

Delaware Investments year-end 2009 tax information

Delaware Investments offers this information to help you better understand the year-end tax reports that we provide to shareholders. Your tax liability for the Delaware Investments mutual fund shares that you owned in 2009 is derived primarily from income and capital gains distributions made by the funds, as well as personal gains or losses resulting from the sale or exchange of fund shares.

This booklet includes information about:

- Forms you may receive
- Roth IRA conversions and recharacterizations
- Investing your tax refund
- IRS reference tools

Information may be abridged and therefore incomplete. This tax information is provided for Delaware Investments shareholders and their financial advisors. The information is not intended to be legal or tax advice. You should consult your tax advisor for specific questions related to your tax preparation.

Delaware Investments refers to Delaware Management Holdings, Inc. and its subsidiaries, including the Funds' distributor, **Delaware Distributors, L.P.** Macquarie Group refers to Macquarie Group Limited and its subsidiaries and affiliates worldwide.

Visit our online tax center at www.delawareinvestments.com/taxcenter

A variety of additional tax-related information is available for you and your tax advisor at www.delawareinvestments.com/taxcenter. Visit our Web site to learn more about:

- capital gains
- distributions
- alternative minimum tax
- tax rates
- cost basis determination
- tax forms you may receive from Delaware Investments

Attention shareholders of tax-free and international funds

Certain important state tax information and international fund information from Delaware Investments is available exclusively online at www.delawareinvestments.com/taxcenter.

Tax-free fund shareholders

Obtain a fund-by-fund listing of the percentage of dividend income earned on municipal obligations, by state.

International fund shareholders

You may be eligible to take a foreign tax credit or a deduction on your federal income tax return. Visit the Web site for more information.

If you have questions or need additional information, please contact your tax advisor or call Delaware Investments at 800 523-1918, weekdays from 8 a.m. to 7 p.m. Eastern time.

Schedule for tax forms you may receive

Type of form	Description	Use in tax-return preparation	Mailed by
Form 1099-DIV	Dividends and distributions paid to you (cash or reinvested) by your Delaware Investments® funds held in nonretirement accounts. You will not receive this form if your total dividends for a fund are less than \$10.	Shows all prior year dividends and distributions, including any ordinary dividends, qualified dividends, capital gains distributions, nondividend distributions, foreign tax paid, liquidation distributions, and federal income tax paid (backup withholding) that must be reported on tax returns.	Feb. 1
Form 1099-B	Sales or redemptions of securities.	Shows proceeds of sales and redemptions (including exchanges) that must be reported on tax returns in calculating capital gain or loss from the sale of shares.	Feb. 15**
Cost basis statement* (shown on Form 1099-B)	Cost basis for sales and redemptions in your account from the previous year. While Delaware Investments makes every effort to correctly calculate your cost basis, the amount reported may not account for all transactions affecting your fund shares. Cost basis may not be calculated for all accounts.	Shows cost basis information according to the “average cost basis, single category” method, which may be used to calculate capital gains and losses on tax returns.	
Form 1099-INT	Tax-exempt interest income paid to you (cash or reinvested) by your Delaware Investments tax-free funds held in nonretirement accounts. You will not receive this form if your total tax-exempt interest dividends for a fund are less than \$10.	Shows tax-exempt interest dividends and the portion that constitutes interest on specified private activity bonds (tax-exempt alternative minimum tax (AMT) interest).	Feb. 1
Form 1099-Q	Payments from qualified education programs.	Shows distributions and earnings, including qualified and nonqualified distributions, rollovers, and trustee-to-trustee transfers, from qualified college tuition programs and Coverdell Education Savings Accounts (ESAs) that must be reported to the IRS.	Feb. 1
Form 1099-R	Distributions made to you from pensions, annuities, retirement or profit-sharing plans, IRAs, and insurance contracts (unless done as a transfer of assets).	Shows retirement account distributions that must be reported on tax returns. Attach Copy B of Form 1099-R to your tax return if federal income tax was withheld. Attach Form 8606 (available at www.irs.gov) to your tax return to report taxable income and other information related to certain nondeductible IRA distributions, conversions, or recharacterizations.	Feb. 1
Form 1042-S	Foreign person’s U.S. source income subject to withholding.	Shows income or gains from U.S. sources paid to foreign persons (including persons presumed to be foreign) that must be reported to the IRS.	March 15
Form 5498	IRA contribution information.	Shows IRA contributions, rollovers, year-end fair market values (FMV) and required minimum distributions (RMD) to track your deductible and nondeductible IRA contributions.	Feb. 1 (FMV/RMD); June 1 (Contributions)
Form 5498-ESA	Coverdell ESA contribution information.	Shows contributions and rollovers to a Coverdell ESA.	April 30

* Not reported to the IRS.

** The IRS has mandated a Feb. 15 deadline for Form 1099-B; however, Delaware Investments intends to mail Form 1099-B with other forms by Feb. 1.

Roth IRA conversions and recharacterizations

An investor may “undo” a contribution or a conversion to a Roth IRA for 2009 and transfer money back to a traditional IRA account, provided this is done before the April 15, 2010, due date for your 2009 federal income tax return (or extended due date). This process, known as a “recharacterization,” can help an investor who:

- converted a traditional IRA to a Roth IRA during 2009 and did not know about or unexpectedly exceeded the \$100,000 adjusted gross income limit
- made a regular contribution to a Roth IRA and exceeded the adjusted gross income limit
- is married, but after making a Roth conversion, subsequently decided to file separately (adjusted gross income limits differ based on how filed)

An IRA owner who converts an amount from a traditional IRA to a Roth IRA and then transfers that amount back to the traditional IRA by means of a recharacterization may not reconvert that amount to another Roth IRA until either the next tax year following the year of conversion or, if later, the end of the 30-day period beginning on the date of the recharacterization. Among other requirements, a recharacterization must be accomplished by a “trustee-to-trustee

transfer” of the contribution and be accompanied by any net income (earnings) allocable to the contribution.

Please note that Form 1099-R combines all IRA distributions in 2009, attributable to a single mutual fund, including each Roth IRA conversion and any recharacterizations. In order to prepare your taxes you will need to know what portion of that combined total represented each transaction. For a more detailed summary of your IRA account activity, please refer to your 2009 year-end account statement. If you need a copy of your 2009 year-end statement, please call our Shareholder Service Center at 800 523-1918 weekdays from 8 a.m. to 7 p.m. Eastern time.

Retirement planning provisions

The annual contribution limits for both traditional and Roth IRAs are listed below:

	Contribution limit	Age 50 or older
2009	\$5,000	\$6,000
2010	\$5,000	\$6,000
After 2010	Indexed for inflation	Indexed for inflation

Tax tip: New conversion rule for 2010

Starting with the 2010 tax year, IRA owners of any income level — not just those with adjusted gross income of \$100,000 or less — can convert a traditional IRA to a Roth IRA and spread their tax obligation over two years beginning in 2011, with certain exceptions if converted amounts are distributed before 2012. For more information, please speak to your financial and tax advisors, or visit www.irs.gov.

IRS resources

IRS reference guide

Many of your tax questions can be cleared up with a phone call. The Internal Revenue Service makes the following free resources available.

IRS contact information

- General information: 800 829-1040 (Spanish-speaking assistance available), or 800 829-4059 (TTY/TDD).
- Web site: www.irs.gov
- Forms and publications are available on the IRS Web site, as well as at your local IRS office, post office, and library, or by calling 800 TAX-FORM (800 829-3676).

TeleTax topics

The IRS has prerecorded tax information on a variety of topics, answering many federal tax questions. Touch-tone service is available 24 hours a day, 7 days a week. Rotary dial service is also available, although hours of operation may be restricted. To access the information listed below, call 800 829-4477 and navigate to “recorded tax topics information,” then dial the corresponding three-digit number.

123	Main index of tax topics
155	Forms and publications: How to order
404	Dividends
409	Capital gains and losses
424	401(k) plans
451	IRAs
556	Alternative minimum tax (AMT)
856	Foreign tax credit

Foreign tax

For the calendar year 2009, the Delaware Investments® funds listed in the sidebar to the right paid foreign income taxes on a percentage of the dividend and interest income earned on investments in several countries. You may be able to use these foreign taxes to take either a tax credit (your ability to take the credit will depend on your holding period; please check with your tax advisor) or a deduction on your 2009 federal income tax return. This may allow you to reduce or eliminate any double taxation on your foreign earnings.

More information on how to claim a foreign tax payment as a deduction and how to receive a foreign tax credit is available online at www.delawareinvestments.com/taxcenter.

Who is eligible?

The foreign tax credit or deduction is an option only if you held shares of the Delaware Investments funds listed below in a taxable account in 2009.

- Delaware Emerging Markets Fund
- Delaware International Value Equity Fund
- Delaware Global Value Fund

Your proportionate amount of foreign taxes paid appears in box 6 on Form 1099-DIV (foreign taxes are reported in the Foreign Tax Paid column and also in the Ordinary Dividends column).

Expecting a tax refund this year?

Instructions for investing your tax refund

You may automatically invest your refund in your Delaware Investments account. Line 73a on the 2009 Form 1040 allows you to have your refund sent directly to a bank or mutual fund account. You can split your refund among two or more accounts at different institutions by completing Form 8888 and attaching it to your tax return. Direct investment of tax refunds offers tax filers a fast method of payment and eliminates the possibility of lost or stolen checks. If you would like to deposit your refund into your Delaware Investments account, refer to the figure below and fill in this area of your tax form.

Refund	72	If line 71 is more than line 60, subtract line 60 from line 71. This is the amount you overpaid	72		
Direct deposit? See page 73 and fill in 73b, 73c, and 73d, or Form 8888.	73a	Amount of line 72 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	73a		
	b	Routing number 021000018 c Type: <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings			
	d	Account number 55558999 x x x x x x x x x x			
	74	Amount of line 72 you want applied to your 2010 estimated tax	74		

- 1 Complete Line 73a of Form 1040 (Use Form 8888 only if you want to direct your deposit to two or more accounts at different institutions).
 - Line 73b: 021000018
 - Line 73c: Checking
 - Line 73d: 55558999 + taxpayer's Social Security number
- 2 Mail your completed Form 1040 to the IRS.
- 3 Fill out and return Delaware Investments Tax Refund Direct Transfer (TRDT) form (on the reverse side of this page).

Note: The direct deposit option is used for deposit of tax refunds only, not for paying taxes owed from a Delaware Investments account.

Your investment must meet the \$100 minimum subsequent investment requirement. If you would like to use your tax refund to open a *new* account, your refund amount must meet the established minimum initial investment amount, as outlined in the Fund's prospectus (generally \$1,000). **Please read the prospectus carefully before**

you invest or send money. If you are opening a new account, your Tax Refund Direct Transfer (TRDT) form must be accompanied by a New Account Registration form or an Individual Retirement Account (IRA) application, available from Delaware Investments or your financial advisor.

A TRDT form is provided on page 5. We ask that you complete all sections of this form and return it to Delaware Investments. Once we receive your electronic deposit from the IRS, we will send you an account statement confirming the amount and the date we received your refund.

Tax Refund Direct Transfer Form

For direct deposit of federal tax refund into your Delaware Investments® account(s)

Please complete the information below if you wish to automatically invest your 2009 federal income tax refund in one or more of your Delaware Investments accounts. You should have already completed Line 73a of IRS Form 1040 with the routing and account numbers provided by Delaware Investments (see instructions on page 4). Please return this Tax Refund Direct Transfer form to Delaware Investments, Attention: Special Services, 2005 Market St. 4th Floor, Philadelphia, PA 19103-3682. When your refund is received, an account statement will be sent to you confirming the date and amount of the IRS payment.

Section I: Personal information

Name of primary tax filer

Name of joint filer

Social Security number

Street address

City

State

ZIP

Phone number (home)

Phone number (business)

ext.

Section II: Delaware Investments account to receive transfer

Refer to your Delaware Investments account statement for the account number. If this is a new account, Delaware Investments will fill in the account number, but please fill in the Fund name (example: Delaware Large Cap Value Fund).

Fund name	Fund number	Account number	Percentage(s)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> .00%
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> .00%
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> .00%
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> .00%
			100.00%

Section III: Tax refund information

\$

Amount of expected refund

Date tax return was filed

Please note: Direct investments into existing accounts must meet the subsequent investment amount requirements stated in the Fund's current prospectus (generally \$100).

New accounts: This form must be accompanied by a separate New Account Registration form and your refund amount must meet the minimum initial investment amount of the selected designated fund (generally \$1,000). You can obtain a New Account Registration form by calling our Shareholder Service Center at 800 523-1918, from your financial advisor, or online by visiting our Web site at www.delawareinvestments.com. Please read the prospectus carefully before you invest or send money. Any discussion pertaining to taxes in this communication (including attachments) may be part of the promotion or marketing of a product. As provided for in government regulations, advice (if any) related to federal taxes that is contained in this communication (including attachments) is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code. Individuals should seek advice based on their own particular circumstances from an independent tax advisor.

Retirement accounts: Investments directed to an Individual Retirement Account (IRA), including Roth IRAs and Coverdell Education Savings Accounts, will be classified as year 2010 contributions and are subject to federal limitations (\$5,000 for IRAs, \$2,000 for Coverdell ESAs, per individual or per Social Security number). For new IRAs, this form must be accompanied by a separate IRA application. To establish a new IRA with your tax refund, the refund amount must be at least \$250. Delaware Investments cannot accept tax refund money for retirement accounts other than IRAs. You can obtain an IRA application by calling our Shareholder Service Center at 800 523-1918 or by visiting our Web site at www.delawareinvestments.com.

For joint tax filers: We agree that the refund from our joint tax return listed in Section I is to be invested into the Delaware Investments account(s) referenced in Section II above.

Signature (primary tax filer)

Signature (joint filer)

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.

If you have questions or need additional information, please contact your tax advisor or call Delaware Investments at 800 523-1918 weekdays from 8 a.m. to 7 p.m. Eastern time.

Information may be abridged and therefore incomplete. Any discussion pertaining to taxes in this communication (including attachments) may be part of the promotion or marketing of a product. As provided for in government regulations, advice (if any) related to federal taxes that is contained in this communication (including attachments) is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code. Individuals should seek advice based on their own particular circumstances from an independent tax advisor.

If you need duplicate copies of 1099 tax forms, you can request them by calling our Shareholder Service Center at 800 523-1918, weekdays from 8 a.m. to 7 p.m. Eastern time.

The tax information provided in this booklet is also available on our Web site at www.delawareinvestments.com/taxcenter.