

Schedule of Investments (Unaudited)

Delaware National High-Yield Municipal Bond Fund

November 30, 2009

	Principal Amount	Value
Municipal Bonds – 96.49%		
<i>Corporate Revenue Bonds – 25.01%</i>		
Allegheny County, Pennsylvania Industrial Development Authority Revenue (Environmental Improvement - U.S. Steel Corp. Project) 6.875% 5/1/30	\$1,000,000	\$1,016,870
•Beaver County, Pennsylvania Industrial Development Authority Pollution Control Revenue (Firstenergy General Corp. Project) Series C 7.125% 6/1/28 (AMT)	1,000,000	1,050,820
•Brazos, Texas Harbor Industrial Development Environmental Facilities Revenue (Dow Chemical Co. Project) 5.90% 5/1/38 (AMT)	190,000	185,204
•Brazos, Texas River Authority Pollution Control Revenue (TXU Energy Co. Project) Series B 6.30% 7/1/32 (AMT)	1,000,000	456,930
Buckeye, Ohio Tobacco Settlement Financing Authority Asset-Backed Series A-2 6.50% 6/1/47	1,000,000	783,230
Cloquet, Minnesota Pollution Control Revenue (Potlatch Corp. Project) 5.90% 10/1/26	750,000	684,255
De Soto Parish, Louisiana Environmental Improvement Revenue (International Paper Co. Project) Series A 6.35% 2/1/25 (AMT)	1,650,000	1,657,788
Golden State, California Tobacco Securitization Settlement Revenue Refunding Asset-Backed Senior Series A-1 5.75% 6/1/47	2,000,000	1,445,760
Gulf Coast, Texas Waste Disposal Authority Revenue (Valero Energy Corp. Project) 6.65% 4/1/32 (AMT)	1,000,000	1,008,240
Hawaii State Department Budget & Finance Special Purpose Revenue (Hawaiian Electric Co. Subsidiary) 6.50% 7/1/39	970,000	1,035,504
Michigan Tobacco Settlement Finance Authority Revenue Asset-Backed Series A 6.00% 6/1/48	555,000	424,059
Mississippi Business Finance Corporation Pollution Control Revenue (System Energy Resources, Inc. Project) 5.90% 5/1/22	900,000	894,789
M-S-R Energy Authority, California Gas Revenue Series C 6.50% 11/1/39	1,000,000	1,039,140
Nassau County, New York Tobacco Settlement Asset-Backed Series A-3 5.125% 6/1/46	525,000	414,477
New Jersey Economic Development Authority Special Facility Revenue (Continental Airlines Inc. Project) 6.40% 9/15/23 (AMT)	1,000,000	872,160
New York City, New York Industrial Development Agency Special Facilities Revenue •(American Airlines JFK - International Airport) 7.75% 8/1/31 (AMT)	1,000,000	941,120
(JetBlue Airways Corp. Project) 5.125% 5/15/30 (AMT)	1,000,000	722,430
Pennsylvania Economic Development Financing Authority Exempt Facilities Revenue (Allegheny Energy Supply Co.) 7.00% 7/15/39	1,000,000	1,071,090
Petersburg, Indiana Pollution Control Revenue (Indianapolis Power & Light Co. Project) 6.375% 11/1/29 (AMT)	1,000,000	984,980
Phenix City, Alabama Industrial Development Board Environmental Improvement Revenue (Mead Westvaco Corp. Project) Series A 6.35% 5/15/35 (AMT)	500,000	419,800
Salt Verde Financial Corporation, Arizona Senior Gas Revenue 5.00% 12/1/37	1,000,000	814,290
St. John Baptist Parish, Louisiana Revenue (Marathon Oil Corp.) Series A 5.125% 6/1/37	1,000,000	877,990
Sugar Creek, Missouri Industrial Development Revenue (Lafarge North America Project) Series A 5.65% 6/1/37 (AMT)	500,000	431,200
Sweetwater County, Wyoming Solid Waste Disposal Revenue (FMC Corp. Project) 5.60% 12/1/35 (AMT)	1,000,000	903,960
Tobacco Settlement Financing Corporation, Virginia Senior Series B-1 5.00% 6/1/47	1,000,000	673,460
Toledo, Lucas County, Ohio Port Authority Development Revenue (Toledo Express Airport Project) Series C 6.375% 11/15/32 (AMT)	1,000,000	<u>855,870</u>
		<u>21,665,416</u>
<i>Education Revenue Bonds – 17.36%</i>		
California Statewide Communities Development Authority Revenue (California Baptist University Project) Series A 5.50% 11/1/38	1,000,000	760,250
California Statewide Communities Development Authority Student Housing Revenue (East Campus Apartments, LLC) Series A 5.625% 8/1/34 (ACA)	1,000,000	943,360
Chattanooga, Tennessee Health Educational & Housing Facilities Board Revenue (CDFI Phase I, LLC Project) Subordinate Series B 6.00% 10/1/35	1,000,000	805,730
Idaho Housing & Finance Association Nonprofit Facilities Revenue (North Star Charter School Project) Series A 9.50% 7/1/39	1,000,000	1,119,620
Indiana State Finance Authority Revenue Educational Facilities (Irvington Community) Series A 9.00% 7/1/39	1,000,000	1,147,669
Marietta, Georgia Development Authority Revenue (Life University Income Project) 7.00% 6/15/39	1,000,000	911,270
Maryland State Economic Development Corporation Student Housing Revenue (University of Maryland College Park Projects) 5.75% 6/1/33	930,000	934,966
@Maryland State Health & Higher Educational Facilities Authority Revenue (Washington Christian Academy Project) 5.50% 7/1/38	1,170,000	595,273
Massachusetts State Health & Educational Facilities Authority Revenue (Nichols College Project) Series C 6.125% 10/1/29	1,000,000	916,810
Minnesota State Higher Education Facilities Authority Revenue (Bethel University) Series 6-R 5.50% 5/1/37	1,000,000	919,280

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New Jersey State Educational Facilities Authority Revenue (Fairleigh Dickinson Project) Series C 5.50% 7/1/23	750,000	742,185
(University of Medicine & Dentistry) Series B 7.50% 12/1/32	1,000,000	1,125,980
Ohio State Higher Educational Facility Revenue (Otterbein College Project) Series A 5.50% 12/1/28	950,000	1,008,853
Oregon State Facilities Authority Revenue (College Housing Northwest Project) Series A 5.45% 10/1/32	1,000,000	765,850
Pennsylvania State Higher Educational Facilities Authority Revenue (Edinboro University Foundation Student Housing) 6.00% 7/1/42	1,000,000	921,220
Philadelphia, Pennsylvania Authority for Industrial Development Revenue (First Philadelphia Charter Project) Series A 5.75% 8/15/32	745,000	660,562
Provo, Utah Charter School Revenue (Freedom Academy Foundation Project) 5.50% 6/15/37	1,000,000	759,990
		<u>15,038,868</u>
<i>Health Care Revenue Bonds – 28.56%</i>		
Apple Valley, Minnesota Economic Development Authority Health Care Revenue (Augustana Home St. Paul Project) Series A 6.00% 1/1/40	1,000,000	867,290
Brevard County, Florida Health Facilities Authority Health Care Facilities Revenue (Health First Inc. Project) Series B 7.00% 4/1/39	1,000,000	1,076,500
Butler County, Pennsylvania Hospital Authority Revenue (Butler Health System Project) 7.125% 7/1/29	900,000	1,000,683
California Municipal Finance Authority Certificates of Participation (Community Hospital Center) 5.50% 2/1/39	730,000	647,116
California Statewide Communities Development Authority Revenue (Senior Living - Southern California) 7.25% 11/15/41	500,000	526,785
Chatham County, Georgia Hospital Authority Revenue (Memorial Health Medical Center) Series A 6.125% 1/1/24	750,000	747,503
@Cleveland-Cuyahoga County, Ohio Port Authority Revenue Senior Housing (St. Clarence - Geac) Series A 6.25% 5/1/38	1,000,000	781,860
Colorado Health Facilities Authority Revenue (Christian Living Community Project) Series A 5.75% 1/1/37	500,000	381,470
East Rochester, New York Housing Authority Revenue Refunding (Senior Living - Woodland Village Project) 5.50% 8/1/33	500,000	401,620
Gainesville & Hall County, Georgia Development Authority Revenue Senior Living Facilities (Lanier Village Estates Project) Series C 7.25% 11/15/29	1,000,000	1,020,810
Hawaii State Department Budget & Finance Special Purpose Senior Living Revenue (Craigside Project) Series A 9.00% 11/15/44	1,000,000	1,059,950
Illinois Finance Authority Revenue (Provena Health) Series A 7.75% 8/15/34	1,000,000	1,119,410
(Silver Cross & Medical Centers) 7.00% 8/15/44	1,000,000	1,048,510
Illinois Health Facilities Authority Revenue (Elmhurst Memorial Healthcare Project) 5.625% 1/1/28	1,000,000	966,380
Lancaster County, Pennsylvania Hospital Authority Revenue (Brethren Village Project) Series A 6.375% 7/1/30	725,000	677,411
Lebanon County, Pennsylvania Health Facilities Authority Center Revenue (Pleasant View Retirement) Series A 5.30% 12/15/26	1,000,000	838,420
New Jersey Health Care Facilities Financing Authority Revenue (St. Josephs Healthcare System) 6.625% 7/1/38	860,000	851,770
New York State Dormitory Authority Revenue Non State Supported Debt (Orange Regional Medical Center) 6.25% 12/1/37	1,000,000	887,350
North Carolina Medical Care Commission Health Care Facilities Revenue (First Mortgage - Presbyterian Homes) 5.60% 10/1/36	1,000,000	878,310
Orange County, Florida Health Facilities Authority Revenue (Orlando Regional Healthcare) Series C 5.25% 10/1/35	1,000,000	957,680
Pennsylvania Economic Development Financing Authority Health System Revenue (Evalbert Einstein Healthcare) Series A 6.25% 10/15/23	1,000,000	1,054,150
Richland County, Ohio Hospital Facilities Revenue (Medcentral Health System Project) Series B 6.375% 11/15/30	500,000	508,950
South Carolina Jobs Economic Development Authority Hospital Revenue (Palmetto Health) 5.75% 8/1/39	1,255,000	1,215,015
@St. Joseph County, Indiana Industrial Economic Development Revenue (Madison Center Project) 5.50% 2/15/21	1,150,000	1,149,965
St. Paul, Minnesota Housing & Redevelopment Authority Hospital Revenue (Healtheast Project) 6.00% 11/15/30	1,000,000	909,210
Washington State Health Care Facilities Authority Revenue (Multicare Health System) Series B 6.00% 8/15/39 (ASSURED GTY)	1,250,000	1,313,099
Winchester, Virginia Industrial Development Authority Residential Care Facility Revenue (Westminster-Canterbury Project) Series A 5.30% 1/1/35	1,000,000	864,570
Yavapai County, Arizona Industrial Development Authority Hospital Revenue (Yavapai Medical Center Project) Series A 6.00% 8/1/33	1,000,000	991,170
		<u>24,742,957</u>
<i>Housing Revenue Bonds – 1.17%</i>		
North Carolina Housing Finance Agency Homeownership Revenue Series 27-A 5.55% 7/1/38 (AMT)	1,000,000	1,014,260
		<u>1,014,260</u>
<i>Lease Revenue Bonds – 1.95%</i>		
Dauphin County, Pennsylvania General Authority Revenue (Riverfront Office & Parking Project) 5.75% 1/1/10	970,000	968,303
Missouri State Development Finance Board Infrastructure Facilities Revenue (Branson Landing Project) Series A 5.50% 12/1/24	720,000	724,838
		<u>1,693,141</u>
<i>§Pre-Refunded Bonds – 1.90%</i>		

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Bexar County, Texas Health Facilities Development Corporation Revenue (Army Retirement Residence Project) 6.30% 7/1/32-12	1,000,000	1,136,270
Minnesota State Higher Education Facilities Authority Revenue (College of Art & Design Project) Series 5-D 6.75% 5/1/26-10	500,000	<u>513,345</u>
		<u>1,649,615</u>
<i>Special Tax Bonds – 12.53%</i>		
Baltimore, Maryland Convention Center Hotel Revenue Subordinated Series B 5.875% 9/1/39	1,000,000	799,520
Chicago, Illinois Tax Increment Allocation (Chatham Ridge Redevelopment Project) 5.95% 12/15/12	750,000	763,298
Farms New Kent, Virginia Community Development Authority Special Assessment Series C 5.80% 3/1/36	1,000,000	682,480
Henderson, Nevada Local Improvement Districts #T-18 5.30% 9/1/35	665,000	265,980
Lancaster, California Redevelopment Agency Tax Allocation (Combined Redevelopment Project Areas) 6.875% 8/1/39	500,000	528,835
Middlesex County, New Jersey Improvement Authority Senior Revenue (Heldrich Center Hotel/Conference Project) Series A 5.00% 1/1/32	500,000	261,180
5.125% 1/1/37	870,000	454,410
New Jersey Economic Development Authority (Cigarette Tax) 5.75% 6/15/34	965,000	902,526
Prescott Valley, Arizona Improvement District Special Assessment (Sewer Collection System Roadway Repair Project) 7.90% 1/1/12	168,000	172,264
Puerto Rico Sales Tax Financing Corporation Sales Tax Revenue		
Ω(Capital Appreciation) Series A 6.75% 8/1/32	2,030,000	1,512,126
Series A 5.75% 8/1/37	940,000	953,837
Richmond Heights, Missouri Tax Increment & Transaction Sales Tax Revenue Refunding & Improvement (Francis Place Redevelopment Project) 5.625% 11/1/25	1,200,000	1,015,512
@Southwestern Illinois Development Authority Revenue (Local Government Program - Collinsville Limited Project) 5.35% 3/1/31	500,000	377,550
@St. Joseph, Missouri Industrial Development Authority Tax Increment Revenue (Shoppes at North Village Project) Series A 5.375% 11/1/24	1,000,000	886,520
5.50% 11/1/27	500,000	432,290
Winter Garden Village at Fowler Groves Community Development District, Florida Special Assessment Revenue 5.65% 5/1/37	975,000	<u>845,042</u>
		<u>10,853,370</u>
<i>State General Obligation Bonds – 1.85%</i>		
Guam Government Series A 6.75% 11/15/29	1,565,000	<u>1,603,656</u>
		<u>1,603,656</u>
<i>Transportation Revenue Bonds – 6.16%</i>		
Branson, Missouri Regional Airport Transportation Development District (Airport Project) Series A 6.00% 7/1/37	500,000	337,340
Metropolitan Washington D.C. Airports Authority Dulles Toll Road Revenue First Senior Lien Series A 5.25% 10/1/44	730,000	740,877
New York City, New York Industrial Development Agency Special Airport Facilities (Airis JFK I LLC Project) Series A 5.50% 7/1/28 (AMT)	905,000	646,912
Oklahoma City, Oklahoma Industrial & Cultural Facilities Subordinated (Air Cargo Obligated Group Project) 6.75% 1/1/23 (AMT)	1,160,000	981,186
Onondaga County, New York Industrial Development Authority Revenue Subordinated (Air Cargo Project) 7.25% 1/1/32 (AMT)	500,000	426,090
Sacramento County, California Airport Services Revenue (PFC/Grant) Series C 6.00% 7/1/41	1,000,000	1,063,540
Saint Louis, Missouri Airport Revenue (Lambert-St. Louis International) Series A-1 6.625% 7/1/34	1,090,000	<u>1,145,525</u>
		<u>5,341,470</u>
Total Municipal Bonds (cost \$87,260,335)		<u>83,602,753</u>
•Short-Term Investments – 3.46%		
<i>Variable Rate Demand Notes – 3.46%</i>		
Minneapolis & St Paul, Minnesota Housing & Redevelopment Authority Health Care Revenue (Allina Health System) Series B-2 0.19% 11/15/35	500,000	500,000
New Jersey Health Care Facilities Financing Authority Revenue (Virtua Health) Series B 0.15% 7/1/43	1,000,000	1,000,000
Philadelphia, Pennsylvania Gas Works Revenue 8th Series E 0.22% 8/1/31	1,000,000	1,000,000
Pittsburgh, Pennsylvania Water & Sewer Authority Revenue First Lien Series B2 0.20% 9/1/39	500,000	500,000
Total Short-Term Investments (cost \$3,000,000)		<u>3,000,000</u>
Total Value of Securities – 99.95% (cost \$90,260,335)		86,602,753
Receivables and Other Assets Net of Liabilities (See Notes) – 0.05%		<u>41,243</u>
Net Assets Applicable to 9,506,366 Shares Outstanding – 100.00%		<u>\$86,643,996</u>

(Unaudited)

@Illiquid security. At November 30, 2009, the aggregate amount of illiquid securities was \$4,223,458, which represented 4.87% of the Fund's net assets. See Note 3 in "Notes."

§Pre-Refunded Bonds. Municipals that are generally backed or secured by U.S. Treasury bonds. For Pre-Refunded Bonds, the stated maturity is followed by the year in which the bond is pre-refunded. See Note 3 in "Notes."

•Variable rate security. The rate shown is the rate as of November 30, 2009.

ΩStep coupon bond. Indicates security that has a zero coupon that remains in effect until a predetermined date at which time the stated interest rate becomes effective.

Summary of Abbreviations:

ACA – Insured by American Capital Access

AMT – Subject to Alternative Minimum Tax

ASSURED GTY – Insured by the Assured Guaranty Corporation

CFDI – Community Development Financial Institutions

Notes

1. Significant Accounting Policies

The following accounting policies are in accordance with U.S. generally accepted accounting principles (GAAP) and are consistently followed by Voyageur Mutual Funds - Delaware National High-Yield Municipal Bond Fund (Fund). This report covers the period of time since the Fund's last fiscal year end.

Security Valuation – Debt securities are valued by an independent pricing service or broker. 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. 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 Trustees (Board). 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.

Federal Income Taxes – No provision for federal income taxes has been made as the Fund intends to continue to qualify for federal income tax purposes as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended, and make the requisite distributions to shareholders. The Fund evaluates tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. Management has analyzed the Fund's tax positions taken on federal income tax returns for all open tax years (tax years ended August 31, 2006 – August 31, 2009), and has concluded that no provision for federal income tax is required in the Fund's financial statements.

Class Accounting – Investment income and common expenses are allocated to the various classes of the Fund on the basis of "settled shares" of each class in relation to the net assets of the Fund. Realized and unrealized gain (loss) on investments are allocated to the various classes of the Fund on the basis of daily net assets of each class. Distribution expenses relating to a specific class are charged directly to that class.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Other – Expenses directly attributable to the Fund are charged directly to the Fund. Other expenses common to various funds within the Delaware Investments® Family of Funds are generally allocated amongst such funds on the basis of average net assets. Management fees and some other expenses are paid monthly. Security transactions are recorded on the date the securities are purchased or sold (trade date) for financial reporting purposes. Costs used in calculating realized gains and losses on the sale of investment securities are those of the specific securities sold. Interest income is recorded on the accrual basis. Discounts and premiums are amortized to interest income over the lives of the respective securities. The Fund declares dividends daily from net investment income and pays such dividends monthly and declares and pays distributions from net realized gain on investments, if any, annually.

On July 1, 2009, the Financial Accounting Standards Board (FASB) issued the FASB Accounting Standards Codification (Codification). The Codification became the single source of authoritative nongovernmental U.S. GAAP, superseding existing literature of the FASB, American Institute of Certified Public Accountants, Emerging Issues Task Force and other sources. The Codification is effective for interim and annual periods ending after September 15, 2009. The Fund adopted the Codification for the period ended November 30, 2009. There was no impact to financial statements as the Codification requirements are disclosure-only in nature.

Management has evaluated whether any events or transactions occurred subsequent to November 30, 2009 through January 25, 2010, the date of issuance of the Fund's schedule of portfolio holdings, and determined that there were no material events or transactions other than those already disclosed that would require recognition or disclosure in the Fund's schedule of portfolio holdings.

2. Investments

At November 30, 2009, the cost of investments for federal income tax purposes has been estimated since the final tax characteristics cannot be determined until fiscal year end. At November 30, 2009, the cost of investments and unrealized appreciation (depreciation) for the Fund were as follows:

Cost of investments	<u>\$90,260,335</u>
Aggregate unrealized appreciation	3,347,243
Aggregate unrealized depreciation	<u>(7,004,825)</u>
Net unrealized depreciation	<u>\$(3,657,582)</u>

(Unaudited)

For federal income tax purposes, at August 31, 2009, capital loss carryforwards of \$2,779,570 may be carried forward and applied against future capital gains. Such capital loss carryforwards expire as follows: \$70,671 expires in 2010, \$997,721 expires in 2011, \$980,742 expires in 2012, \$355,701 expires in 2015, and \$374,735 expires in 2017.

The Fund applies the provisions, as amended to date, of Accounting Standards Codification 820 (ASC 820), Fair Value Measurements and Disclosures. ASC 820 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. ASC 820 also establishes a framework for measuring fair value, and a three level hierarchy for fair value measurements 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 developed 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-tier hierarchy of inputs is summarized below.

Level 1 – inputs are quoted prices in active markets

Level 2 – inputs are observable, directly or indirectly

Level 3 – inputs are unobservable and reflect assumptions on the part of the reporting entity

The following table summarizes the valuation of the Fund's investments by the ASC 820 fair value hierarchy levels as of November 30, 2009:

	Level 2
Municipal Bonds	<u>\$86,602,753</u>
Total	<u>\$86,602,753</u>

There were no Level 3 securities at the beginning or end of the period.

3. Credit and Market Risk

The Fund concentrates its investments in securities issued by municipalities. The value of these investments may be adversely affected by new legislation within the states in which the Fund holds securities, regional or local economic conditions, and differing levels of supply and demand for municipal bonds. Many municipalities insure repayment for their obligations. Although bond insurance reduces the risk of loss due to default by an issuer, such bonds remain subject to the risk that value may fluctuate for other reasons and there is no assurance that the insurance company will meet its obligations. A real or perceived decline in creditworthiness of a bond insurer can have an adverse impact on the value of insured bonds held in the Fund. At November 30, 2009, 2.60% of the Fund's net assets were insured by bond insurers. These securities have been identified in the schedule of investments.

The Fund may invest a portion of its assets in high yield fixed income securities, which carry ratings of BB or lower by Standard & Poor's Ratings Group (S&P) and/or Ba or lower by Moody's Investors Service, Inc (Moody's). Investments in these higher yielding securities are generally accompanied by a greater degree of credit risk than higher rated securities. Additionally, lower rated securities may be more susceptible to adverse economic and competitive industry conditions than investment grade securities.

The Fund may invest in advance refunded bonds, escrow secured bonds or defeased bonds. Under current federal tax laws and regulations, state and local government borrowers are permitted to refinance outstanding bonds by issuing new bonds. The issuer refinances the outstanding debt to either reduce interest costs or to remove or alter restrictive covenants imposed by the bonds being refinanced. A refunding transaction where the municipal securities are being refunded within 90 days from the issuance of the refunding issue is known as a "current refunding." Advance refunded bonds are bonds in which the refunded bond issue remains outstanding for more than 90 days following the issuance of the refunding issue. In an advance refunding, the issuer will use the proceeds of a new bond issue to purchase high grade interest bearing debt securities which are then deposited in an irrevocable escrow account held by an escrow agent to secure all future payments of principal and interest and bond premium of the advance refunded bond. Bonds are "escrowed to maturity" when the proceeds of the refunding issue are deposited in an escrow account for investment sufficient to pay all of the principal and interest on the original interest payment and maturity dates.

Bonds are considered "pre-refunded" when the refunding issue's proceeds are escrowed only until a permitted call date or dates on the refunded issue with the refunded issue being redeemed at the time, including any required premium. Bonds become "defeased" when the rights and interests of the bondholders and of their lien on the pledged revenues or other security under the terms of the bond contract are substituted with an alternative source of revenues (the escrow securities) sufficient to meet payments of principal and interest to maturity or to the first call dates. Escrowed secured bonds will often receive a rating of AAA from Moody's, S&P, and/or Fitch Ratings due to the strong credit quality of the escrow securities and the irrevocable nature of the escrow deposit agreement.

The Fund may invest up to 15% of its net assets in illiquid securities, which may include securities with contractual restrictions on resale, securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended, and other securities which may not be readily marketable. The relative illiquidity of these securities may impair the Fund from disposing of them in a timely manner and at a fair price when it is necessary or desirable to do so. While maintaining oversight, the Fund's Board has delegated to Delaware Management Company (DMC), a series of Delaware Management Business Trust, the day-to-day functions of determining whether individual securities are liquid for purposes of the Fund's limitation on investments in illiquid assets. Securities eligible for resale pursuant to Rule 144A, which are determined to be liquid, are not subject to the Fund's 15% limit on investments in illiquid securities. As of November 30, 2009, there were no Rule 144A securities. Illiquid securities have been identified on the schedule of investments.

(Unaudited)

4. Sale of Delaware Investments to Macquarie Group

On August 18, 2009, Lincoln National Corporation (parent company of Delaware Investments) and Macquarie Group (Macquarie) entered into an agreement pursuant to which Delaware Investments, including DMC, DDLP and DSC, would be acquired by Macquarie, an Australia-based global provider of banking, financial, advisory, investment and funds management services (Transaction). The Transaction was completed on January 4, 2010. DMC, DDLP and DSC are now wholly owned subsidiaries of Macquarie.

The Transaction resulted in a change of control of DMC which, in turn, caused the termination of the investment advisory agreement between DMC and the Fund. On January 4, 2010, the new investment advisory agreement between DMC and the Fund that was approved by the shareholders became effective.