such commissions are expected to be recovered from distribution plan (12b-1) payments received from the applicable affiliated mutual funds and contingent deferred sales charges received from shareholders upon the redemption of their shares. Deferred dealer commissions are amortized over a 12 month period. The deferred dealer commission asset is evaluated for impairment at least annually based on estimated future undiscounted cash flows expected to be received. The results of the impairment evaluation at March 31, 2017 indicated that the respective deferred dealer commission asset is not impaired.

**Revenues**

Distribution fees are received from affiliated mutual funds to reimburse the Partnership for the costs of marketing and selling fund shares. Distribution fees are recognized based on contracted rates as a percentage of average daily net assets of the funds. In turn, the Partnership enters into agreements with and compensates brokers who sell the affiliated fund shares and incurs other distribution costs relating to marketing and selling fund shares, which are classified within Distribution costs on the Statement of Operations. Because it is considered the principal distributor to the funds, the Partnership utilizes the gross basis of presentation of reporting distribution fees and related distribution costs.

Administrative fees are earned for additional advertising, promotion and distribution of affiliates' products. These fees are recorded as earned in accordance with contractual agreements with the affiliates. The application of the terms of the contract is reviewed at least annually for appropriateness by the Partnership and by the affiliates to which the services are provided.

Commissions income is recorded as of trade date and is comprised of net sales charges retained and deferred sales charges received relating to purchases and redemptions of shares of affiliated mutual funds and related products. Other income consists of dividend income related to amounts invested in an affiliated money market mutual fund.

**Stock-Based Compensation**

Certain employees of the Partnership participate in the Holdings and Macquarie stock-based compensation plans. The Partnership and Holdings account for these plans in accordance with the Stock Compensation topic ("Topic 718") of the FASB ASC.

Delaware Distributors, L.P.

Notes to Financial Statements  
*(In Thousands)*

**2. Significant Accounting Policies (continued)**

**Stock-Based Compensation (continued)**

The Partnership expenses the fair value of restricted stock units (“RSUs”) issued under the Holdings plan. The fair value of all stock-based awards are recognized as compensation expense over the period an employee is required to provide service in exchange for the award.

The Holdings stock-based awards applicable to the Partnership employees are expensed by the Partnership and are included in Salaries and related expenses on the Statement of Operations, but the liability is included on Macquarie Investment Management Advisors series of Macquarie Investment Management Business Trust (“MIMA”) formerly Delaware Investment Advisors series of Delaware Management Business Trust with an intercompany liability between the Partnership and MIMA. For an equity award classified as a liability, the liability is marked to market through net income at the end of each reporting period. The value of the Holdings awards is determined based on an independent appraisal valuation of Holdings performed by a third-party appraiser, in general, quarterly. When determining the fair market value of Holdings, the independent valuation firm generally applies the market approach. Expected forfeitures for the Holdings’ plan are estimated at the grant date, and revised, as needed, over the vesting period, thereby recognizing compensation expense only for those awards expected to vest. The RSUs generally vest over four to seven years. RSUs will no longer be awarded under the Holdings plan. The RSUs previously issued to the Partnership’s employees will continue to vest over the required service period.

Under the Macquarie Group Employee Retained Equity Plan (“MEREP”), Macquarie issues RSUs. The awards are measured at their grant dates based on Macquarie’s publicly traded market value. The grant date fair value of the Macquarie awards granted to the Partnership’s employees is expensed over the required service period and the awards generally vest over three to four years. The expense related to these awards is charged to the Partnership by Macquarie as an intercompany charge and is included in Salaries and related expenses on the Partnership’s Statement of Operations.

The Partnership recognized \$421 of expense for the fiscal year ended March 31, 2017 related to these stock-based compensation awards and is included in salaries and related expenses on the Partnership’s Statement of Operations.

**Taxes**

Under the provisions of the Internal Revenue Code and applicable state and local tax regulations, the taxable income or loss of the Partnership is reported in the tax returns of the partners in

Delaware Distributors, L.P.

Notes to Financial Statements  
(In Thousands)

**2. Significant Accounting Policies (continued)**

**Taxes (continued)**

accordance with the terms of the partnership agreement. Accordingly, no provision has been made in the accompanying financial statements for federal, state or local taxes.

The Partnership does not have any tax positions at March 31, 2017 for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the reporting date.

As of March 31, 2017, the statute of limitations is open for tax years 2010 through current for the Pennsylvania and Philadelphia filings as well as filings made under the Internal Revenue Code.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Adoption of New Accounting Pronouncements**

In May 2014, the FASB issued Accounting Standard Update 2014-09, *Revenue from Contracts with Customers* ("Standard"). The core principle of the Standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Partnership will be required to adopt this standard in the fiscal year ending March 31, 2019. The Partnership is currently evaluating the impact of this standard on the financial statements.

**3. Net Capital Requirements**

The Partnership is subject to the United States Securities and Exchange Commission ("SEC") Uniform Net Capital Rule (Rule 15c3-1) which requires the maintenance of minimum net capital and requires that the aggregate indebtedness to net capital, both as defined, shall not exceed 15-to-1.

Delaware Distributors, L.P.

Notes to Financial Statements  
*(In Thousands)*

**3. Net Capital Requirements (continued)**

At March 31, 2017, the Partnership's net capital, required net capital, and ratio of aggregate indebtedness to net capital were as follows:

Net capital	\$	7,920
Required net capital	\$	1,979
Ratio of aggregate indebtedness to net capital		3.75 to 1

The Partnership claims the exemption provision of Rule 15c3-3 of the SEC under Section (k)(2)(i) of the Rule.

**4. Employee Benefit Plans**

**Defined Contribution Plans**

The Partnership participates in a defined contribution plan sponsored by Holdings. The Partnership makes annual contributions to the plan equal to 4.0% of a participant's eligible compensation up to \$125. Expense related to the plan totaled \$248 for the fiscal year ended March 31, 2017.

The Partnership participates in a 401(k) plan sponsored by Holdings. The Partnership makes matching contributions equal to 100% of each participant's pre-tax contribution up to 3% of compensation plus an additional contribution equal to 50% of the next 2% of eligible compensation, as defined by the plan, contributed by the participant. Expense related to the 401(k) plan totaled \$815 for the fiscal year ended March 31, 2017.

**Delaware Investments Notional Investment Policy**

The bonus compensation of certain employees is deferred in accordance with Macquarie's bonus retention policy for Holdings and its subsidiaries. The Delaware Investments Notional Investment Policy is an investment vehicle for such retained bonuses. In accordance with this policy, a designated portion of the employee's bonus is notionally invested in a portfolio of Delaware-managed products as determined by the Macquarie compensation committee. The notional investment vests over a three-year period commencing on the date of the grant. The recognition of the expense of the notional investment occurs as of the first day of the service period of the employee's bonus. The expense related to this plan for the fiscal year ended March 31, 2017 was \$737.

Delaware Distributors, L.P.

Notes to Financial Statements  
*(In Thousands)*

**5. Related Party Transactions**

The related party transactions below are in addition to those discussed elsewhere in the notes to the financial statements.

In the fiscal year ended March 31, 2017, the Partnership was charged selling, general, and administrative expenses of \$2,847 primarily by Holdings and Macquarie affiliates for services provided by employees of affiliates.

The Partnership allocated certain costs related to the distribution of managed account products to an affiliate. The allocated costs presented as a reduction of Salaries and related expenses on the Statement of Operations in the fiscal year ended March 31, 2017 were \$3,599. The allocated costs presented as a reduction of selling, general and administrative expenses were \$2,531.

In the fiscal year ended March 31, 2017, the Partnership earned Distribution fees of \$85,815 from affiliated mutual funds to reimburse the Partnership for the costs of marketing and selling fund shares. Amounts included in Due from affiliated mutual funds on the Statement of Financial Condition related to these fees as of March 31, 2017 were \$7,001.

In the fiscal year ended March 31, 2017, the Partnership earned Administrative fees of \$82,264 for additional advertising, promotion and distribution of affiliates' products.

The Partnership pays certain expenses on behalf of affiliated mutual funds and is reimbursed by the funds in the subsequent month. The Partnership does not include these payments on the Statement of Operations. The amount included in Due from affiliated mutual funds for these payments was \$8 at March 31, 2017.

The Partnership generally settles its intercompany balances on a regular basis. Due from affiliates and Due to affiliates on the Statement of Financial Condition includes all outstanding balances arising from the above transactions.

**6. Subsequent Events**

The Partnership has evaluated its subsequent events through May 26, 2017, the date the Partnership's financial statements were available to be issued, and has determined there were no additional matters to be disclosed.

Supplemental Information



Delaware Distributors, L.P.

Schedule I – Computation of Net Capital Under Rule 15c3-1 of the  
Securities and Exchange Commission  
(In Thousands)

March 31, 2017

<b>Net capital</b>	
Total partnership capital	\$ 19,299
Deductions:	
Total nonallowable assets	11,379
<u>Net capital</u>	<u>\$ 7,920</u>
<b>Aggregate indebtedness</b>	
Items included in Statement of Financial Condition:	
Total liabilities	\$ 29,678
<u>Total aggregate indebtedness</u>	<u>\$ 29,678</u>
Computation of basic net capital requirement	
<u>Minimum net capital required</u>	<u>\$ 1,979</u>
<u>Excess net capital</u>	<u>\$ 5,941</u>
<u>Excess net capital at 1000% (net capital less 10% of aggregate indebtedness)</u>	<u>\$ 4,952</u>
Ratio: Aggregate indebtedness to net capital	3.75 to 1

There were no material differences between the audited Computation of Net Capital included in this report and the corresponding schedule included in the Partnership's unaudited amended March 31, 2017 Part IIA Focus Filing as filed on May 26, 2017.



### Report of Independent Registered Public Accounting Firm

To Management and the Board of Directors of Delaware Distributors, L.P.:

We have reviewed Delaware Distributors, L.P.'s assertions, included in the accompanying Delaware Distributors, L.P.'s exemption report, in which (1) the Company identified 17 C.F.R. § 240.15c3-3(k)(2)(i) as the provision under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3 (the "exemption provision") and (2) the Company stated that it met the identified exemption provision throughout the year ended March 31, 2017 without exception. The Company's management is responsible for the assertions and for compliance with the identified exemption provision throughout the year ended March 31, 2017.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provision. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's assertions referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) of 17 C.F.R. § 240.15c3-3.

  
May 26, 2017




Delaware Distributors, L.P.'s Exemption Report

Delaware Distributors, L.P. (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

- (1) The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the following provision of 17 C.F.R. § 240.15c3-3(k):(2)(i).
- (2) The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k) throughout the most recent fiscal year without exception.

Delaware Distributors, L.P.

I, Richard Salus, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.

By:   
Title: Sr. Vice President, Chief Financial Officer  
May 26, 2017



## Report of Independent Accountants

To Management and the Board of Directors of Delaware Distributors, L.P.:

In accordance with Rule 17a-5(e)(4) of the Securities Exchange Act of 1934 and with the SIPC Series 600 Rules, we have performed the procedures enumerated below, which were agreed to by Delaware Distributors, L.P. and the Securities Investor Protection Corporation ("SIPC") (collectively, the "specified parties") with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) of Delaware Distributors, L.P. for the year ended March 31, 2017, solely to assist the specified parties in evaluating Delaware Distributors, L.P.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Management is responsible for Delaware Distributors, L.P.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States) and in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments on page 1, items 2B and 2F of Form SIPC-7 with the respective cash disbursement records entries, as follows:
  - a. Agreed the amount of \$37 listed on item 2B of the SIPC-7 for the April 1, 2016 – September 30, 2016 period to the wire sent to SIPC on October 27, 2016 (wire ID 003166) noting no differences.
  - b. Agreed the amount of \$41 listed on item 2F of the SIPC-7 for the April 1, 2016 – March 31, 2017 period to the wire sent to SIPC on May 26, 2017 (wire ID 003518) noting no differences.
2. Compared the Total Revenue amount reported on page 4 of the audited Form X-17A-5 for the year ended March 31, 2017 to the Total revenue amount of \$169,824,705 reported on page 2, item 2a of Form SIPC-7 for the year ended March 31, 2017, noting no differences.
3. Compared any adjustments reported on page 2, items 2b and 2c of Form SIPC-7 with the supporting schedules and working papers, as follows:
  - a. Compared deductions of \$87,529,810 on SIPC-7 (April 1, 2016 - March 31, 2017) line 2c(1) "Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products" to the summation of the following accounts: "6021000020 Other Commissions Income, 6021000021 CDSC Revenue - Delaware, 6021100020 Upfront Commission Income, and 6070000021 12B-1 Fee Revenue" per the March 31, 2017 year-end trial balance, noting no differences.
  - b. Compared deductions of \$82,263,739 on SIPC-7 (April 1, 2016 - March 31, 2017) line 2c(8) "Other revenue not related either directly or indirectly to the securities business" to the account titled "8010990000 Internal Other Revenue" per the March 31, 2017 year-end trial balance, noting no differences.



4. Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers obtained in procedure 3, as follows:
  - a. Recalculated the mathematical accuracy of the SIPC Net Operating Revenues on page 2, line 2d and the General Assessment @ .0025 on page 2, line 2e of \$31,156 and \$78, respectively of the Form SIPC-7 noting no differences.
  - b. Recalculated the summation noted in step 3(a) above to the sum of the following accounts: "6021000020 Other Commissions Income, 6021000021 CDSC Revenue - Delaware, 6021100020 Upfront Commission Income, and 6070000021 12B-1 Fee Revenue" per the March 31, 2017 year-end trial balance, noting no differences.
  - c. Recalculated the mathematical accuracy of the amount in the line titled "Total Deductions" on page 2, line 2c of \$169,793,549, noting no differences.
  - d. Recalculated the mathematical accuracy of the amount in the line titled "Assessment balance due or (overpayment)" on page 1, line 2D of \$41, noting no differences.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Company's preparation of Form SIPC-7 in accordance with the applicable instructions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the board of directors of Delaware Distributors, L.P. and the Securities Investor Protection Corporation and is not intended to be and should not be used by anyone other than these specified parties.

*PricewaterhouseCoopers LLP*  
May 26, 2017

**SIPC-7**

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION  
P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation**

**SIPC-7**

(33-REV 7/10)

For the fiscal year ended 3/31/2017

(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

DELAWARE DISTRIBUTORS LP  
ATTN COMPLIANCE DEPT  
2005 MARKET ST FL 9  
PHILADELPHIA PA 19103-7007

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

RICHARD SALUS 215-255-1010

- 2. A. General Assessment (item 2e from page 2) \$ 78
- B. Less payment made with SIPC-6 filed (exclude interest) ( 37 )  
October 27, 2016  
Date Paid
- C. Less prior overpayment applied (                      )
- D. Assessment balance due or (overpayment) 41
- E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum \_\_\_\_\_
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 41
- G. PAYMENT:  the box  
Check mailed to P.O. Box  Funds Wired   
Total (must be same as F above) \$ 41
- H. Overpayment carried forward \$(                      )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Delaware Distributors LP

(Name of Corporation, Partnership or other organization)

(Authorized Signature)

Dated the 26th day of May, 20 17

SR VP CFO

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER**

Dates:                      Postmarked                      Received                      Reviewed                     

Calculations                      Documentation                     

Forward Copy                     

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning 4/1/2016  
and ending 3/31/2017

Item No.

Eliminate cents

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 169,824,705

2b. Additions:

(1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.

(2) Net loss from principal transactions in securities in trading accounts.

(3) Net loss from principal transactions in commodities in trading accounts.

(4) Interest and dividend expense deducted in determining item 2a.

(5) Net loss from management of or participation in the underwriting or distribution of securities.

(6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.

(7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

(1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.

87,529,810

(2) Revenues from commodity transactions.

(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.

(4) Reimbursements for postage in connection with proxy solicitation.

(5) Net gain from securities in investment accounts.

(6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.

(7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).

(8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

Administrative Services Agreement

82,263,739

(Deductions in excess of \$100,000 require documentation)

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ \_\_\_\_\_

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

169,793,549

2d. SIPC Net Operating Revenues

\$ 31,156

2e. General Assessment @ .0025

\$ 78

(to page 1, line 2.A.)