Market review
Global healthcare stocks experienced increased volatility during the second quarter of 2019. Amped-up rhetoric concerning drug pricing reform and a single payer medical insurance system in the United States once again made headlines and weighed on healthcare stocks as politicians announced their candidacies for the 2020 US presidential race. In contrast, many companies in the healthcare sector continued to benefit from a wave of mergers and acquisitions during the quarter. The biotechnology sector lagged the broader Russell 3000® Healthcare Index while small- and mid-cap medical products and blue-chip medical products outperformed.

Within the Fund
During the second quarter, Delaware Healthcare Fund Institutional Class shares slightly underperformed the Fund’s benchmark, the Russell 3000 Healthcare Index.

Among sectors, the Fund’s biotechnology holdings contributed the most to relative performance as a result of favorable stock selection. The Fund’s large overweight position in Array BioPharma Inc. outperformed after the company was acquired by Pfizer in a deal worth $11.4 billion. The Fund’s overweight position in uniQure NV also outperformed because of speculation that the company could be acquired. The company is the market leader in gene therapy and recent clinical trials suggest promise for success in its gene therapy platform. Arena Pharmaceuticals Inc. also performed strongly after the company announced better-than-expected earnings results and treated its first patient in a phase III trial of its key pipeline candidate, etrasimod, a drug that treats active ulcerative colitis. This outperformance was somewhat mitigated by the Fund’s overweight position in Alkermes PLC. Shares of the company declined following disappointing first-quarter earnings results that resulted from lackluster sales of its schizophrenia drug ARISTADA. Despite this near-term underperformance, we believe Alkermes remains well positioned for growth and is undervalued.

Among nonhealthcare companies, Advanced Micro Devices Inc. contributed to the Fund’s performance as the company continued to gain market share in premium notebooks and gaming PCs. We decided to exit the Fund’s position during the quarter. Qualcomm Inc. also contributed to Fund performance after the company entered into a surprise settlement agreement with Apple on all ongoing lawsuits.

The Fund’s holdings in small- and mid-cap medical products detracted the most from performance, as a result of unfavorable asset allocation and stock selection. The Fund’s overweight position in Mylan NV was the main detractor from performance in the sector. The company reported lackluster first-quarter financial results and continued to face significant headwinds in the US generic market, and ongoing fallout following issues identified by the US Food and Drug Administration (FDA) at one of its manufacturing facilities. Despite these short-term setbacks, Mylan remains among the strongest franchises for generic pharmaceuticals in the industry, and we believe the company is well positioned for growth as the demand for generic drugs increases.

In the blue-chip medical products sector, unfavorable stock selection drove the Fund’s underperformance. Teva Pharmaceutical Industries Ltd. languished amid ongoing opioid litigation worries. Teva remains an industry leader in the generic drug market, and we believe the company trades at a discount to its intrinsic value. Finally, the Fund’s overweight position in Chugai Pharmaceutical Co. Ltd. was unfavorable in terms of asset allocation. However, the company is among the leading franchises in Japan and is also partnered with another Fund holding, Roche Holding AG, which allows Chugai to benefit from the pipelines of both companies.

Outlook
For global healthcare investors, there are risks that short-term legislative and judicial action could overshadow the positive long-term fundamentals of the sector and of specific companies, in our view. Nevertheless, we continue to see significant long-term opportunities in the global healthcare asset class. The baby-boom generation in the US is aging, implying expanding demand for healthcare products and services for decades to come. At the same time, middle classes in countries with emerging economies (notably India and China) are growing rapidly, creating large appetites for Western-style medicine. We remain positive about the healthcare sector and its growth opportunities.

Despite some increased volatility last year (specifically, investors’ uncertainty surrounding plans for a repeal and replace measure for the Affordable Care Act), we believe that healthcare remains one of the few growth sectors in the economy. We continue to see many attractive opportunities in the healthcare sector, particularly in biotechnology, where we see potential for continued innovation in cancer treatments and gene therapy technology. We remain overweight in the biotechnology sector, particularly in small- to mid-cap companies, where we see the potential for technological breakthroughs.
Delaware Healthcare Fund

(continued)

We continue to put a premium on disciplined, intensive research when analyzing investment opportunities for the Fund. We favor companies that exhibit such traits as:

- proven competitiveness
- seasoned management teams
- stock valuations that are discounted meaningfully from our estimates of intrinsic value.

These characteristics are part of our daily considerations as we follow our conservative, stock-by-stock approach to portfolio management.

Performance attribution (quarter ended June 30, 2019)

<table>
<thead>
<tr>
<th>LEADING CONTRIBUTORS</th>
<th>SECTOR</th>
<th>TOTAL EFFECT</th>
<th>LEADING DETRACTORS</th>
<th>SECTOR</th>
<th>TOTAL EFFECT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Array BioPharma Inc.</td>
<td>Biotechnology</td>
<td>1.42</td>
<td>Mylan NV</td>
<td>Small/mid-cap medical products</td>
<td>-0.71</td>
</tr>
<tr>
<td>uniQure NV</td>
<td>Biotechnology</td>
<td>1.33</td>
<td>Alkermes PLC</td>
<td>Biotechnology</td>
<td>-0.49</td>
</tr>
<tr>
<td>Arena Pharmaceuticals Inc.</td>
<td>Biotechnology</td>
<td>0.70</td>
<td>Regeneron Pharmaceuticals Inc.</td>
<td>Biotechnology</td>
<td>-0.47</td>
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<tr>
<td>Mirati Therapeutics Inc.</td>
<td>Biotechnology</td>
<td>0.69</td>
<td>Immunomedics Inc.</td>
<td>Biotechnology</td>
<td>-0.34</td>
</tr>
<tr>
<td>Coherus Biosciences Inc.</td>
<td>Biotechnology</td>
<td>0.35</td>
<td>Teva Pharmaceutical Industries Ltd.</td>
<td>Blue chip medical products</td>
<td>-0.34</td>
</tr>
</tbody>
</table>

Source for contributors and detractors: FactSet. The leading contributors and detractors are calculated based on their “total effect,” or contribution relative to the benchmark index, on Fund performance. They do not represent all of the Fund’s investments and may not be representative of the Fund’s current or future investments. Holdings are provided for informational purposes only, do not represent all of the securities purchased or sold, are subject to change, and should not be deemed as a recommendation to buy or sell the securities shown. A complete list of holdings is available on our website.

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Past performance is not a guarantee of future results.
Average annual total returns (%) as of June 30, 2019

<table>
<thead>
<tr>
<th>Fund</th>
<th>2019¹</th>
<th>1 YEAR</th>
<th>3 YEAR</th>
<th>5 YEAR</th>
<th>10 YEAR</th>
<th>LIFETIME</th>
<th>INCEPTION DATE</th>
<th>GROSS</th>
<th>NET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional Class</td>
<td>1.17</td>
<td>3.24</td>
<td>13.99</td>
<td>10.78</td>
<td>18.81</td>
<td>16.26</td>
<td>9/28/07</td>
<td>1.06</td>
<td>1.06</td>
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<tr>
<td>Class A (at NAV)</td>
<td>1.14</td>
<td>2.99</td>
<td>13.70</td>
<td>10.51</td>
<td>18.53</td>
<td>16.03</td>
<td>09/28/07</td>
<td>1.31</td>
<td>1.31</td>
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<tr>
<td>Class A (at Offer)²</td>
<td>-4.67</td>
<td>-2.93</td>
<td>11.48</td>
<td>9.21</td>
<td>17.83</td>
<td>15.44</td>
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</tr>
<tr>
<td>Class R</td>
<td>1.03</td>
<td>2.71</td>
<td>13.40</td>
<td>10.23</td>
<td>—</td>
<td>15.39</td>
<td>1/28/10</td>
<td>1.56</td>
<td>1.56</td>
</tr>
<tr>
<td>Russell 3000 Healthcare Index</td>
<td>1.43</td>
<td>11.80</td>
<td>12.03</td>
<td>11.02</td>
<td>16.07</td>
<td>—</td>
<td></td>
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</tr>
</tbody>
</table>

1. Returns for less than one year are not annualized. 2. Includes maximum 5.75% 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/performance.

Total returns may reflect waivers and/or expense reimbursements by 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.

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 only to certain investors. See the prospectus for more information.

As of June 30, 2019, the weightings of the top 10 holdings (by issuer) indicated as a percentage of the Fund’s net assets were: Sanofi S.A. 9.11%; Roche Holding AG 6.17%; uniQure NV 5.40%; MorphoSys AG 4.84%; Amgen Inc. 3.52%; Chugai Pharmaceutical Co. Ltd. 3.27%; Array BioPharma Inc. 3.10%; Arena Pharmaceuticals Inc. 3.07%; CVS Health Corp. 2.95%; UnitedHealth Group Inc. 2.92%. Holdings are as of the date indicated and subject to change. List may exclude cash, cash equivalents, and exchange-traded funds (ETFs) that are used for cash management purposes. Please see the Fund’s complete list of holdings on our website for more information.

Investing involves risk, including the possible loss of principal.

Narrowly focused investments may exhibit higher volatility than investments in multiple industry sectors. Healthcare companies are subject to extensive government regulation and their profitability can be affected by restrictions on government reimbursement for medical expenses, rising costs of medical products and services, pricing pressure, and malpractice or other litigation. 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.

"Nondiversified" Funds may allocate more of their net assets to investments in single securities than “diversified” Funds. Resulting adverse effects may subject these Funds to greater risks and volatility.

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 Russell 3000 Healthcare Index measures the performance of all healthcare holdings included in the Russell 3000 Index, which represents the 3,000 largest US companies based on total market capitalization.

Frank Russell Company is the source and owner of the Russell Indexes. Russell® is a trademark of Frank Russell Company.

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

The Fund’s investment manager, Delaware Management Company (Manager), may utilize its affiliates, Macquarie Investment Management Global Limited (MIMGL) and Macquarie Funds Management Hong Kong Limited, to execute Fund security trades on behalf of the Manager. The Manager may also seek quantitative support from MIMGL.

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.

Document must be used in its entirety.

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