Emerging markets debt posted strong returns in the second quarter of 2019. Sovereign debt, represented by the J.P. Morgan Emerging Markets Bond Index (EMBI) Global Diversified, returned 4.08%, while the J.P. Morgan Corporate Emerging Markets Bond Index (CEMBI) Broad Diversified, the benchmark for corporate debt, was up 3.50%. Local currency debt had a strong quarter as well, with the J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) Global Diversified up 5.64%.

However, just as in the first quarter, the strong returns in emerging markets debt were generated largely on the back of external factors, most importantly the continuing plunge in US Treasury yields and the expectations of monetary easing by the US Federal Reserve and the European Central Bank. On a spread basis, the J.P. Morgan EMBI Global Diversified finished the quarter just 5 basis points tighter, at 346 basis points. (A basis point equals one hundredth of a percentage point.) Similarly, the spread on the J.P. Morgan CEMBI Broad Diversified narrowed just 3 basis points during the quarter, to 333 basis points. In this environment, it is not surprising to us that the investment grade component (more sensitive to movements in the underlying US Treasury yields) of both indices outperformed the high yield component. In the same vein, more than half of the return of the J.P. Morgan GBI-EM Global Diversified during the second quarter came from local duration, as local rates in emerging markets tend to move in unison with those in developed markets.

Within the Fund
For the second quarter of 2019, Delaware Emerging Markets Debt Fund Institutional Class shares outperformed the Fund’s benchmark, the J.P. Morgan CEMBI Broad Diversified.

Contributors to performance:

- **Brazil** – As the quarter progressed, Brazil benefited from an increasing likelihood that Congress would pass landmark pension-reform legislation. The prospective law would have positive ramifications for Brazil’s increasingly precarious fiscal position. The Fund benefited from its overweight position across Brazilian assets and from positive security selection. We maintained the Fund’s Brazilian overweight in anticipation of further improvements in the local business environment and further progress on pension reform.

- **Ukraine** – Ukrainian assets continued their rapid rebound as outsider candidate Volodymyr Zelensky secured the presidency and installed a largely technocratic economic agenda. Policy continuity is likely to permit a continuation of International Monetary Fund (IMF) engagement, an important policy anchor. Given a market-friendly agenda thus far and a decrease in tensions with Russia, we see further scope for spread normalization in Ukraine.

- **Kazakhstan** – The Fund benefited from an overweight position in longer-duration quasi-sovereigns (KazMunayGas National Co. JSC and KazTransGas JSC) in a broadly strong quarter for BBB-rated duration.

- **Adani Abbot Point Terminal Pty Ltd.** – The Indian-conglomerate-owned Australian port experienced a sharp relief rally in the second quarter. This was driven by positive legislative momentum for the Carmichael coal mine, which is Abbot Point’s sister project expected to be the primary driver of future port volumes, and by solid operating results. While we believe there is further room to normalize to the parent company’s similar duration and rated bond spreads, we may attempt to monetize gains in the intermediate term.

Detractors from performance:

- **India** – The Fund carried a significant underweight in India entering the second quarter in light of uncertainty leading into general elections and limited relative value. Bharatiya Janata Party (BJP) incumbent Narendra Modi secured a stronger-than-expected majority in winning his second term as prime minister. The election served to reinforce his agenda for economic reform. We have since significantly reduced the Fund’s underweight as uncertainty has abated.

(continues)
Delaware Emerging Markets Debt Fund

(continued)

- **Low-beta investment grade Asia** – The Fund carried a broad underweight in low-beta (low-risk) investment grade Asia, including Hong Kong, Thailand, China, and South Korea, on the basis of tight spreads and unattractive all-in yields. However, these assets benefited from the rally in US Treasurys. We intend to maintain the Fund’s underweight in this sector as we find spreads/yields even more unappealing after the rally, and we continue to use the allocation to fund overweight allocations in higher yielding regions such as Latin America and frontier markets.

- **Peru** – Similar to low-beta Asia, tight valuations and commodity volatility led us to an underweight position in Peru. The Fund remains underweight; however, we will look for opportunities to increase the weighting to neutral if we see valuations normalize.

- **Colombia** – The Fund’s underweight to mid-beta (mid-risk) Colombia was driven by tight valuations, oil volatility, and increased fiscal uncertainty. The Fund remains underweight Colombia, but we may seek to increase the weighting if we see valuations normalize.

**Outlook**

The cautious tightening in emerging markets sovereign and corporate spreads, as well as the relatively lukewarm rebound in local currencies, to us reflect the persistent global growth concerns and continuing disappointing economic numbers in emerging markets almost across the board – from Brazil to China. China’s outlook remains particularly important, in our view. While Chinese authorities started to stimulate the economy again toward the end of 2018, the results have not yet had a clear impact on growth. To some extent, this is due to the ongoing US-China trade war. While a trade deal between the two countries may be possible in the second half of 2019, we do not think it will be the end of friction, which should be viewed in the broader context of the intensifying geopolitical rivalry between the two superpowers. Also, we continue to believe that the Chinese government intends to strike a delicate balance between supporting the nation’s economy and preventing further financial excesses. The balance has become difficult to achieve given China’s already sky-high leverage, exacerbated by signs of stress in its opaque banking system. We continue to expect stabilization in China, but not a major rebound.

On the more positive side, credit concerns in two of emerging markets’ problem countries – Argentina and Turkey – abated somewhat in the second quarter. However, the outlook for both remains challenging in our view. In Argentina, much hinges on the outcome of presidential elections in the fall. Even in the case of victory of the market-friendly incumbent, we believe it is unlikely that Argentina will be out of the woods as it will remain saddled with debt. In Turkey, sovereign indebtedness is not particularly problematic, but the external borrowing of its corporate sector (including the state-owned banks) is, and the policy credibility is low, in our view.

We believe the technical picture for emerging markets debt is also supportive. Anecdotal evidence suggests that risk has been pared down by dedicated emerging markets debt managers, inflows on the back of plunging (and, in some cases, increasingly negative) yields in developed markets have recently picked up, and many cross-over investors are still on the sidelines. For emerging markets sovereign debt, in particular, the supply remains fairly limited while demand is likely to stay solid in our view.

Lastly, disappointing growth in emerging markets and depressed commodity prices also mean that, by and large, inflation pressures have been subdued. This opens the possibility for more interest rate cuts and investment opportunities in local rates. We continue to like local rates in emerging markets, acknowledging that while nominal rate differentials with developed country government bonds have come down in recent years, the real interest rate differentials have actually increased on the back of the more rapid decline in emerging market inflation. Higher real interest differentials have persisted due to concerns about emerging market currency volatility. As we expected, with emerging market currencies stabilizing, some emerging market central banks (for example, Chile and Russia) started cutting rates. We added to our overweight position in local rates during the quarter. On the foreign exchange (FX) side, we have effectively neutralized our long US dollar position but are waiting for at least some tentative signs of “green shoots” in emerging markets to turn more positive on emerging market currencies.

At the beginning of the second quarter, we anticipated that US dollar-denominated emerging markets debt would likely perform in line with similarly rated corporate bonds in developed markets. This turned out to be the case, and we expect the close relationship to continue. While emerging market fundamentals are mixed at best, we are cognizant of the dovish turn by the most important central banks. Reflecting the strong performance of the asset class, we have continued to shave off beta in US dollar-denominated emerging markets debt portfolios to bring it closer to neutral. At present, we find more opportunities in corporate debt due to the larger number of issuers. We believe that security selection (both at the sovereign and corporate level) will remain an important driver of performance for our emerging market debt portfolios.
Delaware Emerging Markets Debt Fund

Average annual total returns (%) as of June 30, 2019

<table>
<thead>
<tr>
<th>EXPENSE RATIO (%)</th>
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<table>
<thead>
<tr>
<th>Institutional Class</th>
<th>2019</th>
<th>1 YEAR</th>
<th>3 YEAR</th>
<th>5 YEAR</th>
<th>LIFETIME</th>
<th>INCEPTION DATE*</th>
<th>GROSS</th>
<th>NET*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A (at NAV)</td>
<td>4.26</td>
<td>12.04</td>
<td>6.46</td>
<td>4.40</td>
<td>6.34</td>
<td>11/3/10</td>
<td>1.65</td>
<td>0.79</td>
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<tr>
<td>Class A (at Offer)</td>
<td>4.30</td>
<td>11.85</td>
<td>6.29</td>
<td>4.27</td>
<td>6.16</td>
<td>11/3/10</td>
<td>1.90</td>
<td>1.04</td>
</tr>
<tr>
<td>J.P. Morgan</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>CEMBI Broad Diversified</td>
<td>3.50</td>
<td>10.21</td>
<td>5.54</td>
<td>4.84</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

1. Returns for less than one year are not annualized. 2. Net expense ratio reflects contractual waivers of certain fees and/or expense reimbursements from Nov. 28, 2018 through Nov. 28, 2019. Please see the fee table in the Fund’s prospectus for more information. 3. Includes maximum 4.50% front-end sales charge.

The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 800 523-1918 or visiting delawarefunds.com/performace.

Total returns may reflect waivers and/or expense reimbursements from the manager and/or distributor for some or all of the periods shown. Performance would have been lower without such waivers and reimbursements.

Performance at NAV assumes that no front-end sales charge applied. Performance at offer assumes that a front-end sales charge applied to the extent applicable.

Significant Fund event

* A privately offered fund managed by the Delaware Emerging Markets Debt Fund portfolio manager was reorganized into Delaware Emerging Markets Debt Fund, and the Fund commenced operations on Sept. 30, 2013. This privately offered fund commenced operations on Nov. 3, 2010 and had an investment objective and strategies that were, in all material respects, the same as those of the Fund, and was managed in a manner that, in all material respects, compiled with the investment guidelines and restrictions of the Fund. However, the privately offered fund was not registered with the US Securities and Exchange Commission. As a result, the privately offered fund was not subject to certain investment limitations, diversification requirements, liquidity requirements, and other restrictions imposed by the US securities or tax law. The Fund’s performance for the periods prior to its commencement of operations on Sept. 30, 2013 is that of the privately offered fund.

Carefully consider the Fund’s investment objectives, risk factors, charges, and expenses before investing. This and other information can be found in the Fund’s prospectus and its summary prospectus, which may be obtained by visiting delawarefunds.com/literature or calling 800 523-1918. Investors should read the prospectus and the summary prospectus carefully before investing.

The views expressed represent the investment team’s assessment of the Fund and market environment as of the date indicated, and should not be considered a recommendation to buy, hold, or sell any security, and should not be relied on as research or investment advice.

As of June 30, 2019, the weightings of the top 10 holdings indicated as a percentage of the Fund’s net assets were:

- CNO Resources S.A. 7.625 4/17/2026 1.70%; Dominican Republic (government) 6.000 7/19/2028 1.48%; Ghana (rep info) 7.875 3/26/2027 1.40%; Resorts World Las Vegas LLC 4.250 4/16/2029 1.30%; Braskem Finance Ltd. 6.450 2/3/2024 1.23%; Israel Chemicals Ltd. 6.375 5/31/2038 1.19%; Gaz Capital S.A. 4.950 3/23/2027 1.16%; JBS Investments II GmbH 7.000 1/15/2026 1.12%; DtoS Group Holdings Ltd. 4.520 12/11/2028 1.09%; Equate Petrochemical BV 3.000 3/3/2022 1.07%. Holdings are as of the date indicated and subject to change. List may exclude cash and cash equivalents. Please see the Fund’s complete list of holdings on our website for more information.

Investing involves risk, including the possible loss of principal.

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. The Fund may also be subject to prepayment risk, the risks that the principal of a fixed income security that is held by the Fund may be prepaid prior to maturity, potentially forcing the Fund to reinvest that money at a lower interest rate. • High yielding, non-investment grade bonds (junk bonds) involve higher risk than investment grade bonds. • 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. • If and when the Fund invests in forward foreign currency contracts or uses other investments to hedge against currency risks, the Fund will be subject to special risks, including currency risk. • The Fund may invest in derivatives, which may involve additional expenses and are subject to risk, including the risk that an underlying security or securities index moves in the opposite direction from what the portfolio manager anticipated. A derivatives transaction depends upon the counterparties’ ability to fulfill their contractual obligations. • International investments entail risks not ordinarily associated with US investments including fluctuation in currency values, differences in accounting principles, or economic or political instability in other nations. Investing in emerging markets can be riskier than investing in established foreign markets due to increased volatility and lower trading volume. • The Fund may experience portfolio turnover in excess of 100%, which could result in higher transaction costs and tax liability. • Diversification may not protect against market risk.

Index performance returns do not reflect any management fees, transaction costs, or expenses. Indices are unmanaged and one cannot invest directly in an index.

The J.P. Morgan Corporate Emerging Markets Bond Index (CEMBI) Broad Diversified tracks US dollar–denominated emerging market corporate bonds, limiting the weights of countries with larger corporate debt stocks by only including a specified portion of those country’s eligible current face amounts of debt outstanding. The J.P. Morgan Emerging Markets Bond Index (EMBI) Global Diversified tracks total returns for US dollar–denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities, including Brady bonds, loans, and Eurobonds, and limits the weights of the index countries by only including a specified portion of those countries’ eligible current face amounts of debt outstanding.

Institutional Class shares are available only to certain investors. See the prospectus for more information.

All third-party marks cited are the property of their respective owners.

The Fund’s investment manager, Delaware Management Company (Manager), may seek investment advice and recommendations from its affiliates: Macquarie Investment Management Europe Limited, Macquarie Investment Management Austria Kapitalanlage AG, and Macquarie Investment Management Global Limited (together, “the Affiliated Sub-Advisors”). The Manager may also permit these Affiliated Sub-Advisors to execute Fund security trades on behalf of the Manager and exercise investment discretion for securities in certain markets where DMC believes it will be beneficial to utilize an Affiliated Sub-Advisor’s specialized market knowledge.

Macquarie Investment Management (MIM) is the marketing name for certain companies comprising the asset management division of Macquarie Group. Investment products and advisory services are distributed and offered by and referred through affiliates which include Delaware Distributors, L.P., a registered broker/dealer and member of FINRA, and Macquarie Investment Management Business Trust (MIMBT) and Delaware Capital Management Advisers, Inc., each of which are SEC-registered investment advisors. Investment advisory services are provided by the series of MIMBT. Macquarie Group refers to Macquarie Group Limited and its subsidiaries and affiliates worldwide. Delaware Funds by Macquarie refers to certain investment solutions that MIM distributes, offers, refers or advises.

Other than Macquarie Bank Limited (MBL), none of the entities noted are authorized deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities, unless noted otherwise.

Not FDIC Insured • No Bank Guarantee • May Lose Value