

DELAWARE INVESTMENTS DIVIDEND & INCOME FUND, INC
Form N-Q
April 28, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

| | |
|---|---|
| Investment Company Act file number: | 811-07460 |
| Exact name of registrant as specified in charter: | Delaware Investments® Dividend and Income Fund, Inc. |
| Address of principal executive offices: | 2005 Market Street Philadelphia, PA 19103 |
| Name and address of agent for service: | David F. Connor, Esq. 2005 Market Street Philadelphia, PA 19103 |
| Registrant's telephone number, including area code: | (800) 523-1918 |
| Date of fiscal year end: | November 30 |
| Date of reporting period: | February 28, 2015 |

Item 1. Schedule of Investments.

Schedule of investments

Delaware Investments[®] Dividend and Income Fund, Inc.
February 28, 2015 (Unaudited)

| | Number of shares | Value (U.S. \$) |
|------------------------------------|---------------------|--------------------|
| Common Stock 84.70% | | |
| Consumer Discretionary 5.03% | | |
| AMC Entertainment Holdings | 15,000 | \$ 515,700 |
| Johnson Controls | 41,200 | 2,093,372 |
| Lowe s | 33,500 | 2,482,015 |
| | | 5,091,087 |
| Consumer Staples 8.47% | | |
| Archer-Daniels-Midland | 39,200 | 1,876,896 |
| CVS Health | 23,600 | 2,451,332 |
| Kraft Foods Group | 35,333 | 2,263,432 |
| Mondelez International Class A | 53,500 | 1,976,023 |
| | | 8,567,683 |
| Diversified REITs 1.66% | | |
| Fibra Uno Administracion | 116,400 | 327,019 |
| Gramercy Property Trust | 85,500 | 602,775 |
| Lexington Realty Trust | 62,300 | 674,709 |
| Vornado Realty Trust | 665 | 73,177 |
| | | 1,677,680 |
| Energy 8.96% | | |
| Chevron | 17,600 | 1,877,568 |
| ConocoPhillips | 28,600 | 1,864,720 |
| Halcon Resources | 964 | 1,851 |
| Halliburton | 40,900 | 1,756,246 |
| Marathon Oil | 61,400 | 1,710,604 |
| Occidental Petroleum | 23,700 | 1,845,756 |
| | | 9,056,745 |
| Financials 9.36% | | |
| Allstate | 31,700 | 2,238,020 |
| Ashford | 90 | 12,421 |
| Bank of New York Mellon | 52,300 | 2,047,022 |
| BB&T | 54,600 | 2,077,530 |
| Home Loan Servicing Solutions * | 35,400 | 651,714 |
| Marsh & McLennan | 37,400 | 2,127,686 |
| Solar Capital | 15,528 | 312,423 |
| | | 9,466,816 |
| Healthcare 12.78% | | |
| Baxter International | 29,000 | 2,005,350 |
| Cardinal Health | 26,200 | 2,305,338 |
| Johnson & Johnson | 19,100 | 1,957,941 |
| Merck | 34,700 | 2,031,338 |
| Pfizer | 68,689 | 2,357,406 |
| Quest Diagnostics | 32,300 | 2,265,522 |
| | | 12,922,895 |
| Healthcare REITs 0.90% | | |
| Health Care REIT | 5,600 | 431,816 |

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| | | |
|--|---------|------------|
| Healthcare Realty Trust | 2,100 | 59,934 |
| Healthcare Trust of America Class A | 9,100 | 252,525 |
| Ventas | 2,200 | 163,834 |
| | | 908,109 |
| Hotel REITs 1.17% | | |
| Ashford Hospitality Prime | 1,700 | 27,659 |
| Ashford Hospitality Trust | 7,900 | 84,135 |
| DiamondRock Hospitality | 15,800 | 228,784 |
| Pebblebrook Hotel Trust | 3,500 | 170,030 |
| Strategic Hotels & Resorts | 17,700 | 232,224 |
| Summit Hotel Properties | 33,800 | 443,794 |
| | | 1,186,626 |
| Industrial REITs 0.91% | | |
| DCT Industrial Trust | 2,625 | 94,710 |
| Prologis | 780 | 33,314 |
| STAG Industrial | 19,400 | 484,030 |
| Terreno Realty | 14,000 | 308,560 |
| | | 920,614 |
| Industrials 6.93% | | |
| Northrop Grumman | 14,900 | 2,469,079 |
| Raytheon | 19,800 | 2,153,646 |
| Waste Management | 43,800 | 2,386,224 |
| | | 7,008,949 |
| Information Technology 9.99% | | |
| Broadcom Class A | 49,800 | 2,252,454 |
| CA | 47,370 | 1,540,472 |
| Cisco Systems | 78,000 | 2,301,780 |
| Intel | 58,100 | 1,931,825 |
| Xerox | 151,900 | 2,073,435 |
| | | 10,099,966 |
| Mall REITs 1.73% | | |
| General Growth Properties | 4,129 | 119,782 |
| Simon Property Group | 8,547 | 1,627,007 |
| | | 1,746,789 |
| Materials 2.43% | | |
| duPont (E.I.) deNemours | 28,800 | 2,242,080 |
| Tarkett * | 9,027 | 212,176 |
| | | 2,454,256 |
| Mixed REITs 0.30% | | |
| CyrusOne | 6,300 | 187,236 |
| PS Business Parks | 1,400 | 116,452 |
| | | 303,688 |

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Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc. (Unaudited)

| | Number of shares | Value (U.S. \$) |
|---|---------------------|--------------------|
| Common Stock (continued) | | |
| Mortgage REIT 0.29% | | |
| Starwood Property Trust | 12,200 | \$ 297,680 |
| | | 297,680 |
| Multifamily REITs 1.58% | | |
| Apartment Investment & Management | 10,919 | 411,428 |
| Camden Property Trust | 2,950 | 214,731 |
| Equity Residential | 5,000 | 385,150 |
| Essex Property Trust | 1,147 | 255,127 |
| Post Properties | 5,800 | 329,846 |
| | | 1,596,282 |
| Office REITs 2.33% | | |
| alstria office REIT * | 21,023 | 289,942 |
| Easterly Government Properties | 60,000 | 966,000 |
| Equity Commonwealth | 20,000 | 529,000 |
| Paramount Group | 9,000 | 165,150 |
| Parkway Properties | 23,000 | 405,030 |
| | | 2,355,122 |
| Self-Storage REIT 0.47% | | |
| Extra Space Storage | 7,300 | 480,194 |
| | | 480,194 |
| Shopping Center REITs 2.23% | | |
| DDR | 21,600 | 409,104 |
| First Capital Realty | 10,481 | 164,651 |
| Kimco Realty | 15,530 | 408,128 |
| Kite Realty Group Trust | 24,500 | 693,840 |
| Ramco-Gershenson Properties Trust | 11,700 | 219,024 |
| Urban Edge Properties | 332 | 7,948 |
| Weingarten Realty Investors | 2,500 | 90,550 |
| Wheeler Real Estate Investment Trust *@ | 77,956 | 266,610 |
| | | 2,259,855 |
| Single Tenant REIT 0.25% | | |
| Spirit Realty Capital | 20,800 | 254,800 |
| | | 254,800 |
| Specialty REITs 0.40% | | |
| American Residential Properties * | 8,900 | 154,326 |
| EPR Properties | 4,020 | 245,260 |
| | | 399,586 |
| Telecommunications 4.06% | | |
| AT&T * | 59,200 | 2,045,952 |
| Century Communications = | 500,000 | 0 |
| Verizon Communications | 41,600 | 2,057,120 |
| | | 4,103,072 |
| Utilities 2.47% | | |
| Abengoa Yield * | 5,100 | 167,229 |
| American Water Works | 3,200 | 173,056 |

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| | | |
|--|--------|-------------------|
| Edison International | 33,600 | 2,158,800 |
| | | 2,499,085 |
| Total Common Stock | | |
| (cost \$60,361,612) | | 85,657,579 |
| Convertible Preferred Stock 2.79% | | |
| Chesapeake Energy 144A | | |
| 5.75% exercise price | | |
| \$26.14, expiration date | | |
| 12/31/49 # | 87 | 87,707 |
| Dynegy 5.375% exercise price | | |
| \$38.75, expiration date | | |
| 11/1/17 *@ | 1,780 | 178,801 |
| El Paso Energy Capital Trust I | | |
| 4.75% exercise price | | |
| \$34.49, expiration date | | |
| 3/31/28 | 5,250 | 315,210 |
| Exelon 6.50% exercise price | | |
| \$43.75, expiration date | | |
| 6/1/17 | 3,650 | 181,040 |
| Halcon Resources 5.75% | | |
| exercise price \$6.16, | | |
| expiration date 12/31/49 | 130 | 45,207 |
| HealthSouth 6.50% exercise | | |
| price \$29.70, expiration | | |
| date 12/31/49 | 238 | 349,771 |
| Huntington Bancshares | | |
| 8.50% exercise price | | |
| \$11.95, expiration date | | |
| 12/31/49 | 182 | 249,340 |
| Intelsat 5.75% exercise price | | |
| \$22.05, expiration date | | |
| 5/1/16 | 6,898 | 253,639 |
| Laclede Group 6.75% | | |
| exercise price \$57.81, | | |
| expiration date 4/1/17 | 1,550 | 84,134 |
| Maiden Holdings 7.25% | | |
| exercise price \$15.35, | | |
| expiration date 9/15/16 | 6,000 | 304,260 |
| SandRidge Energy 8.50% | | |
| exercise price \$8.01, | | |
| expiration date 12/31/49 | 1,780 | 85,885 |

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(Unaudited)

| | Number of shares | Value (U.S. \$) |
|---|---------------------|--------------------|
| Convertible Preferred Stock (continued) | | |
| T-Mobile US 5.50% exercise price \$31.02, expiration date 12/15/17 | 2,110 | \$ 127,444 |
| Wells Fargo 7.50% exercise price \$156.71, expiration date 12/31/49 | 259 | 314,027 |
| Weyerhaeuser 6.375% exercise price \$33.13, expiration date 7/1/16 | 3,638 | 212,241 |
| Wheeler Real Estate Investment Trust 9.00% exercise price \$5.00, expiration date 12/31/49 @= | 34 | 35,385 |
| Total Convertible Preferred Stock (cost \$2,728,235) | | 2,824,091 |

| | Principal amount ^o | |
|---|----------------------------------|---------|
| Convertible Bonds 8.21% | | |
| Basic Industry 0.47% | | |
| Abengoa 144A 5.125% exercise price \$38.74, expiration date 2/23/17 # | 200,000 | 200,000 |
| Peabody Energy 4.75% exercise price \$57.62, expiration date 12/15/41 * | 135,000 | 63,450 |
| RTI International Metals 1.625% exercise price \$40.72, expiration date 10/10/19 * | 215,000 | 212,984 |
| | | 476,434 |
| Capital Goods 0.28% | | |
| Cemex 3.25% exercise price \$9.65, expiration date 3/9/16 | 69,000 | 80,989 |
| Titan Machinery 3.75% exercise price \$43.17, expiration date 4/30/19 * | 277,000 | 202,383 |
| | | 283,372 |
| Communications 1.17% | | |
| Alaska Communications Systems Group 6.25% exercise price \$10.28, expiration date 4/27/18 | 253,000 | 245,410 |
| Clearwire Communications 144A 8.25% exercise price \$7.08, expiration date 11/30/40 # | 213,000 | 233,235 |
| Liberty Interactive 0.75% exercise price \$1,000.00, expiration date 3/30/43 | 205,000 | 292,381 |

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| | | | |
|-----------------------|--|---------|-----------|
| | 144A 1.00% exercise price \$74.31, expiration date 9/28/43 # | 364,000 | 408,135 |
| | | | 1,179,161 |
| Consumer Cyclical | 0.62% | | |
| | Huron Consulting Group 144A 1.25% exercise price \$79.89, expiration date 9/27/19 # | 181,000 | 196,837 |
| | Iconix Brand Group 2.50% exercise price \$30.75, expiration date 5/31/16 | 164,000 | 195,263 |
| | Meritor 4.00% exercise price \$26.73, expiration date 2/12/27 | 217,000 | 229,477 |
| | | | 621,577 |
| Consumer Non-Cyclical | 1.62% | | |
| | BioMarin Pharmaceutical 1.50% exercise price \$94.15, expiration date 10/13/20 * | 122,000 | 167,903 |
| | Hologic 2.00% exercise price \$31.17, expiration date 2/27/42 * | 214,000 | 264,557 |
| | Hologic 2.00% exercise price \$38.59, expiration date 12/15/43 | 227,000 | 261,901 |
| | NuVasive 2.75% exercise price \$42.13, expiration date 6/30/17 | 274,000 | 345,754 |
| | Spectrum Pharmaceuticals 2.75% exercise price \$10.53, expiration date 12/13/18 | 232,000 | 213,875 |
| | Vector Group 1.75% exercise price \$25.87, expiration date 4/15/20 | 223,000 | 240,701 |
| | 2.50% exercise price \$16.78, expiration date 1/14/19 | 97,000 | 141,516 |
| | | | 1,636,207 |

(continues) NQ-DDF [2/15] 4/15 (14209) 3

Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc. (Unaudited)

| | Principal amount° | Value (U.S. \$) |
|--|----------------------|--------------------|
| Convertible Bonds (continued) | | |
| Energy 0.51% | | |
| Chesapeake Energy 2.50% exercise price \$47.77, expiration date 5/15/37 | 126,000 | \$ 122,850 |
| Energy XXI 3.00% exercise price \$40.40, expiration date 12/13/18 | 316,000 | 123,240 |
| Helix Energy Solutions Group 3.25% exercise price \$25.02, expiration date 3/12/32 * | 140,000 | 142,363 |
| Vantage Drilling 144A 5.50% exercise price \$2.39, expiration date 7/15/43 # | 189,000 | 130,410 |
| | | 518,863 |
| Financials 0.86% | | |
| Ares Capital 5.75% exercise price \$19.13, expiration date 2/1/16 | 224,000 | 232,820 |
| BGC Partners 4.50% exercise price \$9.84, expiration date 7/13/16 | 252,000 | 273,893 |
| Gain Capital Holdings 4.125% exercise price \$12.00, expiration date 11/30/18 | 139,000 | 147,948 |
| New Mountain Finance 144A 5.00% exercise price \$15.93, expiration date 6/14/19 # | 214,000 | 218,949 |
| | | 873,610 |
| Industrials 0.19% | | |
| General Cable 4.50% exercise price \$34.47, expiration date 11/15/29 | 270,000 | 188,831 |
| | | 188,831 |
| Real Estate Investment Trusts 0.69% | | |
| Blackstone Mortgage Trust 5.25% exercise price \$28.66, expiration date 12/1/18 * | 285,000 | 296,934 |
| Campus Crest Communities Operating Partnership 144A 4.75% exercise price \$12.56, expiration date 10/11/18 # | 224,000 | 216,580 |
| Lexington Realty Trust 144A 6.00% exercise price \$6.60, expiration date | | |

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| | | | |
|--------------------------------|---|---------|------------------|
| | 1/11/30 # | 118,000 | 188,800 |
| | | | 702,314 |
| Technology 1.80% | | | |
| | Blucora 4.25% exercise price \$21.66, expiration date 3/29/19 | 148,000 | 141,340 |
| | Cardtronics 1.00% exercise price \$52.35, expiration date 11/27/20 * | 317,000 | 311,849 |
| | Ciena 144A 3.75% exercise price \$20.17, expiration date 10/15/18 # | 226,000 | 287,726 |
| | Electronics For Imaging 144A 0.75% exercise price \$52.72, expiration date 8/29/19 # | 125,000 | 127,109 |
| | Intel 3.25% exercise price \$21.47, expiration date 8/1/39 | 130,000 | 214,988 |
| | j2 Global 3.25% exercise price \$69.37, expiration date 6/14/29 * | 256,000 | 299,200 |
| | PROS Holdings 144A 2.00% exercise price \$33.79, expiration date 11/27/19 # | 143,000 | 143,804 |
| | SanDisk 1.50% exercise price \$51.36, expiration date 8/11/17 | 105,000 | 170,297 |
| | VeriSign 4.136% exercise price \$34.37, expiration date 8/15/37 | 67,000 | 128,138 |
| | | | 1,824,451 |
| Total Convertible Bonds | | | |
| | (cost \$7,917,998) | | 8,304,820 |
| Corporate Bonds 37.08% | | | |
| Automobiles 0.77% | | | |
| | Gates Global 144A 6.00% 7/15/22 #* | 285,000 | 275,025 |
| | General Motors 4.875% 10/2/23 | 90,000 | 98,493 |
| | International Automotive Components Group 144A 9.125% 6/1/18 # | 220,000 | 223,850 |
| | Meritor 6.25% 2/15/24 | 65,000 | 66,463 |

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(Unaudited)

| | Principal amount ^o | Value (U.S. \$) |
|---|----------------------------------|--------------------|
| Corporate Bonds (continued) | | |
| Automobiles (continued) | | |
| Meritor 6.75% 6/15/21 | 110,000 | \$ 115,775 |
| | | 779,606 |
| Banking 1.81% | | |
| Bank of America 6.50% 10/29/49 * | 210,000 | 223,059 |
| Barclays Bank 7.625% 11/21/22 | 200,000 | 229,250 |
| Credit Suisse Group 144A 7.50% 12/29/49 # | 305,000 | 327,875 |
| HSBC Holdings 6.375% 12/29/49 * | 200,000 | 205,900 |
| JPMorgan Chase 6.75% 1/29/49 | 205,000 | 222,359 |
| Lloyds Banking Group 7.50% 4/30/49 * | 330,000 | 346,500 |
| Popular 7.00% 7/1/19 | 270,000 | 272,700 |
| | | 1,827,643 |
| Basic Industry 3.95% | | |
| AK Steel 7.625% 5/15/20 7.625% 10/1/21 | 144,000 100,000 | 131,400 87,750 |
| American Tire Distributors 144A 10.25% 3/1/22 # | 95,000 | 99,513 |
| ArcelorMittal 6.25% 3/1/21 | 60,000 | 65,625 |
| Bombardier 144A 5.50% 9/15/18 # 144A 7.50% 3/15/25 # | 20,000 60,000 | 20,000 60,000 |
| Builders FirstSource 144A 7.625% 6/1/21 #* | 207,000 | 210,105 |
| Cliffs Natural Resources 5.95% 1/15/18 | 75,000 | 67,500 |
| Consolidated Energy Finance 144A 6.75% 10/15/19 # | 200,000 | 199,000 |
| CPG Merger Sub 144A 8.00% 10/1/21 # | 155,000 | 156,937 |
| First Quantum Minerals 144A 6.75% 2/15/20 # 144A 7.00% 2/15/21 # | 52,000 97,000 | 48,620 90,453 |
| FMG Resources August 2006 144A 6.875% 4/1/22 #* 144A 8.25% 11/1/19 #* | 117,000 95,000 | 98,280 90,131 |
| Grace (W.R.) 144A 5.125% 10/1/21 # 144A 5.625% 10/1/24 # | 80,000 80,000 | 83,000 86,300 |
| Hardwoods Acquisition 144A 7.50% 8/1/21 # | 135,000 | 130,275 |
| HD Supply 11.50% 7/15/20 | 170,000 | 196,350 |
| Kissner Milling 144A 7.25% 6/1/19 # | 115,000 | 117,587 |
| LSB Industries 7.75% 8/1/19 | 140,000 | 146,650 |
| Lundin Mining 144A | | |

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| | | |
|--|---------|-----------|
| 7.875% 11/1/22 # | 205,000 | 212,687 |
| NCI Building Systems 144A | | |
| 8.25% 1/15/23 # | 105,000 | 109,725 |
| New Gold 144A | | |
| 6.25% 11/15/22 # | 156,000 | 155,220 |
| Nortek 8.50% 4/15/21 | 129,000 | 139,320 |
| NOVA Chemicals 144A | | |
| 5.00% 5/1/25 # | 115,000 | 121,756 |
| Polymer Group 144A | | |
| 6.875% 6/1/19 # | 240,000 | 231,300 |
| Rayonier AM Products 144A | | |
| 5.50% 6/1/24 # | 205,000 | 176,813 |
| Ryerson | | |
| 9.00% 10/15/17 | 120,000 | 123,000 |
| 11.25% 10/15/18 | 34,000 | 35,870 |
| Steel Dynamics 144A | | |
| 5.50% 10/1/24 # | 125,000 | 130,000 |
| TPC Group 144A | | |
| 8.75% 12/15/20 # | 250,000 | 230,625 |
| Wise Metals Group 144A | | |
| 8.75% 12/15/18 # | 80,000 | 87,100 |
| Wise Metals Intermediate Holdings 144A | | |
| 9.75% 6/15/19 # | 55,000 | 59,606 |
| | | 3,998,498 |
| Capital Goods 2.60% | | |
| Accudyne Industries 144A | | |
| 7.75% 12/15/20 # | 180,000 | 171,000 |
| Ardagh Packaging Finance 144A 6.00% 6/30/21 #* | 200,000 | 195,250 |
| BWAY Holding 144A | | |
| 9.125% 8/15/21 # | 340,000 | 355,300 |
| Cemex 144A | | |
| 7.25% 1/15/21 # | 200,000 | 214,000 |
| Consolidated Container 144A | | |
| 10.125% 7/15/20 # | 171,000 | 147,915 |
| Gardner Denver 144A | | |
| 6.875% 8/15/21 #* | 245,000 | 238,875 |
| KLX 144A 5.875% 12/1/22 # | 185,000 | 189,394 |
| Milacron 144A | | |
| 7.75% 2/15/21 # | 180,000 | 189,000 |
| Plastipak Holdings 144A | | |
| 6.50% 10/1/21 # | 225,000 | 230,063 |
| Reynolds Group Issuer | | |
| 8.25% 2/15/21 | 145,000 | 153,337 |

(continues) NQ-DDF [2/15] 4/15 (14209) 5

Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc. (Unaudited)

| | Principal amount° | Value (U.S. \$) |
|---|----------------------|--------------------|
| Corporate Bonds (continued) | | |
| Capital Goods (continued) | | |
| Signode Industrial Group 144A 6.375% 5/1/22 # | 175,000 | \$ 173,250 |
| TransDigm 6.00% 7/15/22 | 205,000 | 208,587 |
| 6.50% 7/15/24 | 160,000 | 164,400 |
| | | 2,630,371 |
| Communications 3.91% | | |
| CenturyLink 6.75% 12/1/23 * | 115,000 | 130,309 |
| Cogent Communications Finance 144A 5.625% 4/15/21 # | 185,000 | 183,150 |
| Cogent Communications Group 144A 5.375% 3/1/22 # | 60,000 | 60,600 |
| Digicel 144A 6.75% 3/1/23 # | 200,000 | 202,250 |
| Digicel Group 144A 7.125% 4/1/22 # | 200,000 | 191,000 |
| 144A 8.25% 9/30/20 # | 221,000 | 224,647 |
| Equinix 5.375% 1/1/22 | 75,000 | 78,563 |
| 5.75% 1/1/25 | 130,000 | 137,150 |
| Hughes Satellite Systems 7.625% 6/15/21 | 160,000 | 178,200 |
| Intelsat Luxembourg 8.125% 6/1/23 | 625,000 | 584,375 |
| Level 3 Communications 5.75% 12/1/22 | 185,000 | 191,013 |
| Level 3 Financing 5.375% 8/15/22 | 165,000 | 171,549 |
| Sprint 7.125% 6/15/24 | 485,000 | 485,000 |
| 7.25% 9/15/21 | 5,000 | 5,122 |
| 7.875% 9/15/23 | 125,000 | 129,687 |
| T-Mobile USA 6.00% 3/1/23 | 75,000 | 78,413 |
| 6.125% 1/15/22 | 55,000 | 58,094 |
| 6.25% 4/1/21 | 85,000 | 89,250 |
| 6.375% 3/1/25 | 130,000 | 136,175 |
| Wind Acquisition Finance 144A 7.375% 4/23/21 # | 200,000 | 209,000 |
| Windstream 7.50% 6/1/22 | 105,000 | 103,819 |
| 7.75% 10/1/21 | 115,000 | 116,725 |
| Zayo Group 144A 6.00% 4/1/23 #* | 205,000 | 210,638 |
| | | 3,954,729 |
| Consumer Cyclical 1.89% | | |
| Chinos Intermediate Holdings 144A PIK 7.75% | | |

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| | | |
|------------------------------|---------|-----------|
| 5/1/19 #* | 155,000 | 137,175 |
| DBP Holding 144A | | |
| 7.75% 10/15/20 # | 121,000 | 111,320 |
| Family Tree Escrow | | |
| 144A 5.25% 3/1/20 # | 30,000 | 31,500 |
| 144A 5.75% 3/1/23 # | 150,000 | 158,625 |
| Landry s 144A | | |
| 9.375% 5/1/20 # | 380,000 | 411,825 |
| Michaels Stores 144A | | |
| 5.875% 12/15/20 # | 145,000 | 150,075 |
| Midas Intermediate Holdco II | | |
| 144A 7.875% 10/1/22 # | 140,000 | 136,500 |
| Pantry 8.375% 8/1/20 | 195,000 | 215,475 |
| Party City Holdings | | |
| 8.875% 8/1/20 | 140,000 | 153,650 |
| PC Nextco Holdings | | |
| 8.75% 8/15/19 | 110,000 | 112,750 |
| PF Chang s China Bistro 144A | | |
| 10.25% 6/30/20 #* | 130,000 | 131,950 |
| Wynn Las Vegas 144A | | |
| 5.50% 3/1/25 # | 160,000 | 161,792 |
| | | 1,912,637 |
| Consumer Non-Cyclical 1.40% | | |
| Cott Beverages 144A | | |
| 6.75% 1/1/20 # | 245,000 | 245,613 |
| Darling Ingredients | | |
| 5.375% 1/15/22 | 70,000 | 70,963 |
| DS Services of America 144A | | |
| 10.00% 9/1/21 # | 80,000 | 93,800 |
| JBS Investments 144A | | |
| 7.75% 10/28/20 # | 200,000 | 211,500 |
| Prestige Brands 144A | | |
| 5.375% 12/15/21 #* | 140,000 | 142,625 |
| Spectrum Brands | | |
| 144A 6.125% 12/15/24 # | 240,000 | 259,200 |
| 6.625% 11/15/22 | 135,000 | 148,500 |
| SUPERVALU 7.75% 11/15/22 | 225,000 | 239,063 |
| | | 1,411,264 |
| Energy 4.26% | | |
| Baytex Energy 144A | | |
| 5.625% 6/1/24 # | 175,000 | 165,725 |
| California Resources | | |
| 144A 5.50% 9/15/21 #* | 185,000 | 169,737 |
| 144A 6.00% 11/15/24 #* | 155,000 | 138,919 |
| Calumet Specialty Products | | |
| Partners 7.625% 1/15/22 | 280,000 | 287,000 |

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(Unaudited)

| | Principal amount ^o | Value (U.S. \$) |
|--|----------------------------------|--------------------|
| Corporate Bonds (continued) | | |
| Energy (continued) | | |
| Chaparral Energy 7.625% 11/15/22 | 130,000 | \$ 97,500 |
| 8.25% 9/1/21 | 85,000 | 66,300 |
| CHC Helicopter 9.375% 6/1/21 | 65,000 | 53,300 |
| Chesapeake Energy 4.875% 4/15/22 * | 240,000 | 238,200 |
| CSI Compressco 144A 7.25% 8/15/22 # | 145,000 | 127,600 |
| Energy Transfer Equity 5.875% 1/15/24 | 86,000 | 92,450 |
| Exterran Partners 6.00% 4/1/21 | 100,000 | 92,500 |
| Genesis Energy 5.75% 2/15/21 | 215,000 | 211,775 |
| Halcon Resources 9.75% 7/15/20 * | 250,000 | 193,750 |
| Laredo Petroleum 5.625% 1/15/22 | 120,000 | 115,800 |
| 7.375% 5/1/22 | 100,000 | 103,500 |
| Linn Energy 6.25% 11/1/19 | 180,000 | 154,350 |
| MarkWest Energy Partners 4.875% 12/1/24 | 180,000 | 185,850 |
| Murphy Oil USA 6.00% 8/15/23 | 190,000 | 203,537 |
| Northern Oil & Gas 8.00% 6/1/20 * | 175,000 | 161,875 |
| NuStar Logistics 6.75% 2/1/21 | 115,000 | 122,552 |
| Oasis Petroleum 6.875% 3/15/22 * | 230,000 | 226,550 |
| Ocean Rig UDW 144A 7.25% 4/1/19 # | 163,000 | 99,837 |
| PDC Energy 7.75% 10/15/22 | 185,000 | 193,325 |
| Pioneer Energy Services 6.125% 3/15/22 | 210,000 | 162,225 |
| Regency Energy Partners 5.875% 3/1/22 | 190,000 | 208,525 |
| Sabine Pass Liquefaction 144A 5.625% 3/1/25 # | 185,000 | 186,156 |
| Targa Resources Partners 5.25% 5/1/23 | 150,000 | 153,750 |
| Western Refining Logistics 144A 7.50% 2/15/23 # | 95,000 | 97,613 |
| | | 4,310,201 |
| Financials 0.57% | | |
| Argos Merger Sub 144A 7.125% 3/15/23 # | 110,000 | 114,125 |
| E*TRADE Financial 5.375% 11/15/22 | 130,000 | 137,475 |
| Infinity Acquisition 144A 7.25% 8/1/22 # | 125,000 | 116,563 |

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| | | |
|--|---------|-----------|
| James Hardie International Finance 144A 5.875% 2/15/23 # | 200,000 | 205,250 |
| | | 573,413 |
| Healthcare 2.89% | | |
| Air Medical Group Holdings 9.25% 11/1/18 | 109,000 | 114,995 |
| Amsurg 5.625% 7/15/22 | 47,000 | 50,055 |
| Community Health Systems 6.875% 2/1/22 * | 405,000 | 435,122 |
| DaVita HealthCare Partners 5.125% 7/15/24 | 450,000 | 467,719 |
| HCA 5.375% 2/1/25 | 185,000 | 197,025 |
| 5.875% 5/1/23 | 110,000 | 120,725 |
| HealthSouth 5.75% 11/1/24 | 95,000 | 99,750 |
| Immucor 11.125% 8/15/19 | 305,000 | 328,256 |
| Kinetic Concepts 10.50% 11/1/18 | 124,000 | 135,935 |
| 12.50% 11/1/19 * | 85,000 | 94,350 |
| Mallinckrodt International Finance 4.75% 4/15/23 | 105,000 | 103,163 |
| Par Pharmaceutical 7.375% 10/15/20 | 380,000 | 404,700 |
| Tenet Healthcare 144A 5.00% 3/1/19 # | 130,000 | 130,975 |
| 8.125% 4/1/22 | 215,000 | 244,025 |
| | | 2,926,795 |
| Insurance 0.92% | | |
| American International Group 8.175% 5/15/58 | 170,000 | 236,300 |
| HUB International 144A 7.875% 10/1/21 # | 215,000 | 221,450 |
| USI 144A 7.75% 1/15/21 # | 190,000 | 194,275 |
| XLIT 6.50% 10/29/49 | 320,000 | 282,400 |
| | | 934,425 |
| Media 5.49% | | |
| Altice 144A 7.625% 2/15/25 # | 200,000 | 207,500 |
| 144A 7.75% 5/15/22 # | 210,000 | 217,350 |
| Altice Financing 144A 6.625% 2/15/23 # | 205,000 | 214,481 |
| CCO Holdings 5.25% 9/30/22 | 50,000 | 51,313 |

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Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc. (Unaudited)

| | Principal amount ^o | Value (U.S. \$) |
|------------------------------------|----------------------------------|--------------------|
| Corporate Bonds (continued) | | |
| Media (continued) | | |
| CCOH Safari | | |
| 5.50% 12/1/22 | 130,000 | \$ 134,713 |
| 5.75% 12/1/24 | 230,000 | 238,625 |
| Columbus International 144A | | |
| 7.375% 3/30/21 # | 400,000 | 421,500 |
| CSC Holdings 144A | | |
| 5.25% 6/1/24 # | 413,000 | 422,809 |
| DISH DBS 5.875% 11/15/24 | 115,000 | 114,713 |
| Gannett 144A | | |
| 5.50% 9/15/24 # | 140,000 | 145,950 |
| Gray Television | | |
| 7.50% 10/1/20 | 310,000 | 323,950 |
| iHeartCommunications | | |
| 9.00% 9/15/22 | 540,000 | 522,450 |
| LIN Television 144A | | |
| 5.875% 11/15/22 # | 250,000 | 256,250 |
| MDC Partners 144A | | |
| 6.75% 4/1/20 # | 200,000 | 211,250 |
| Nexstar Broadcasting 144A | | |
| 6.125% 2/15/22 # | 200,000 | 204,500 |
| Numericable 144A | | |
| 6.00% 5/15/22 # | 210,000 | 213,937 |
| Outfront Media Capital | | |
| 5.875% 3/15/25 | 130,000 | 138,287 |
| RCN Telecom Services 144A | | |
| 8.50% 8/15/20 # | 150,000 | 159,750 |
| Sinclair Television Group | | |
| 144A 5.625% 8/1/24 # | 345,000 | 351,037 |
| Unitymedia KabelBW 144A | | |
| 6.125% 1/15/25 # | 230,000 | 244,663 |
| Univision Communications | | |
| 144A 5.125% 5/15/23 # | 115,000 | 119,600 |
| Virgin Media Finance 144A | | |
| 6.375% 4/15/23 # | 200,000 | 217,000 |
| VTR Finance 144A | | |
| 6.875% 1/15/24 # | 400,000 | 420,000 |
| | | 5,551,628 |
| Services 2.75% | | |
| AECOM Technology | | |
| 144A 5.75% 10/15/22 # | 80,000 | 84,000 |
| 144A 5.875% 10/15/24 # | 115,000 | 122,475 |
| Algeco Scotsman Global | | |
| Finance 144A | | |
| 10.75% 10/15/19 # | 280,000 | 240,800 |
| BlueLine Rental Finance 144A | | |
| 7.00% 2/1/19 # | 60,000 | 62,400 |
| Caesars Growth Properties | | |
| Holdings 144A | | |
| 9.375% 5/1/22 # | 135,000 | 111,375 |

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| | | |
|---|---------|-----------|
| Covanta Holding 5.875% 3/1/24 | 200,000 | 209,000 |
| Geo Group 5.125% 4/1/23 | 80,000 | 82,000 |
| 5.875% 10/15/24 | 135,000 | 142,087 |
| Mattamy Group 144A 6.50% 11/15/20 # | 235,000 | 228,537 |
| MGM Resorts International 6.00% 3/15/23 * | 330,000 | 344,850 |
| Navios South American Logistics 144A 7.25% 5/1/22 # | 180,000 | 174,375 |
| Omnicare 4.75% 12/1/22 | 40,000 | 41,950 |
| 5.00% 12/1/24 | 115,000 | 121,613 |
| Pinnacle Entertainment 6.375% 8/1/21 * | 85,000 | 90,737 |
| 7.75% 4/1/22 | 120,000 | 129,900 |
| United Rentals North America 5.75% 11/15/24 | 285,000 | 302,100 |
| Watco 144A 6.375% 4/1/23 # | 90,000 | 90,900 |
| West 144A 5.375% 7/15/22 # | 210,000 | 204,750 |
| | | 2,783,849 |
| Technology 1.77% | | |
| CDW 5.00% 9/1/23 | 60,000 | 60,450 |
| 5.50% 12/1/24 | 103,000 | 107,377 |
| CommScope 144A 5.50% 6/15/24 # | 200,000 | 203,500 |
| Entegris 144A 6.00% 4/1/22 # | 200,000 | 209,000 |
| First Data 11.25% 1/15/21 | 150,000 | 171,750 |
| 11.75% 8/15/21 | 272,000 | 318,240 |
| Infor Software Parent 144A PIK 7.125% 5/1/21 # | 315,000 | 318,150 |
| j2 Global 8.00% 8/1/20 | 185,000 | 200,725 |
| NCR 6.375% 12/15/23 | 90,000 | 95,625 |
| Viasystems 144A 7.875% 5/1/19 # | 95,000 | 100,700 |
| | | 1,785,517 |
| Utilities 2.10% | | |
| Abengoa Yield 144A 7.00% 11/15/19 #* | 200,000 | 209,000 |
| AES 5.50% 3/15/24 | 255,000 | 260,100 |

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(Unaudited)

| | Principal amount ^o | Value (U.S. \$) |
|---|----------------------------------|--------------------|
| Corporate Bonds (continued) | | |
| Utilities (continued) | | |
| AES Gener 144A 8.375% 12/18/73 #* | 200,000 | \$ 219,000 |
| Calpine | | |
| 5.375% 1/15/23 | 320,000 | 326,400 |
| 5.50% 2/1/24 | 100,000 | 101,250 |
| DPL 144A 6.75% 10/1/19 # | 170,000 | 178,500 |
| Dynegy 5.875% 6/1/23 | 120,000 | 118,800 |
| Dynegy Finance I/II | | |
| 144A 6.75% 11/1/19 # | 65,000 | 68,087 |
| 144A 7.375% 11/1/22 # | 110,000 | 116,600 |
| 144A 7.625% 11/1/24 # | 105,000 | 111,563 |
| Enel 144A | | |
| 8.75% 9/24/73 # | 200,000 | 245,105 |
| GenOn Energy | | |
| 9.875% 10/15/20 | 165,000 | 168,300 |
| | | 2,122,705 |
| Total Corporate Bonds (cost \$37,236,756) | | 37,503,281 |
| Senior Secured Loans 2.00%« | | |
| Applied Systems 2nd Lien | | |
| 7.50% 1/23/22 | 202,000 | 201,293 |
| Ashland Water 2nd Lien | | |
| 7.75% 7/31/22 | 75,000 | 73,313 |
| Atkore International 2nd Lien | | |
| 7.75% 10/9/21 | 70,000 | 66,419 |
| Avaya Tranche B-3 | | |
| 4.668% 10/26/17 | 165,000 | 160,488 |
| Azure Midstream Tranche B | | |
| 6.50% 11/15/18 | 35,518 | 33,032 |
| BJ's Wholesale Club 2nd Lien | | |
| 8.50% 3/31/20 | 165,000 | 163,659 |
| Borgata Tranche B 1st Lien | | |
| 6.50% 8/15/18 | 162,875 | 164,504 |
| Clear Channel | | |
| Communications Tranche D | | |
| 6.922% 1/30/19 | 115,000 | 110,371 |
| Flint Group 2nd Lien | | |
| 8.25% 4/8/22 | 210,000 | 200,550 |
| Hostess Brands 1st Lien | | |
| 6.75% 3/20/20 | 198,500 | 202,718 |
| Mauser Holdings 2nd Lien | | |
| 8.25% 7/31/22 | 215,000 | 210,700 |
| Moxie Liberty Tranche B | | |
| 7.50% 8/21/20 | 105,000 | 106,050 |
| Moxie Patriot (Panda Power Fund) Tranche B1 | | |
| 6.75% 12/19/20 | 100,000 | 100,375 |
| Panda Stonewall Tranche B | | |
| 6.50% 11/13/21 | 125,000 | 126,641 |
| Rite Aid 2nd Lien | | |
| 5.75% 8/21/20 | 97,000 | 97,930 |
| Total Senior Secured Loans | | |

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(cost \$2,043,516)

2,018,043

| | Number of shares | |
|--|---------------------|------------------|
| Limited Partnership 1.82% | | |
| Ares Management * | 16,900 | 343,070 |
| Brookfield Infrastructure Partners * | 9,400 | 427,230 |
| CrossAmerica Partners | 31,200 | 1,068,912 |
| Total Limited Partnership (cost \$1,209,823) | | 1,839,212 |
| Preferred Stock 0.75% | | |
| Ally Financial 144A 7.00% # | 400 | 403,063 |
| GMAC Capital Trust I 8.125% | 8,000 | 208,240 |
| Regions Financial 6.375% * | 6,000 | 150,600 |
| Total Preferred Stock (cost \$728,170) | | 761,903 |
| Warrant 0.00% | | |
| Wheeler Real Estate Investment Trust strike price \$5.50, expiration date 4/29/19 @ | 7,872 | 2,204 |
| Total Warrant (cost \$65) | | 2,204 |

| | Principal amount ^o | |
|-------------------------------------|----------------------------------|-----------|
| Short-Term Investments 2.32% | | |
| Discount Notes 1.50% ^o | | |
| Federal Home Loan Bank | | |
| 0.06% 4/8/15 | 163,199 | 163,195 |
| 0.065% 3/5/15 | 504,485 | 504,485 |
| 0.065% 4/20/15 | 320,848 | 320,840 |
| 0.07% 4/6/15 | 309,840 | 309,834 |
| 0.08% 3/18/15 | 84,051 | 84,050 |
| 0.085% 3/27/15 | 135,153 | 135,152 |
| | | 1,517,556 |

(continues) NQ-DDF [2/15] 4/15 (14209) 9

Schedule of investments

Delaware Investments® Dividend and Income Fund, Inc. (Unaudited)

| | Principal amount ^o | Value (U.S. \$) |
|--|----------------------------------|--------------------|
| Short-Term Investments (continued) | | |
| Repurchase Agreements 0.82% | | |
| Bank of America Merrill Lynch 0.03%, dated 2/27/15, to be repurchased on 3/2/15, repurchase price \$301,115 (collateralized by U.S. government obligations 0.00%-3.625% 9/30/16-8/15/43; market value \$307,137) | 301,115 | \$ 301,115 |
| Bank of Montreal 0.06%, dated 2/27/15, to be repurchased on 3/2/15, repurchase price \$250,930 (collateralized by U.S. government obligations 0.00%-9.125% 4/23/15-6/30/21; market value \$255,947) | 250,929 | 250,929 |
| BNP Paribas 0.07%, dated 2/27/15, to be repurchased on 3/2/15, repurchase price \$278,958 (collateralized by U.S. government obligations 0.00%-3.500% 4/15/19-11/15/42; market value \$284,536) | 278,957 | 278,956 |
| | | 831,000 |
| Total Short-Term Investments (cost \$2,348,508) | | 2,348,556 |
| Total Value of Securities Before Securities Lending Collateral 139.67% (cost \$114,574,683) | | 141,259,689 |
| | Number of shares | |
| Securities Lending Collateral** 6.54% | | |
| Investment Company Delaware Investments® Collateral Fund No. | 16,614,956 | 6,614,956 |
| Total Securities Lending Collateral (cost \$6,614,956) | | 6,614,956 |
| Total Value of Securities 146.21% (cost \$121,189,639) | | 147,874,645 |
| Obligation to Return | | |

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| | | |
|--|-----------------|-----------------------|
| Securities Lending Collateral | (6.54%) | (6,614,956) |
| Borrowing Under Line of Credit | (39.55%) | (40,000,000) |
| Liabilities Net of Receivables and Other Assets | (0.12%) | (122,602) |
| Net Assets | 100.00% | \$ 101,137,087 |

#Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. At Feb. 28, 2015, the aggregate value of Rule 144A securities was \$21,737,589, which represents 21.49% of the Fund's net assets.

*Fully or partially on loan.

**See Note 3 in Notes for additional information on securities lending collateral and non-cash collateral.

@Illiquid security. At Feb. 28, 2015, the aggregate value of illiquid securities was \$483,000, which represents 0.48% of the Fund's net assets.

100% of the income received was in the form of additional cash.

=Security is being fair valued in accordance with the Fund's fair valuation policy. At Feb. 28, 2015, the aggregate value of fair valued securities was \$35,385, which represents 0.03% of the Fund's net assets.

≠The rate shown is the effective yield at the time of purchase.

Includes \$8,657,696 of securities loaned.

°Principal amount shown is stated in U.S. dollars unless noted that the security is denominated in another currency.

Non-income-producing security.

Variable rate security. The rate shown is the rate as of Feb. 28, 2015. Interest rates reset periodically.

«

Step coupon bond. Coupon increases or decreases periodically based on a predetermined schedule. Stated rate in effect at Feb. 28, 2015.

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(Unaudited)

The Fund may invest in floating rate loans. In connection with these investments, the Fund may also enter into unfunded corporate loan commitments (commitments). Commitments may obligate the Fund to furnish temporary financing to a borrower until permanent financing can be arranged. In connection with these commitments, the Fund earns a commitment fee, typically set as a percentage of the commitment amount. The following unfunded loan commitments were outstanding at Feb. 28, 2015:

Unfunded Commitments

| Borrower | Unfunded Amount | Cost | Value | Unrealized Appreciation (Depreciation) |
|-------------------------------|-----------------|-----------|------------------|--|
| Rite Aid Bridge Loan | \$200,000 | \$200,000 | \$201,000 | \$1,000 |
| SS&C Technologies Bridge Loan | 200,000 | 200,000 | 200,000 | |
| Total | | | \$401,000 | \$1,000 |

Summary of abbreviations:

HSBC Hong Kong Shanghai Bank

PIK Pay-in-kind

REIT Real Estate Investment Trust

Notes

Delaware Investments[®] Dividend and Income Fund, Inc.
February 28, 2015 (Unaudited)

1. Significant Accounting Policies

The following accounting policies are in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and are consistently followed by Delaware Investments[®] Dividend and Income Fund, Inc. (Fund). This report covers the period of time since the Fund's last fiscal year end.

Security Valuation Equity securities and Exchange-Traded Funds (ETFs), except those traded on the Nasdaq Stock Market, Inc. (Nasdaq), are valued at the last quoted sales price as of the time of the regular close of the New York Stock Exchange on the valuation date. Securities and ETFs traded on the Nasdaq are valued in accordance with the Nasdaq Official Closing Price, which may not be the last sales price. If, on a particular day, an equity security or ETF does not trade, the mean between the bid and ask prices will be used, which approximates fair value. Securities listed on a foreign exchange are normally valued at the last quoted sales price on the valuation date. U.S. government and agency securities are valued at the mean between the bid and ask prices, which approximates fair value. Investment company securities are valued at net asset value per share, as reported by the underlying investment company. Other debt securities are valued based upon valuations provided by an independent pricing service or broker and reviewed by management. To the extent current market prices are not available, the pricing service may take into account developments related to the specific security, as well as transactions in comparable securities. Valuations for fixed income securities utilize matrix systems, which reflect such factors as security prices, yields, maturities, and ratings, and are supplemented by dealer and exchange quotations. Foreign currency exchange contracts and foreign cross currency exchange contracts are valued at the mean between the bid and ask prices, which approximates fair value. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available. Futures contracts are valued at the daily quoted settlement prices. Generally, other securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith under the direction of the Fund's Board of Directors. In determining whether market quotations are readily available or fair valuation will be used, various factors will be taken into consideration, such as market closures or suspension of trading in a security. The Fund may use fair value pricing more frequently for securities traded primarily in non-U.S. markets because, among other things, most foreign markets close well before the Fund values its securities, generally as of 4:00 p.m. Eastern time. The earlier close of these foreign markets gives rise to the possibility that significant events, including broad market moves, government actions or pronouncements, aftermarket trading, or news events may have occurred in the interim. Whenever such a significant event occurs, the Fund may frequently value foreign securities using fair value prices based on third-party vendor modeling tools (international fair value pricing).

2. Investments

U.S. GAAP defines fair value as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. A three-level hierarchy for fair value measurements has been established based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability based on the best information available under the circumstances. The Fund's investment in its entirety is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three-level hierarchy of inputs is summarized below.

Level 1 inputs are quoted prices in active markets for identical investments. (Examples: equity securities, open-end investment companies, futures contracts, exchange-traded options contracts)

Level 2 other observable inputs, including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, and default rates), or other market-corroborated inputs. (Examples: debt securities, government securities, swap contracts, foreign currency exchange contracts, foreign securities utilizing international fair value pricing, broker-quoted securities, fair valued securities)

Level 3 Significant unobservable inputs, including the Fund's own assumptions used to determine the fair value of investments.
(Examples: broker-quoted securities, fair valued securities)
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Level 3 investments are valued using significant unobservable inputs. The Fund may also use an income-based valuation approach in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Valuations may also be based upon current market prices of securities that are comparable in coupon, rating, maturity, and industry. The derived value of a Level 3 investment may not represent the value which is received upon disposition and this could impact the results of operations.

The following table summarizes the valuation of the Fund's investments by fair value hierarchy levels as of Feb. 28, 2015:

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------------|---------------|-----------|----------------|
| Common Stock | \$ 85,657,579 | \$ | \$ | \$ 85,657,579 |
| Convertible Preferred Stock ¹ | 2,136,002 | 652,704 | 35,385 | 2,824,091 |
| Corporate Debt | | 45,808,101 | | 45,808,101 |
| Senior Secured Loans | | 2,018,043 | | 2,018,043 |
| Limited Partnership | 1,839,212 | | | 1,839,212 |
| Preferred Stock ¹ | 358,840 | 403,063 | | 761,903 |
| Warrant | 2,204 | | | 2,204 |
| Short-Term Investments | | 2,348,556 | | 2,348,556 |
| Securities Lending Collateral | | 6,614,956 | | 6,614,956 |
| Total | \$ 89,993,837 | \$ 57,845,423 | \$ 35,385 | \$ 147,874,645 |

The securities that have been deemed worthless on the Schedule of investments are considered to be Level 3 securities in this table.

¹Security type is valued across multiple levels. Level 1 investments represent exchange-traded investments, Level 2 investments represent investments with observable inputs or matrix-priced instruments, and Level 3 investments represent investments without observable inputs. The amounts attributed to Level 1 investments, Level 2 investments, and Level 3 investments represent the following percentages of the total market value of these security types:

| | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------|---------|---------|---------|---------|
| Convertible Preferred Stock | 75.64% | 23.11% | 1.25% | 100.00% |
| Preferred Stock | 47.10% | 52.90% | | 100.00% |

As a result of utilizing international fair value pricing as of Dec. 31, 2014, a portion of the portfolio was categorized as Level 2.

During the period ended Feb. 28, 2015, there were no transfers between Level 1 investments, Level 2 investments, or Level 3 investments that had a significant impact to the Fund. This does not include transfers between Level 1 investments and Level 2 investments due to the Fund utilizing international fair value pricing during the period. In accordance with the Fair Valuation Procedures described in Note 1, international fair value pricing of securities in the Fund occurs when market volatility exceeds an established rolling threshold. If the threshold is exceeded on a given date, then prices of international securities (those that traded on exchanges that close at a different time than the time that the Fund's net asset value is determined) will be established using a separate pricing feed from a third-party vendor designed to establish a price for each such security as of the time that the Fund's net asset value is determined. Further, international fair value pricing uses other observable market-based inputs in place of the closing exchange price due to the events occurring after the close of the exchange or market on which the investment is principally traded, causing a change in classification between levels. The Fund's policy is to recognize transfers between levels at the beginning of the reporting period.

A reconciliation of Level 3 investments is presented when the Fund has a significant amount of Level 3 investments at the beginning, interim, or end of the period in relation to net assets. Management has determined not to provide additional disclosure on Level 3 inputs since the Level 3 investments are not considered significant to the Fund's net assets at the end of the period.

3. Securities Lending

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The Fund, along with other funds in the Delaware Investments Family of Funds, may lend its securities pursuant to a security lending agreement (Lending Agreement) with BNY Mellon. At the time a security is loaned, the borrower must post collateral equal to the required percentage of the market value of the loaned security, including any accrued interest. The required percentage is:
(1) 102% with respect to U.S. securities and

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(Unaudited)

3. Securities Lending (continued)

foreign securities that are denominated and payable in U.S. dollars; and (2) 105% with respect to foreign securities. With respect to each loan, if on any business day the aggregate market value of securities collateral plus cash collateral held is less than the aggregate market value of the securities which are the subject of such loan, the borrower will be notified to provide additional collateral by the end of the following business day which, together with the collateral already held, will be not less than the applicable initial collateral requirements for such security loan. If the aggregate market value of securities collateral and cash collateral held with respect to a security loan exceeds the applicable initial collateral requirement, upon the request of the borrower, BNY Mellon must return enough collateral to the borrower by the end of the following business day to reduce the value of the remaining collateral to the applicable initial collateral requirement for such security loan. As a result of the foregoing, the value of the collateral held with respect to a loaned security on any particular day may be more or less than the value of the security on loan.

Cash collateral received is generally invested in the Delaware Investments Collateral Fund No. 1 (Collective Trust) established by BNY Mellon for the purpose of investment on behalf of funds managed by DMC that participate in BNY Mellon's securities lending program. The Collective Trust may invest in U.S. government securities and high-quality corporate debt, asset-backed and other money market securities, and in repurchase agreements collateralized by such securities, provided that the Collective Trust will generally have a dollar-weighted average portfolio maturity of 60 days or less. The Fund can also accept U.S. government securities and letters of credit (non-cash collateral) in connection with securities loans. In the event of default or bankruptcy by the lending agent, realization and/or retention of the collateral may be subject to legal proceedings. In the event the borrower fails to return loaned securities and the collateral received is insufficient to cover the value of the loaned securities and provided such collateral shortfall is not the result of investment losses, the lending agent has agreed to pay the amount of the shortfall to the Fund or, at the discretion of the lending agent, replace the loaned securities. The Fund continues to record dividends or interest, as applicable, on the securities loaned and is subject to changes in value of the securities loaned that may occur during the term of the loan. The Fund has the right under the Lending Agreement to recover the securities from the borrower on demand. With respect to security loans collateralized by non-cash collateral, the Fund receives loan premiums paid by the borrower. With respect to security loans collateralized by cash collateral, the earnings from the collateral investments are shared among the Fund, the security lending agent and the borrower. The Fund records security lending income net of allocations to the security lending agent, and the borrower.

The Collective Trust used for the investment of cash collateral received from borrowers of securities seeks to maintain a net asset value per unit of \$1.00, but there can be no assurance that it will always be able to do so. The Fund may incur investment losses as a result of investing securities lending collateral in the Collective Trust. This could occur if an investment in the Collective Trust defaulted or if it were necessary to liquidate assets in the Collective Trust to meet returns on outstanding security loans at a time when the Collective Trust's net asset value per unit was less than \$1.00. Under those circumstances, the Fund may not receive an amount from the Collective Trust that is equal in amount to the collateral the Fund would be required to return to the borrower of the securities and the Fund would be required to make up for this shortfall.

At Feb. 28, 2015, the value of securities on loan was \$8,657,696, for which the Fund received collateral, comprised of non-cash collateral (U.S. government securities) valued at \$2,372,364, and cash collateral of \$6,614,956. At Feb. 28, 2015, the value of invested collateral was \$6,614,956. Investments purchased with cash collateral are presented on the Schedule of investments under the caption Securities Lending Collateral.

4. Subsequent Events

Management has determined that no material events or transactions occurred subsequent to Feb. 28, 2015 that would require recognition or disclosure in the Fund's Schedule of investments.

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Item 2. Controls and Procedures.

The registrant's principal executive officer and principal financial officer have evaluated the registrant's disclosure controls and procedures within 90 days of the filing of this report and have concluded that they are effective in providing reasonable assurance that the information required to be disclosed by the registrant in its reports or statements filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission.

There were no significant changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2(a)), exactly as set forth below:
