

Delaware Investments®

A member of Lincoln Financial Group

Past performance is not a guarantee of future results. Carefully consider the Funds' investment objectives, risk factors, charges, and expenses before investing. This and other information can be found in the Funds' prospectuses, which may be obtained by visiting www.delawareinvestments.com or calling 800 523-1918. Investors should read the prospectus carefully before investing.

The estimated capital gains payouts shown are for informational purposes only and are based on net asset value (NAV) as of Sept. 30, 2009. The actual determination of the source of the Fund's distributions can be made only at year-end. All shareholders should receive written notification regarding the actual components and tax treatments of all Fund distributions for the calendar year 2009 in early 2010.

For federal income tax purposes, Fund distributions of short-term capital gains are taxable to you as ordinary income. Fund distributions of long-term capital gains are taxable to you as long-term capital gains no matter how long you have owned your shares.

This discussion of capital gains estimates and taxes is not intended or written to be used as tax advice. Because everyone's tax situation is unique, you should consult your tax professional about federal, state, local or foreign tax consequences of this information.

Delaware Investments is the marketing name for Delaware Management Holdings, Inc. and its affiliates, which include **Delaware Distributors, L.P.**, a registered broker/dealer and primary distributor of the Delaware Investments Family of Funds. Delaware Management Holdings, Inc. is a Lincoln Financial Group® company. Securities and investment advisory services distributed by Lincoln Financial Distributors, Inc., a broker/dealer and registered investment advisor. Principal office located at Radnor Financial Center, 130 N. Radnor-Chester Road, Radnor, PA 19087; phone 877 533-0003. A Lincoln Financial Group company.

Delaware Investments Family of Funds is distributed by Delaware Distributors L.P., member FINRA.

Delaware Investments® mutual funds capital gains estimates

Estimated capital gains distributions as of Sept. 30, 2009

The chart below lists estimates of possible 2009 capital gains payouts for certain Delaware Investments mutual funds. These estimates are as of Sept. 30, 2009 and are subject to substantial change, depending on market conditions, board approval, and other circumstances.

These figures are estimates that do not include certain tax adjustments and are based on book numbers through Sept. 30, 2009.

These Funds may continue to sell securities that may generate additional gains or losses that will need to be included in the capital gains distribution determination and may significantly change these estimates. The amounts and character of the distributions cannot be determined until the anticipated record dates stipulated below.

Estimated capital gains amount per share (\$)

| Delaware Funds | Long-term | Short-term | Total per share | Anticipated record date | Anticipated ex-date | Anticipated payable date |
|--|-----------|------------|-----------------|-------------------------|---------------------|--------------------------|
| Diversified Income Fund ^{3,4,5,6,11,12,14,17} | — | 0.013 | 0.013 | 12/21/09 | 12/22/09 | 12/28/09 |
| Focus Global Growth Fund ^{1,5,6,7,16} | — | 0.338 | 0.338 | 12/21/09 | 12/22/09 | 12/28/09 |
| Healthcare Fund ^{2,7,16} | — | 0.824 | 0.824 | 12/4/09 | 12/7/09 | 12/10/09 |
| Tax-Free Pennsylvania Fund ^{4,9,13} | 0.086 | — | 0.086 | 11/19/09 | 11/20/09 | 11/25/09 |

The following Delaware Funds do not expect to pay capital gains distributions at this time. Estimates may change.

- American Services Fund^{1,2,16}
- Core Bond Fund^{4,5,11,12,18}
- Core Plus Bond^{3,4,5,6,11,12,14,17}
- Corporate Bond Fund⁴
- Dividend Income Fund^{2,3,4,8,11,12}
- Emerging Markets Fund^{5,6,16}
- Extended Duration Bond Fund^{3,4}
- Foundation Conservative Allocation Fund^{1,3,4,5,6,14,15,16,17,20}
- Foundation Equity Fund^{1,5,6,15,16,20}
- Foundation Growth Allocation Fund^{1,3,4,5,6,14,15,16,17,20}
- Foundation Moderate Allocation Fund^{1,3,4,5,6,14,15,16,17,20}
- Global Real Estate Fund^{5,7,8,16,17}
- Global Value Fund^{5,6,16}
- Growth Opportunities Fund^{1,16}
- High-Yield Opportunities Fund^{3,4,5,6,14}
- Inflation Protected Bond Fund^{4,10,18}
- International Value Equity Fund^{5,16}
- Large Cap Core Fund^{7,16}
- Large Cap Value Fund¹⁶
- Limited-Term Diversified Income Fund^{3,4,12,14,16,17}
- Mid Cap Value Fund^{1,16}
- Minnesota High-Yield Municipal Bond Fund^{3,4,9,13}
- National High-Yield Municipal Bond Fund^{3,4,13}
- REIT Fund^{2,8,16}
- Select Growth Fund^{1,16}
- Small Cap Core Fund^{1,16}
- Small Cap Growth Fund^{1,16}
- Small Cap Value Fund^{1,16}
- Tax-Free Arizona Fund^{4,9,13}
- Tax-Free California Fund^{4,9,13}
- Tax-Free Colorado Fund^{4,9,13}
- Tax-Free Idaho Fund^{4,9,13}
- Tax-Free Minnesota Fund^{4,9,13}
- Tax-Free Minnesota Intermediate Fund^{4,9,13}
- Tax-Free New York Fund^{4,9,13}
- Tax-Free USA Fund^{4,13}
- Tax-Free USA Intermediate Fund^{4,13}
- Trend Fund^{1,16}
- U.S. Growth Fund^{1,16,19}
- Value Fund¹⁶

On August 19, 2009, Lincoln National Corporation entered into an agreement to sell ownership of Delaware Management Holdings, Inc. and its subsidiaries (also known by the marketing name of Delaware Investments) to Macquarie Group. Please see the supplement to your fund's prospectus for more complete information.

(5100) LCN200911-2035990

Disclosures

Investing involves risk, including the possible loss of principal.

- ¹ Investments in small and/or medium-sized companies typically exhibit greater risk and higher volatility than larger, more established companies.
- ² Narrowly focused investments may exhibit higher volatility than investments in multiple industry sectors.
- ³ High yielding, noninvestment grade bonds (junk bonds) involve higher risk than investment grade bonds.
- ⁴ Fixed income securities and bond funds can lose value, and investors can lose principal, as interest rates rise. They also may be affected by economic conditions that hinder an issuer's ability to make interest and principal payments on its debt.
- ⁵ International investments are subject to risks not ordinarily associated with U.S. investments including capital loss from unfavorable fluctuation in currency values, differences in generally accepted accounting principles, or economic or political instability in other nations.
- ⁶ Investing in emerging markets can be riskier than investing in established foreign markets due to increased volatility and lower trading volume.
- ⁷ The Fund is in limited distribution and is only available to certain residents of certain states.
- ⁸ REIT investments are subject to many of the risks associated with direct real estate ownership, including changes in economic conditions, credit risk, and interest rate fluctuations. A REIT fund's tax status as a regulated investment company could be jeopardized if it holds real estate directly, as a result of defaults, or receives rental income from real estate holdings.
- ⁹ Funds that invest primarily in one state may be more susceptible to the economic, regulatory, and other factors of that state than funds that invest more broadly.
- ¹⁰ Interest payments on inflation-protected debt securities will vary as the principal and/or interest is adjusted for inflation.
- ¹¹ The Fund may invest in derivatives, which may involve additional expenses and are subject to risk, including the risk that a security or securities index to which the derivative is associated moves in the opposite direction from what the portfolio manager anticipated. Another risk of derivative transactions is the creditworthiness of the counterparty because the transactions rely upon the counterparties' ability to fulfill their contractual obligations.
- ¹² The Fund may also be subject to prepayment risk, the risk that the principal of a fixed income fund to reinvest that money at a lower interest rate.
- ¹³ Substantially all dividend income derived from tax-free funds is exempt from federal income tax. Some income may be subject to the federal alternative minimum tax (AMT) that applies to certain investors. Capital gains, if any, are taxable.
- ¹⁴ The high yield secondary market is particularly susceptible to liquidity problems when institutional investors, such as mutual funds and certain other financial institutions, temporarily stop buying bonds for regulatory, financial, or other reasons. In addition, a less liquid secondary market makes it more difficult for the Fund to obtain precise valuations of the high yield securities in its portfolio.
- ¹⁵ The Fund is subject to the same risks as the underlying investment styles in which it invests.
- ¹⁶ The Fund will be affected primarily by changes in stock prices.
- ¹⁷ If and when we invest in forward foreign currency contracts or use other investments to hedge against currency risks, the Fund will be subject to special risks, including counterparty risk.
- ¹⁸ The Fund may experience portfolio turnover in excess of 100%, which could result in higher transaction costs and tax liability.
- ¹⁹ The Fund generally holds a limited number of securities, although the number may vary depending on our assessment of the investment opportunities available. This allows us to focus on the potential of those particular issuers, but it also means that the Fund may be more volatile than those funds that hold a greater number of securities.
- ²⁰ Effective Oct. 21, 2009, Delaware Foundation Aggressive Allocation Portfolio was renamed Delaware Foundation® Growth Allocation Fund, Delaware Foundation Conservative Allocation Portfolio was renamed Delaware Foundation Conservative Allocation Fund, and Delaware Foundation Moderate Allocation Portfolio was renamed Delaware Foundation Moderate Allocation Fund.