

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 28405; 812-13521]

Delaware Management Business Trust, et al.; Notice of Application

September 24, 2008

Agency: Securities and Exchange Commission (“Commission”).

Action: Notice of an application under section 6(c) of the Investment Company Act of 1940 (“Act”) for an exemption from rule 12d1-2(a) under the Act.

Summary of Application: Applicants request an order to permit funds of funds relying on rule 12d1-2 under the Act to invest in certain financial instruments.

Applicants: Delaware Group Adviser Funds, Delaware Group Cash Reserve, Delaware Group Equity Funds I, Delaware Group Equity Funds II, Delaware Group Equity Funds III, Delaware Group Equity Funds IV, Delaware Group Equity Funds V, Delaware Group Foundation Funds, Delaware Group Global & International Funds, Delaware Group Government Fund, Delaware Group Income Funds, Delaware Group Limited-Term Government Funds, Delaware Group State Tax-Free Income Trust, Delaware Group Tax-Free Fund, Delaware Group Tax-Free Money Fund, Delaware Pooled Trust, Delaware VIP Trust, Voyager Insured Funds, Voyager Intermediate Tax-Free Funds, Delaware Investments Municipal Trust (formerly Voyager Investment Trust), Voyager Mutual Funds, Voyager Mutual Funds II, Voyager Mutual Funds III and Voyager Tax-Free Funds (collectively, the “Trusts”), Delaware Management Business Trust (“DMBT”), on behalf of its series, Delaware Management Company (the “Adviser”) and Delaware Distributors, L.P. (the “Underwriter”)

Filing Date: The application was filed on April 15, 2008, and amended on September 19, 2008.

Hearing or Notification of Hearing: An order granting the application will be issued unless the

Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on October 20, 2008, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

Addresses: Secretary, U.S. Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090; Applicants, c/o Bruce G. Leto, Esq. and/or Alison M. Fuller, Esq., Stradley, Ronon, Stevens & Young, LLP, 2600 One Commerce Square, Philadelphia, PA 19103. For Further Information Contact: Lewis Reich, Senior Counsel, at (202) 551-6919, or Janet M. Grossnickle, Assistant Director, at (202) 551-6821 (Division of Investment Management, Office of Investment Company Regulation).

Supplementary Information: The following is a summary of the application. The complete application may be obtained for a fee at the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549-1520 (telephone (202) 551-5850).

Applicants' Representations:

1. Each Trust is organized as a Delaware statutory trust and is registered as an open-end management investment company under the Act. Applicants request the exemption to the extent necessary to permit any existing or future registered open-end management investment companies and their series that are in the same group of investment companies, as defined in section 12(d)(1)(G) of the Act, as the Trusts and which invests in other registered open-end management investment companies in reliance on section 12(d)(1)(G) of the Act, and which is

also eligible to invest in securities (as defined in section 2(a)(36) of the Act) in reliance on rule 12d1-2 under the Act (together with the Trusts and their series, the “Applicant Funds”), to also invest, to the extent consistent with its investment objective, policies, strategies and limitations, in financial instruments that may not be securities within the meaning of section 2(a)(36) of the Act (“Other Investments”).¹

2. The Adviser is a series of DMBT, which is registered as an investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”). The Adviser serves as the investment adviser to each series of the Trust. DMBT is a Delaware statutory trust and an indirect, wholly owned subsidiary of Delaware Management Holdings, Inc., which is an indirect subsidiary of the Lincoln National Corporation. The Underwriter serves as principal underwriter for all the mutual funds in the Delaware Investments Family of Funds, and is a registered broker-dealer under the Securities Exchange Act of 1934. The Underwriter is organized as a limited partnership under Delaware law, and Delaware Distributors, Inc., a Delaware corporation, is its general partner. Delaware Distributors, Inc. is a wholly owned indirect subsidiary of Delaware Management Holdings, Inc., and all of the limited partnership interests of the Underwriter are owned indirectly by Delaware Management Holdings, Inc.

3. Consistent with its fiduciary obligations under the Act, each Applicant Fund’s board of trustees or directors will review the advisory fees charged by the Applicant Fund’s investment adviser to ensure that they are based on services provided that are in addition to, rather than duplicative of, services provided pursuant to the advisory agreement of any investment company in which the Applicant Fund may invest.

¹ Every existing entity that currently intends to rely on the requested order is named as an applicant. Any existing or future entity that relies on the order in the future will do so only in accordance with the terms and conditions in the application.

Applicants' Legal Analysis:

1. Section 12(d)(1)(A) of the Act provides that no registered investment company (“acquiring company”) may acquire securities of another investment company (“acquired company”) if such securities represent more than 3% of the acquired company’s outstanding voting stock or more than 5% of the acquiring company’s total assets, or if such securities, together with the securities of other investment companies, represent more than 10% of the acquiring company’s total assets. Section 12(d)(1)(B) of the Act provides that no registered open-end investment company may sell its securities to another investment company if the sale will cause the acquiring company to own more than 3% of the acquired company’s voting stock, or cause more than 10% of the acquired company’s voting stock to be owned by investment companies.
2. Section 12(d)(1)(G) of the Act provides that section 12(d)(1) will not apply to securities of an acquired company purchased by an acquiring company if: (i) the acquiring company and acquired company are part of the same group of investment companies; (ii) the acquiring company holds only securities of acquired companies that are part of the same group of investment companies, government securities, and short-term paper; (iii) the aggregate sales loads and distribution-related fees of the acquiring company and the acquired company are not excessive under rules adopted pursuant to section 22(b) or section 22(c) of the Act by a securities association registered under section 15A of the Exchange Act or by the Commission; and (iv) the acquired company has a policy that prohibits it from acquiring securities of registered open-end management investment companies or registered unit investment trusts in reliance on section 12(d)(1)(F) or (G) of the Act.
3. Rule 12d1-2 under the Act permits a registered open-end investment company or a

registered unit investment trust that relies on section 12(d)(1)(G) of the Act to acquire, in addition to securities issued by another registered investment company in the same group of investment companies, government securities, and short-term paper: (1) securities issued by an investment company that is not in the same group of investment companies, when the acquisition is in reliance on section 12(d)(1)(A) or 12(d)(1)(F) of the Act; (2) securities (other than securities issued by an investment company); and (3) securities issued by a money market fund, when the investment is in reliance on rule 12d1-1 under the Act. For the purposes of rule 12d1-2, “securities” means any security as defined in section 2(a)(36) of the Act.

4. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction from any provision of the Act, or from any rule under the Act, if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act.

5. Applicants state that the proposed arrangement would comply with the provisions of rule 12d1-2 under the Act, but for the fact that the Applicant Funds may invest a portion of their assets in Other Investments. Applicants request an order under section 6(c) of the Act for an exemption from rule 12d1-2(a) to allow the Applicant Funds to invest in Other Investments. Applicants assert that permitting the Applicant Funds to invest in Other Investments as described in the application would not raise any of the concerns that the requirements of section 12(d)(1) were designed to address.

Applicants’ Condition:

Applicants agree that any order granting the requested relief will be subject to the following condition:

Applicants will comply with all provisions of rule 12d1-2 under the Act, except for

paragraph (a)(2) to the extent that it restricts any Fund from investing in Other Investments as described in the application.

For the Commission, by the Division of Investment Management, under delegated authority.

Florence E. Harmon

Acting Secretary