



## First Choice

An Individual Flexible Premium Deferred Variable Annuity Contract

Offered by  
Foresters Life Insurance and Annuity Company

*This booklet contains two prospectuses. The first prospectus is for the First Investors Life Variable Annuity Fund C (Separate Account C) Contract, which we call First Choice. The second prospectus is for the First Investors Life Series Funds, which provides the underlying investment options for the individual flexible premium deferred variable annuity contract offered through Separate Account C.*

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**May 1, 2019,** as amended on October 4, 2019

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# First Choice

## An Individual Flexible Premium Deferred Variable Annuity Contract

**Offered by Foresters Life Insurance and Annuity Company through First Investors Separate Account C**

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This prospectus describes an individual flexible premium deferred variable annuity contract (the “Contract”) offered by Foresters Life Insurance and Annuity Company (“FLIAC”, “We”, “Us” or “Our”). The Contract provides You with the opportunity to accumulate capital, on a tax-deferred basis, for retirement or other long-term purposes and thereafter, if You so elect, to receive annuity payments for a lifetime based upon the Contract’s Accumulation Value.

When You purchase a Contract, You allocate Your Purchase Payments (less certain applicable charges) to one or more “Subaccounts” of Separate Account C or to the Fixed Account. Each of the Subaccounts invests in a corresponding series of the Delaware VIP<sup>®</sup> Trust (“Funds” or “VIP Series”). A copy of the prospectus for the VIP Series is attached. The Contract requires a minimum initial investment of \$5,000.

The amount You accumulate in the Subaccounts depends upon the performance of the Subaccounts in which You invest. You bear all of the investment risk, which means that You could lose money invested in the Subaccounts. We credit interest to amounts You allocate to the Fixed Account.

Please read this prospectus and keep it for future reference. It contains important information that You should know before buying or taking action under a Contract, including all material benefits, features, rights, and obligations under a Contract. We filed a Statement of Additional Information (“SAI”), dated May 1, 2019 with the Securities and Exchange Commission (“SEC”). We incorporate the SAI by reference into this prospectus. See the SAI Table of Contents at the end of this prospectus. You can get a free SAI by contacting Us at Raritan Plaza 1, Edison, New Jersey 08837, by calling the telephone number shown above or by visiting Our website [www.foresters.com](http://www.foresters.com). You also can obtain electronic copies of Our documents, including reports and SAIs, from the EDGAR database on the SEC’s website at <http://www.sec.gov>.

The SEC has not approved or disapproved these securities or passed judgment on the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is May 1, 2019, as amended on October 4, 2019.



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FLIAC does not guarantee the performance of the Subaccounts. The Contract is not a deposit or obligation of, or guaranteed or endorsed by, any bank or depository institution, nor is it federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Bank or any other agency. The Contract involves risk, including possible loss of the principal amount invested.

The Contract may not be available in all states and jurisdictions. This prospectus does not constitute an offering in any state or jurisdiction in which such offering may not lawfully be made. FLIAC does not authorize any information or representations regarding the Contract other than as described in this prospectus, the attached VIP Series prospectus or any supplements thereto, or in any supplemental sales material We authorize.

**Accumulation Phase** – The period between the Effective Date of a Contract and the earlier of the Maturity Date or the death of either the Annuitant or Contractowner.

**Accumulation Unit** – A unit that measures the value of a Contractowner’s interest in a Subaccount of Separate Account C before the Maturity Date. Accumulation Units are established for each Subaccount. The Accumulation Unit value increases or decreases based on the investment performance of the Subaccount’s corresponding Fund.

**Accumulation Value** – The Accumulation Value is equal to the sum of the Subaccount Accumulation Value of each of the Subaccounts to which You have allocated value under the Contract plus the Fixed Account Accumulation Value.

**Annuitant (and Joint Annuitant, if any)** – The person(s) whose life (or lives) is (are) the measure for determining the amount and duration of annuity payments. Unless otherwise specified, references to “Annuitant” refer to any Joint Annuitant as well.

**Annuity Unit** – A unit that determines the amount of each Variable Annuity Payment after the first Variable Annuity Payment. Annuity Units are established for each Subaccount. The Annuity Unit value increases or decreases based on the investment performance of the Subaccount’s corresponding Fund.

**Beneficiary** – The person or entity that is designated to receive any

benefits under a Contract upon the death of the Annuitant or the Contractowner.

**Contract** – An individual flexible premium deferred variable annuity contract offered by this prospectus.

**Contractowner (and Joint Contractowner, if any)** – The person or entity with legal rights of ownership of the Contract. Unless otherwise specified, the term also includes any Joint Contractowners.

**Contract Anniversary** – The same month and day each subsequent year from the Contract’s Effective Date.

**Contract Year (and Contract Month and Contract Quarter)** – A one-year period of time initially as measured from the Contract’s Effective Date and then as measured from the Contract’s Anniversary after the first Contract Year. A Contract Month or a Contract Quarter is a month or quarter, respectively, of a Contract Year.

**Effective Date** – The date the Contract is issued by FLIAC.

**Fixed Account Accumulation Value** – The Fixed Account Accumulation Value at any time is equal to the amount determined as described below under the heading “THE CONTRACT IN DETAIL: THE ACCUMULATION PHASE – Fixed Account Accumulation Value.”

**Fixed Annuity Payment** – Annuity payments that remain fixed as to dollar amount.

**General Account** – All assets of FLIAC other than those allocated to

Separate Account C and other segregated investment accounts of FLIAC.

**Good Order** – Notice from someone authorized to initiate a transaction under a Contract, received in a format satisfactory to Us at Our administrative office or other office We may designate (“Administrative Office”) that contains all information required by Us to process the transaction.

**Internal Revenue Code** – The Internal Revenue Code of 1986, as amended.

**Investment in the Contract** – The Purchase Payments You made, less any amounts You previously surrendered that were not taxable.

**Maturity Date** – The date on which annuity payments begin.

**Net Accumulation Value** – The Accumulation Value less any applicable premium taxes not previously deducted.

**Payee** – The person designated as the “Payee” in the Contract who is entitled to receive annuity payments under the Contract. The Contractowner will be the Payee unless another person is named as the Payee.

**Purchase Payment** – A payment made initially to purchase a Contract or as an additional contribution to a Contract (less any charges).

**Separate Account C** – The segregated investment account entitled “First Investors Life Variable Annuity Fund C”, established by FLIAC pursuant to applicable law and registered as a unit investment trust under the

Investment Company Act of 1940 (“1940 Act”).

**Subaccount** – A segregated investment subaccount under Separate Account C that corresponds to a Fund of the VIP Series. The assets of a Subaccount are invested in shares of the corresponding Fund of the VIP Series.

**Subaccount Accumulation Value** – The Subaccount Accumulation Value in each Subaccount at any time is equal to the number of Accumulation Units this Contract has in that Subaccount, multiplied by that Subaccount’s Accumulation Unit value.

**Valuation Date** – Any date on which the New York Stock Exchange (“NYSE”) is open for trading.

**Valuation Period** – The period beginning at the end of any Valuation Date and extending to the end of the next Valuation Date.

**Variable Annuity Payment** – Annuity payments that vary in dollar amount throughout the annuity income period based on the net investment experience of the Subaccounts.

**We (Us and Our)** – FLIAC.

**You (and Your)** – An actual or prospective Contractowner who is reading this prospectus.



## FEES AND EXPENSES

The following tables below show the fees and expenses that You will incur when You buy, own and surrender a Contract.

The first table describes the fees and expenses that You will pay if You surrender the Contract.

<u>Contractowner Transaction Expenses</u>	
Maximum Surrender Charge (as a percentage of Purchase Payment surrendered)*	8.00%

\* The surrender charge percentage that applies to a Purchase Payment decreases one percentage point each year after receipt of the Purchase Payment so that there is no surrender charge after eight years. Each year You may surrender up to 10% of total Purchase Payments without a surrender charge. For purposes of computing the surrender charge, Accumulation Units are considered to be in the order in which they were purchased (i.e., first-in, first-out). For more information concerning surrender charges, see "FINANCIAL INFORMATION: CONTRACT EXPENSES – Surrender Charges."

The next table describes the maximum fees and expenses that You will pay periodically during the time You own the Contract, not including Fund fees and expenses.

<u>Maximum Annual Contract Charge</u>	\$50.00**
<u>Separate Account Annual Expenses</u> (as a percentage of average daily account value)	
Mortality and Expense Risk Charge	1.00%

\*\* The annual contract charge is made during the Accumulation Phase only. The maximum annual contract charge that We may deduct from the Accumulation Value in any Contract Year is \$50. The current annual contract charge that We deduct from the Accumulation Value is \$35, which is guaranteed for the first 10 Contract Years. For more complete descriptions of the charges and expenses shown, please refer to "FINANCIAL INFORMATION: CONTRACT EXPENSES – Surrender Charges, Mortality and Expense Risk Charge, Other Charges."

The next table shows the Funds' minimum and maximum total annual operating expenses that You may pay indirectly during the time that You own the Contract. These expenses may be higher or lower in the future. More detail concerning each Fund's fees and expenses is contained in the attached prospectus for the VIP Series.

<u>Total Annual Fund Operating Expenses</u>	Minimum	Maximum
Range of expenses that are deducted from Fund assets, including management fees and other expenses.	0.75%	0.90%

The following examples are intended to help You compare the cost of investing in the Contract with the cost of investing in other variable annuity contracts. These costs include Contractowner transaction expenses, Contract charges, Separate Account C annual expenses, and operating expenses of the Funds. The examples assume that You invest \$10,000 in the Contract for the time periods indicated. The examples also assume that Your investment has a 5% return each year and

assumes the maximum fees and expenses of any of the Funds. Although Your actual costs may be higher or lower, based on these assumptions, Your costs would be:

If You surrender Your Contract at the end of the applicable time period:

	1 year	3 years	5 years	10 years
Maximum Cost	\$873	\$1,197	\$1,546	\$2,722
Minimum Cost	\$858	\$1,151	\$1,469	\$2,562

If You annuitize or do not surrender Your Contract at the end of the applicable time period:

	1 year	3 years	5 years	10 years
Maximum Cost	\$243	\$747	\$1,276	\$2,722
Minimum Cost	\$228	\$701	\$1,199	\$2,562

You should not consider the expenses in the example as a representation of past or future expenses. Actual expenses in future years may be more or less than those shown.

## HISTORICAL ACCUMULATION UNIT INFORMATION

This table shows the Accumulation Unit values and the number of Accumulation Units outstanding for each Subaccount of Separate Account C for the last 10 fiscal years (or the life of the Subaccount, if less). For years 2010 and later, the number of Accumulation Units shown below pertain to Contracts offered under this prospectus.

<b>Subaccount</b>	<b>At</b>	<b>Accumulation Unit Value (\$)</b>	<b>Number of Accumulation Units</b>
Covered Call Strategy Subaccount*	December 31, 2016	10.460	166,649.0
	December 31, 2017	11.502	373,983.7
	December 31, 2018	10.250	707,359.9
Equity Income Subaccount	December 31, 2009	18.675	1,184,140.4
	December 31, 2010	21.138	24,116.1
	December 31, 2011	21.248	75,548.0
	December 31, 2012	23.392	157,712.6
	December 31, 2013	30.229	212,248.1
	December 31, 2014	32.399	275,981.7
	December 31, 2015	31.747	324,155.5
	December 31, 2016	35.603	341,842.3
	December 31, 2017	40.718	365,503.6
December 31, 2018	36.920	380,704.0	
Fund For Income Subaccount		34.240	374,655.5
	December 31, 2009	38.547	12,844.3
	December 31, 2010	40.322	63,567.2
	December 31, 2011	45.313	127,803.2
	December 31, 2012	47.947	207,329.5
	December 31, 2013	47.846	241,684.2
	December 31, 2014	46.494	265,822.9
	December 31, 2015	51.150	269,158.4
	December 31, 2016	54.097	291,147.4
December 31, 2017	52.176	298,809.6	
December 31, 2018			
Government Cash Management Subaccount**	December 31, 2009	15.921	303,014.8
	December 31, 2010	15.763	50,542.9
	December 31, 2011	15.606	121,321.9
	December 31, 2012	15.450	154,725.9
	December 31, 2013	15.296	67,975.1
	December 31, 2014	15.144	130,213.4
	December 31, 2015	14.993	48,250.9
	December 31, 2016	14.844	106,606.3
	December 31, 2017	14.734	79,022.5
	December 31, 2018	14.769	192,240.8

<b>Subaccount</b>	<b>At</b>	<b>Accumulation Unit Value (\$)</b>	<b>Number of Accumulation Units</b>
Growth and Income Subaccount  (formerly Growth & Income Subaccount)	December 31, 2009	43.894	1,216,234.8
	December 31, 2010	50.493	17,550.9
	December 31, 2011	51.173	104,387.5
	December 31, 2012	59.506	188,541.7
	December 31, 2013	81.335	235,599.1
	December 31, 2014	86.682	266,359.3
	December 31, 2015	83.140	289,593.3
	December 31, 2016	90.443	295,644.5
	December 31, 2017	105.910	299,776.5
	December 31, 2018	94.195	296,919.1
International Subaccount	December 31, 2009	30.482	782,978.8
	December 31, 2010	34.238	9,986.9
	December 31, 2011	34.115	56,696.9
	December 31, 2012	40.816	101,766.8
	December 31, 2013	43.146	152,054.4
	December 31, 2014	43.736	178,076.3
	December 31, 2015	44.814	206,413.3
	December 31, 2016	42.502	221,014.1
	December 31, 2017	55.950	231,674.4
	December 31, 2018	48.658	292,774.2
Investment Grade Subaccount	December 31, 2009	23.896	618,028.3
	December 31, 2010	25.849	20,550.9
	December 31, 2011	27.185	99,796.7
	December 31, 2012	29.938	208,916.0
	December 31, 2013	29.403	278,719.2
	December 31, 2014	30.815	312,281.0
	December 31, 2015	30.401	326,706.0
	December 31, 2016	31.497	357,878.4
	December 31, 2017	32.657	395,484.9
	December 31, 2018	31.677	409,271.2
Limited Duration Bond Subaccount***	December 31, 2014	9.691	67,060.8
	December 31, 2015	9.546	174,189.0
	December 31, 2016	9.511	223,795.4
	December 31, 2017	9.535	240,011.9
	December 31, 2018	9.419	737,330.1
Opportunity Subaccount*** *	December 31, 2012	10.056	0.0
	December 31, 2013	13.935	219,904.0
	December 31, 2014	14.587	380,034.9
	December 31, 2015	14.325	528,612.0
	December 31, 2016	15.353	634,785.2
	December 31, 2017	18.088	745,616.4
	December 31, 2018	15.154	871,504.9

<b>Subaccount</b>	<b>At</b>	<b>Accumulation Unit Value (\$)</b>	<b>Number of Accumulation Units</b>
Growth Equity Subaccount  (formerly Select Growth Subaccount)	December 31, 2009	6.315	320,182.6
	December 31, 2010	7.572	30,458.8
	December 31, 2011	7.890	197,598.1
	December 31, 2012	8.851	365,865.1
	December 31, 2013	11.667	482,101.1
	December 31, 2014	13.114	548,391.4
	December 31, 2015	13.400	684,847.7
	December 31, 2016	13.802	731,461.4
	December 31, 2017	18.147	773,227.2
December 31, 2018	17.285	928,584.6	
Special Situations Subaccount	December 31, 2009	44.537	653,636.4
	December 31, 2010	55.810	9,350.9
	December 31, 2011	56.494	54,747.6
	December 31, 2012	61.529	100,498.6
	December 31, 2013	79.728	121,559.2
	December 31, 2014	83.905	138,060.8
	December 31, 2015	82.635	158,674.9
	December 31, 2016	94.986	162,563.2
	December 31, 2017	111.217	172,129.6
December 31, 2018	91.837	197,857.1	
Total Return Subaccount*** *	December 31, 2012	9.926	0.0
	December 31, 2013	11.500	211,595.9
	December 31, 2014	12.065	442,617.8
	December 31, 2015	11.752	620,817.2
	December 31, 2016	12.405	656,240.6
	December 31, 2017	13.724	752,606.5
December 31, 2018	12.548	893,356.5	

\*The inception date for the Covered Call Strategy Subaccount was May 2, 2016. The Accumulation Unit value for this Subaccount initially was set at \$10.00 on May 2, 2016.

\*\* In October 2016, the Cash Management Subaccount was converted into the Government Cash Management Subaccount as a result of the conversion of the First Investors Life Series Cash Management Fund into the First Investors Life Series Government Cash Management Fund.

\*\*\*The inception date for the Limited Duration Bond Subaccount was July 1, 2014. The Accumulation Unit value for this Subaccount initially was set at \$10.00 on July 1, 2014. Prior to January 31, 2018, the Limited Duration Bond Subaccount was known as the Limited Duration High Quality Bond Subaccount.

\*\*\*\*The inception date for the Opportunity Subaccount and the Total Return Subaccount was December 17, 2012. The Accumulation Unit values for each of these Subaccounts initially was set at \$10.00 on December 17, 2012.

## OVERVIEW OF THE CONTRACT

This overview highlights some basic information about the Contract offered by FLIAC in this prospectus. You will find more information about the Contract in “THE CONTRACT IN DETAIL” section of this prospectus.

### SUMMARY OF RISKS AND REWARDS OF THE CONTRACT

The benefits of the Contract are, among other things:

**Investment Diversification** There are twelve (12) Subaccounts available under the Contract, each with different investment objectives, policies and risks allowing for investment diversification. Each Subaccount invests in a corresponding Fund of the VIP Series .

**Income Tax Deferral** Investment in a Contract enables You to defer payment of federal income tax on any net income earned and net gains realized under the Contract until You access Your money through surrenders or one of Our annuity pay-out options. This gives Your money the potential to grow faster.

**Asset Reallocation** You can also reallocate Your accumulated assets among the Subaccounts and the Fixed Account, as Your circumstances change, without incurring current federal income tax.

#### **No Income or Contribution**

**Limitations** There are no income or contribution limits – such as those that exist on individual retirement accounts (“IRAs”) including Roth IRAs or 401(k) Plans – that restrict

the amount that You can invest. You control how much You invest for Your retirement, so long as You meet Our minimum investment requirements, and when and how often You wish to add to Your Contract.

#### **Minimum Guaranteed Death**

**Benefit** We guarantee a minimum death benefit if the Annuitant dies during the Accumulation Phase, which protects Your principal from market declines if You die.

**Guaranteed Annuity Income** You can receive an annuity pay-out providing a stream of income to suit Your needs for the rest of Your life.

There are several risk factors that You should consider:

**Investment Risk** You bear all of the investment risk of the Funds that correspond to the Subaccounts You select, which means You could lose money.

**Fees and Charges** An investment in a Contract is not a direct investment in a mutual fund. There are additional charges for the death benefit and other features of the Contract that are not associated with a mutual fund.

#### **Internal Revenue Service (“IRS”)**

**Penalty** Because a 10% federal tax penalty is generally imposed on the taxable portion of surrenders prior to age 59½, You should not invest in the Contract if You have short-term investment objectives that would require You to liquidate all or a

portion of the Contract prior to reaching age 59½.

**Holding Period** A minimum holding period is often necessary before the tax benefits of tax deferral are likely to outweigh the often higher fees imposed on variable annuities relative to alternative investments.

**Be Careful With Your Tax-Deferred Arrangement** A tax-deferred accrual feature is already provided by any tax-qualified arrangement, such as an IRA or 401(k) Plan. Therefore, You should have reasons other than tax deferral, such as the additional benefits described in this prospectus, for purchasing a Contract within an IRA or other arrangement that receives tax deferral through the Internal Revenue Code.

**Surrender Charges** There is a maximum 8% surrender charge that decreases annually during the eight years following receipt of a Purchase Payment. You should therefore invest in a Contract only if You have a long-term investment horizon.

**Taxation of Surrenders** A partial or total surrender of a Contract is taxed for federal income tax purposes as ordinary income to the extent that the Accumulation Value exceeds Your Investment in the Contract (i.e., on an “income first” basis).

**Taxation of Death Benefits** The death benefit paid to the Beneficiary of a Contract is taxed for those purposes as ordinary income to the Beneficiary at the Beneficiary’s tax rate to the extent that the death benefit exceeds the Contractowner’s Investment in the Contract. Thus, if

Your primary objective is to pass wealth on to Your heirs, a life insurance policy may be more appropriate for You for federal income tax purposes. The amount of the death benefit on a life insurance policy passes federal income-tax free (though not necessarily estate tax free) to the Beneficiary; an annuity death benefit does not.

**General Account Risk** The assets of the General Account support Our insurance obligations and are subject to general liabilities from Our business operations and to claims by Our general creditors. Amounts allocated to the Fixed Account, and any guarantees under Your Contract that exceed Your Contract Value (such as those that may be associated with the death benefit), are paid from the General Account. Any such amounts that We are obligated to pay in excess of Your Contract Value are subject to Our financial strength and claims-paying ability.

## HOW THE CONTRACT WORKS

The Contract has two phases: an Accumulation Phase and an annuity income period. During the Accumulation Phase, earnings on Your investment accumulate on a tax-deferred basis. The annuity income period begins when You convert from the Accumulation Phase by agreeing that the Payee will start receiving regular annuity payments after the Accumulation Value has been applied to one of the annuity options in accordance with the annuity rates in the Contract. You can select one of several annuity income payment options.

The Contract is a “variable” annuity because Your Subaccount Accumulation Values during the Accumulation Phase and the amount of Your Variable Annuity Payments during the annuity income period fluctuate based on the performance of the Funds underlying the Subaccounts You have selected. As a result, the Subaccount Accumulation Values in Your Contract and Your Variable Annuity Payments may increase or decrease. Subject to certain limitations, You are permitted to allocate Your Purchase Payments to twelve (12) available Subaccounts We offer under the Contract, as long as each allocation is at least 1% of the Purchase Payment. You also may allocate Purchase Payments to the Fixed Account, as described below. Subject to certain limitations, You may reallocate Your Accumulation Value or, after the commencement of Variable Annuity Payments, the value allocated to the Subaccounts upon which the amount of the Variable Annuity Payments are based.

The Contract provides a guaranteed death benefit that is payable to the Beneficiary if the Annuitant dies during the Accumulation Phase. The Contract guarantees that the Beneficiary will receive upon the death of the Annuitant the greater of (i) the total of all Purchase Payments reduced proportionately by any surrenders, or (ii) the Accumulation Value. Upon the death of a Contractowner who is not also the Annuitant, We will pay only the Accumulation Value to the Beneficiary. We pay the death

benefit when We receive both proof of death and appropriate instructions for payment. The death benefit is reduced by the amount of any surrenders, see “The Accumulation Phase: Death Benefits Before Commencement of Annuity Payments” for details. You may surrender a portion or all of the Accumulation Value during the Accumulation Phase.

## **WHO WE ARE AND HOW TO CONTACT US**

### **FLIAC**

Foresters Life Insurance and Annuity Company, with its home office at 40 Wall Street, New York, New York 10005, is a stock life insurance company incorporated under the laws of the State of New York in 1962. We write life insurance policies and annuity contracts.

FLIAC is part of Foresters Financial Holding Company, Inc. (“FFHC”), a holding company, which owns all of the voting common stock of FLIAC. Other affiliates of FLIAC include: Foresters Financial Services, Inc. (“FFS”), the distributor of the Contracts and Foresters Investor Services, Inc. (“FIS”), the sub-transfer agent for the VIP Series.

For information or service concerning a Contract, You can contact Us in writing at Our Administrative Office located at Raritan Plaza 1, Edison, New Jersey 08837. You can also call Us at 1 800-832-7783 between the hours of 9:00 A.M. and 6:00 P.M., Eastern Time, or fax Us at 1 732-855-5935.

You should send any Purchase Payments, notices, elections, or



requests that You make, as well as any other documentation that We require for any purpose in connection with Your Contract, to Our Administrative Office. No such payment, notice, election, request or documentation will be treated as having been “received” by Us until We have received it, as well as any related items that We require, all in complete and Good Order (i.e., in form and substance acceptable to Us) at Our Administrative Office. To meet Our requirements for processing transactions, We may require that You use Our forms. We will notify You and provide You with an address if We designate another office for receipt of information, payments and documents.

### **Separate Account C**

First Investors Life Variable Annuity Fund C was established on December 21, 1989 under New York Insurance Law. Separate Account C is registered with the SEC as a unit investment trust under the 1940 Act.

We segregate the assets of Separate Account C from Our other assets in Our General Account. These assets fall into two categories: (1) assets equal to Our reserves and other liabilities under the Contract and (2) additional assets derived from expenses that We charge to Separate Account C. The assets equal to Our reserves and liabilities support the Contract. We cannot use these assets to satisfy any of Our other obligations. The assets We derive from Contract charges do not support the Contract, and We can transfer these assets in cash to Our General Account. Before making a

transfer, We will consider any possible adverse impact that the transfer may have on Separate Account C. We credit to, or charge against, the Subaccounts of Separate Account C realized and unrealized income, gains and losses without regard to Our other income, gains and losses. The obligations under the Contract are Our obligations.

Each Subaccount invests its assets in a corresponding Series of the Delaware VIP Trust at net asset value. Therefore, We own the shares of the underlying Funds, not You. The value of Your investment in a Subaccount is determined by the value of the underlying Fund. Each Subaccount reinvests any distribution received from a Fund in the distributing Fund at net asset value. So, none of the Subaccounts make cash distributions to Contractowners. Each Subaccount may make deductions for charges and expenses by redeeming the number of equivalent Fund shares at net asset value.

## **The Fixed Account**

The Fixed Account is not part of Separate Account C. It is part of Our General Account. The General Account consists of all assets owned by Us, other than those in Separate Account C or in any other legally segregated separate accounts We own. The assets of the General Account support Our insurance obligations and are subject to general liabilities from Our business operations and to claims by Our general creditors. The assets of the General Account can be invested as We choose, subject to certain legal requirements. We guarantee that any assets You choose to allocate to the Fixed Account will earn interest at the annual Minimum Guaranteed Interest Rate (currently 1.00% for contracts issued since 2013). This rate is subject to redetermination annually as described below.

On each Contract Anniversary, the Fixed Account Minimum Guaranteed Interest Rate is redetermined as (a) – (b) where (a) is the average of the daily five-year Constant Maturity Treasury rates for the month of October in the calendar year prior to the Contract Anniversary (rounded to the nearest 1/20<sup>th</sup> of 1%) and (b) is 1.25%. In no case, however, will the annual Fixed Account Minimum Guaranteed Interest Rate be greater than 3.00% or less than 1.00%.

We may, but are not required to, declare interest in excess of the annual Minimum Guaranteed Interest Rate (“excess interest”). If We declare excess interest, We are not required to guarantee that it will remain in effect for any specific

period of time. Therefore, We may reduce or eliminate such excess interest at any time without prior notice to You. However, any excess interest already credited to Your account is non-forfeitable.

You do not share in any gains or losses that We experience in the Fixed Account or Our General Account. We bear the entire risk that the investments in Our General Account may not achieve the annual minimum guaranteed or declared rates of return.

Amounts allocated to the Fixed Account, and any guarantees under Your Contract that exceed Your Accumulation Value (such as those that may be associated with the death benefit), are paid from the General Account. Any such amounts that We are obligated to pay in excess of Your Accumulation Value are subject to Our financial strength and claims-paying ability.

The Fixed Account is not registered under the Securities Act of 1933. Moreover, neither the Fixed Account nor the General Account is registered as an investment company under the 1940 Act.

## **The VIP Series**

On October 4, 2019, each series of the First Investors Life Series Funds managed by Foresters Investment Management Company, Inc. an affiliate of FLIAC, which prior to that date were the only funds available to Contractowners, reorganized into a substantially similar series of the Delaware VIP<sup>®</sup> Trust, managed by Delaware Management Company

("DMC"), a series of Macquarie Investment Management Business Trust.

The Delaware VIP Trust is an open-end management investment company registered with the SEC under the 1940 Act. The VIP Series consists of a variety of separate Funds, twelve (12) of which are available to Contractowners. Each of the Funds currently offers its shares only through the purchase of a Contract or another variable life or variable annuity contract issued by FLIAC or by other insurance companies. Each of the Funds reserves the right to offer its shares to other separate accounts or directly to Us. Although some of the Funds have similar names, the same portfolio manager and the same investment objectives as other publicly available mutual funds, they are separate and distinct from these mutual funds. The Funds will have different portfolio holdings and fees so their performances will vary from the other mutual funds.

The VIP Series are selected to provide an appropriate range of investment options for persons invested in the Policies from conservative to more aggressive investment strategies. DMC is the investment adviser of the VIP Series and receives investment management fees for its services. DMC pays a portion of its investment management fees to subadvisers who manage the certain of the VIP Series. DMC is a series of Macquarie Investment Management Business Trust, a Delaware statutory trust,

and is located at 2005 Market Street, Philadelphia, PA 19103. DMC has retained Smith Asset Management Group, L.P., 100 Crescent Court, Suite 1150, Dallas, TX 75201, to serve as subadviser of the Delaware VIP Growth Equity Series and Ziegler Capital Management, LLC, 170 West Madison Street, 24th floor, Chicago, IL 60602 to serve as subadviser for the Delaware VIP Covered Call Strategy Series. In addition, DMC may seek investment advice, recommendations and/or allow security trades on its behalf for Funds in the VIP Series by certain of its affiliates which have specialized market knowledge in relevant areas and which it has engaged as a subadvisor to Funds in the VIP Series. These affiliated subadvisors include, Macquarie Investment Management Austria Kapitalanlage AG, Kaerntner Strasse 28, 1010 Vienna, Austria, with respect to the Delaware VIP Fund For Income Series, Delaware VIP Limited Duration Bond Series, Delaware VIP Total Return Series and Delaware VIP Investment Grade Series; Macquarie Investment Management Global Limited, 50 Martin Place, Sydney Australia with respect to the Delaware VIP Fund For Income Series, Delaware VIP Equity Income Series, Delaware VIP Growth and Income Series, Delaware VIP Opportunity Series, Delaware VIP Limited Duration Bond Series, Delaware VIP Special Situations Series, Delaware VIP International Series, Delaware VIP Total Return Series and Delaware VIP Investment Grade Series; Macquarie Investment Management Europe Limited, 28

Ropemaker Street, London, England with respect to the Delaware VIP Fund For Income Series, Delaware VIP Limited Duration Bond Series, Delaware VIP Total Return Series and Delaware VIP Investment Grade Series; Macquarie Funds Management Hong Kong Limited, Level 18, One International Finance Centre, One Harbour View Street, Central, Hong Kong, with respect to the Delaware VIP Equity Income Series, Delaware VIP Growth and Income Series, Delaware VIP Opportunity Series, Delaware VIP Special Situations Series, Delaware VIP International Series and Delaware VIP Total Return Series. See the VIP Series prospectus for more information about the investment adviser and subadvisers.

The following table includes the investment objective for each available Fund. There is no guarantee that any of the Funds will achieve its stated objective. There is a Subaccount with a similar name as its corresponding underlying Fund. The following table also identifies the Subaccount that corresponds with each Fund. The degree of investment risk You assume will depend on the Subaccounts You select. You should consider Your allocations carefully. The investment objective, principal investment strategies, principal risks and management of the Funds are described in the attached VIP Series prospectus, which You should read carefully before investing. You may obtain a VIP Series prospectus by writing to Us at Our Administrative Office, located at Raritan Plaza 1, Edison, NJ 08837, calling Us at 1-800-

832-7783 between the hours of 9:00 a.m. to 6:00 p.m., Eastern Time, or faxing Us at 732-510-4209. You also can obtain a VIP Series prospectus at [www.delawarefunds.com/dcio/litera](http://www.delawarefunds.com/dcio/litera) ture.

<b>Subaccount</b>	<b>Fund</b>	<b>Investment Objective</b>
Covered Call Strategy Subaccount	Delaware VIP Covered Call Strategy Series	Long-term capital appreciation.
Equity Income Subaccount	Delaware VIP Equity Income Series	Total return.
Fund For Income Subaccount	Delaware VIP Fund For Income Series	High current income.
Government Cash Management Subaccount	Delaware VIP Government Cash Management Series	Current income consistent with the preservation of capital and maintenance of liquidity.
Growth and Income Subaccount	Delaware VIP Growth and Income Series	Long-term growth of capital and current income.
International Subaccount	Delaware VIP International Series	Long-term capital growth.
Investment Grade Subaccount	Delaware VIP Investment Grade Series	A maximum level of income consistent with investment primarily in investment grade debt securities.
Limited Duration Bond Subaccount	Delaware VIP Limited Duration Bond Series	Current income consistent with low volatility of principal.
Opportunity Subaccount	Delaware VIP Opportunity Series	Long-term capital growth.
Growth Equity Subaccount	Delaware VIP Growth Equity Series	Long-term growth of capital.
Special Situations Subaccount	Delaware VIP Special Situations Series	Long-term growth of capital.
Total Return Subaccount	Delaware VIP Total Return Series	Sustainable current income with potential for capital appreciation with moderate investment risk.

### APPLICATION AND PURCHASE PAYMENTS

We will process Your application on the day We receive it at Our Administrative Office in Good Order. If Your application is incomplete or incorrect, We have five business days to complete it and process the transaction. Otherwise, We will return the Purchase Payment to You at the end of the five-day period. However, We can try to reach You to explain the reasons for the delay in crediting the money and get Your consent to keep the money until the problem is solved.

Your initial Purchase Payment must be at least \$5,000. You may make additional Purchase Payments of at least \$200 each at any time after Contract issuance. We will generally not accept for a purchase of a First Choice Variable Contract the proceeds from a surrender of one of Our other variable annuities. We do not limit the maximum amount of Purchase Payments under a Contract. However, initial Purchase Payments of \$500,000 or more, and subsequent Purchase Payments of \$250,000 or more, will be subject to additional review by FLIAC. We reserve the right to reject such payments.

Your Purchase Payments allocated to the Subaccounts buy Accumulation Units of the Subaccounts and not shares of the Funds in which the Subaccounts invest. We allocate Purchase Payments to the appropriate

Subaccount(s) based on the next computed value of an Accumulation Unit following receipt of Your Purchase Payments at Our Administrative Office in Good Order. We value Accumulation Units at the end of each Valuation Date (generally 4:00 P.M., Eastern Time). If We receive a Purchase Payment prior to the end of a Valuation Date in Good Order, We will process the payment based upon that day's Accumulation Unit values. If We receive a payment after the end of the Valuation Date, We will process the Purchase Payment based upon the next Valuation Date's values.

### ALLOCATION OF PURCHASE PAYMENTS

When You purchase a Contract You select the percentage allocation of Your Purchase Payment to the Subaccounts and the Fixed Account. Your allocations are subject to the following constraints:

1. Allocation percentages must be in whole numbers;
2. Allocation percentages must add to 100%; and
3. The allocation percentage for the Fixed Account may not exceed 50%.

On the Effective Date of Your Contract, the portion of the initial Purchase Payment You designated for the Subaccounts will be allocated to the Government Cash Management Subaccount for 20 days. On the 21st day, the Subaccount Accumulation Value in

the Government Cash Management Subaccount will be reallocated to the Subaccounts You designated on the application. This reallocation will occur as of the end of the 20th day following the Effective Date. If that day is not a business day, then the reallocation will occur as of the end of the next business day. The portion of the initial Purchase Payment You designated for the Fixed Account will be allocated to the Fixed Account upon issuance of the Contract.

A change in the allocation percentages for future additional Purchase Payments will affect reallocations occurring under the Automated Subaccount Reallocation Option. See the description under “THE CONTRACT IN DETAIL: THE ACCUMULATION PHASE – Automated Subaccount Reallocation Option” for additional information.

## **REALLOCATIONS AMONG SUBACCOUNTS**

Subject to the restrictions discussed below, You may change the allocation of Your Accumulation Value among the Subaccounts, or among the Subaccounts and the Fixed Account, through a transfer of Accumulation Value by written notice, telephone, participation in Our Systematic Transfer Option, or participation in Our Automated Subaccount Reallocation Option. Only the Automated Subaccount Reallocation Option or the Systematic Transfer Option, but not both, may be in effect at the same time.

## **WHAT ARE OUR POLICIES ON FREQUENT REALLOCATIONS AMONG SUBACCOUNTS?**

The Contract is designed for long-term investment purposes. It is not intended to provide a vehicle for frequent trading or market timing. As described in the VIP Series prospectus, the Board of Trustees of the VIP Series has adopted policies and procedures to detect and prevent frequent trading in the shares of each of the VIP Series and to reject, without any prior notice, any purchase or exchange transaction if the Funds believe that the transaction is part of a market timing strategy.

In order to protect Contractowners and to comply with the underlying Funds’ policies, We have agreed to honor instructions from the Funds to restrict or prohibit further purchases or transfers of shares by any Contractowner that has been identified by the Funds as having violated its market timing policies. Accordingly, We may be required to reject any reallocation request, without any prior notice, that is determined by the Funds to be part of a market timing strategy. We also reserve the right to limit or conditionally transfer privileges in any manner that We believe is necessary or appropriate to (1) protect participants in a Fund from adverse consequences of “market timing” or overly frequent transactions; or (2) conform Separate Account C’s policies and practices in this regard to those of a Fund in one or more respects. Without limitation, We reserve the

right to impose on You any charge that Your transfer causes a Fund to assess against Us or Separate Account C.

In order to enforce Our policy against market timing, We monitor reallocation requests using criteria such as (a) the number of reallocation transactions that occur within a specified period of time and (b) the dollar amount of reallocations that occur within a specified period of time. Moreover, We will only accept a transaction request that is in writing or made by telephone, and complies with Our requirements. We will not accept transaction requests by any other means, including, but not limited to, facsimile or e-mail. We cannot guarantee that Our monitoring efforts will be effective in identifying or preventing all market timing or frequent trading activity in the Subaccounts.

### **WHAT ARE THE RISKS TO CONTRACTOWNERS OF FREQUENT REALLOCATIONS?**

To the extent that Our policies are not successful in detecting and preventing frequent trading in the Subaccounts, frequent trading may: (a) interfere with the efficient management of the underlying Funds by, among other things, causing the underlying Funds to hold extra cash or to sell securities to meet redemptions; (b) increase portfolio turnover, brokerage expenses, and administrative costs; and (c) harm the performance of the Funds, particularly for long-term shareholders who do not

engage in frequent trading. These risks may in turn adversely affect Contractowners who invest in the Funds through Our Subaccounts.

In the case of the Subaccounts that invest indirectly in high yield bonds and stocks of small-size and/or mid-size companies, the risk of frequent trading includes the risk that investors may attempt to take advantage of the fact that these securities may trade infrequently and therefore their prices may be slow to react to information. This could cause dilution in the value of the shares held by other shareholders. In the case of the Subaccounts that invest indirectly in foreign securities, the risks of frequent trading include the risk of time zone arbitrage. Time zone arbitrage occurs when shareholders attempt to take advantage of the fact that the valuation of foreign securities held by a Fund may not reflect information or events that have occurred after the close of the foreign markets on which such securities principally trade but before the close of the NYSE. This could cause dilution in the value of the shares held by other shareholders.

### **THE ACCUMULATION PHASE Determining Your Accumulation Value**

The Accumulation Value You have in Your Contract varies daily depending on, among other things, the investment experience of the Subaccounts You have selected and the proportion of Your



Accumulation Value that You have allocated to the Fixed Account.

### **Fixed Account Accumulation Value**

On the Contract's Effective Date, the Fixed Account Accumulation Value is equal to the portion of the initial Purchase Payment You allocate to the Fixed Account. The Fixed Account Accumulation Value on any succeeding day is equal to the Fixed Account Accumulation Value on the previous day, plus the sum of the values of the following transactions that have occurred since the previous day:

1. any additional Purchase Payments allocated to the Fixed Account;
2. any transfers into the Fixed Account; and
3. interest accrued on the Fixed Account Accumulation Value.

less the sum of the values of the following transactions that have occurred since the previous day:

1. any transfers out of the Fixed Account;
2. any partial surrenders allocated to the Fixed Account; and
3. if due subsequent to the previous day, the portion of the annual Contract charge for the current Contract Year allocated to the Fixed Account.

### **Subaccount Accumulation Value**

The Subaccount Accumulation Value in each Subaccount at any time is equal to the number of Accumulation Units the Contract has in the Subaccount, multiplied by

the Subaccount's Accumulation Unit value. Amounts You allocate to or transfer into a Subaccount are used to purchase Accumulation Units in the Subaccount. We redeem Accumulation Units when amounts are deducted, transferred, or surrendered from a Subaccount. These purchases and redemptions of Accumulation Units are referred to as "Contract Transactions." The number of Accumulation Units a Contract has in a Subaccount at any time is equal to the number of Accumulation Units purchased minus the number of Accumulation Units redeemed in the Subaccount up until that time. The number of Accumulation Units purchased or redeemed as a result of a Contract Transaction is equal to the dollar amount of the Contract Transaction divided by the value of the Subaccount's Accumulation Units on the date of the Contract Transaction.

Accumulation Unit values are determined as of the end of each Valuation Date. The Accumulation Unit values that apply to a Contract Transaction made on a Valuation Date are the unit values as of the end of that day. If We receive Your request or other documentation for a transaction after the end of a Valuation Date, it is processed based on the value of Accumulation Units as of the end of the next Valuation Date. The value of an Accumulation Unit of a Subaccount on any Valuation Date is equal to the value of the Accumulation Unit on the previous Valuation Date, multiplied by the net investment

factor for that Valuation Date. The net investment factor for a Subaccount on any Valuation Date is equal to (a) divided by (b), less (c) where

- (a) is the net asset value per share of the Fund in which the Subaccount invests at the end of the Valuation Date, plus the per share amount of any dividend or capital gain distribution from the Fund since the previous Valuation Date, less the per share amount of any taxes deducted by Us;
- (b) is the net asset value per share of the Fund on the previous Valuation Date; and
- (c) is the total of the daily mortality and expense risk charges since the previous Valuation Date.

**Transfer of Accumulation Value**

You may transfer the Accumulation Value between any two or more of the Subaccounts, or between one or more Subaccounts and the Fixed Account, by providing Us with written notice of Your request, or by calling 1(800) 832-7783. There is a limit of six transfers between two or more Subaccounts in any 12-month period. Only one transfer either to or from the Fixed Account is allowed in any 12-month period. The minimum transfer amount You may request is \$100. Each transfer from the Fixed Account is limited to the greatest of:

- 1. 25% of the Fixed Account Accumulation Value;

- 2. the amount of the most recent transfer out of the Fixed Account during the prior 15 months; or
- 3. \$1,000.

Transfers to the Fixed Account may not be more than the amount that would cause the ratio of the Fixed Account Accumulation Value to the Accumulation Value to exceed the Maximum Fixed Account Allocation Percentage specified in the Contract schedule. Transfer requests that do not comply with these limitations will be rejected.

A Transfer of Accumulation Value made while the Automated Subaccount Reallocation Option is in effect automatically cancels the Automated Subaccount Reallocation Option. Requests for transfers are processed as of the Valuation Date We receive them in Good Order. We may defer transfers from the Fixed Account for up to six months. If We do so, We will notify You when the transfer will be made, the reason for the delay, and the value of the transfer on the date We received Your request.

**Telephone Transfer Option**

You may make transfers of Accumulation Value as described above by telephone by calling 1(800) 832-7783. You will be required to provide certain information for identification purposes when requesting a transaction by telephone, and We may record Your telephone call. We may also require written confirmation of Your request.

We will not be liable for losses resulting from telephone requests that We believe are genuine. We reserve the right to revoke or limit Your telephone transaction privileges at any time without revoking or limiting all owners' telephone transaction privileges. Telephone privileges may be denied to market timers and frequent or disruptive traders.

We cannot guarantee that telephone transactions will always be available. For example, there may be interruptions in service beyond Our control such as weather-related emergencies.

### **Systematic Transfer Option**

You may request that a specified dollar amount of Subaccount Accumulation Value be transferred from any one or more Subaccounts (the "originating account(s)") to any one or more other Subaccounts (the "receiving account(s)") at monthly or quarterly intervals, as selected. The first such systematic transfer will occur on the first Valuation Date of the Contract Month or Contract Quarter that next follows the date We receive Your request. Transfers under this option may not be designated either to or from the Fixed Account.

The minimum amount that may be transferred either from or to any one Subaccount is \$100. The Systematic Transfer Option will terminate if and when the Subaccount Accumulation Value remaining in all of the originating accounts is depleted. Currently, transfers made under this option

are not subject to any fee and are not included in the yearly transfer count. We may terminate this option or modify Our rules governing this option at Our discretion by giving You 31 days written notice. Any charge for this option in the future would not exceed \$10.

### **Automated Subaccount Reallocation Option**

If You request, We will automatically reallocate the Subaccount Accumulation Values at quarterly intervals according to the most recent Purchase Payment allocation on file with Us. The first such reallocation will occur on the first Valuation Date of the Contract Quarter that next follows the date on which We receive Your request.

Upon reallocation, the amount of Subaccount Accumulation Value allocated to each Subaccount is equal to (a) multiplied by (b), where:

(a) is equal to:

1. the allocation percentage You have specified for the Subaccount; divided by
2. the sum of the allocation percentages for all such Subaccounts; and

(b) is equal to the sum of the Subaccount Accumulation Values in all of the Subaccounts at the time of the reallocation.

Any requested changes in Your Purchase Payment allocation percentages are reflected in the next quarterly reallocation following the change. The

reallocation will only affect the allocation of Subaccount Accumulation Values among the Subaccounts. It will not affect the Fixed Account Accumulation Value. Transfers of Subaccount Accumulation Values made under this option are not subject to the minimum transfer amount described above. Currently, transfers made under this option are not subject to any fee and are not included in the yearly transfer count. A transfer of Subaccount Accumulation Value made while this Automated Subaccount Reallocation Option is in effect automatically cancels the option. You may subsequently re-elect this option by making a request in the manner described above. We may terminate this option or modify Our rules governing this option at Our discretion by giving You 31 days written notice. Any charge for this option in the future would not exceed \$10.

### **Death Benefits Before Commencement of Annuity Payments**

If You die before the Maturity Date, We pay a death benefit to the Beneficiary You have designated. We generally make this payment within seven days of receiving in Good Order (a) a death certificate or similar proof of the death of the Annuitant or Contractowner (“Due Proof of Death”) and (b) a claimant’s statement form that includes payment instructions with the Beneficiary’s election to receive payment in either a single sum settlement or an annuity option.

We will pay the death benefit: (a) in a single sum and the Contract will terminate, (b) by applying it to one of the annuity options, or (c) as We otherwise permit.

Generally, the amount of the death benefit payable to the Beneficiary, upon the death of the Contractowner who is also the Annuitant, is the greater of (a) the total Purchase Payments reduced proportionally by any partial surrenders or (b) the Accumulation Value on the date We receive Due Proof of Death. We calculate the proportional reduction in Your total Purchase Payments in two steps. First, We calculate the percentage that any surrender represents of Your Accumulation Value. Then We reduce Your Accumulation Value and Purchase Payments by that percentage.

Upon the death of the Contractowner who is not also the Annuitant, the amount of the death benefit will be equal to the Accumulation Value. We also will pay a death benefit in an amount equal to the Accumulation Value upon the death of the first Joint Contractowner (if any) to die, even if that deceased Joint Contractowner also is the Annuitant. We determine the Accumulation Value for the death benefit as of the next computed value of the Accumulation Value following Our receipt at Our Administrative Office of Due Proof of Death in Good Order. The decision on how We pay the death benefit is at the Contractowner’s election before the Annuitant’s

death and the Beneficiary's election after the Annuitant's death.

The following example demonstrates how the death benefit, payable on the death of the Contractowner who is also the Annuitant, is determined for a Contract in the Accumulation Phase. This example assumes that a partial surrender is taken during the tenth Contract year but does not account for any tax consequences.

		<b>Death Benefit</b>
<b>Effective Date</b>	Your Initial Purchase Payment and Death Benefit is	\$100,000
<b>End of First Contract Year</b>	Assume Your Accumulation Value grows to:  Your Death Benefit is the greater of Your Purchase Payment (\$100,000) or Your Accumulation Value (\$104,340) and is equal to	\$104,340  <b>\$104,340</b>
<b>Seventh Contract Anniversary</b>	Assume Your Accumulation Value grows to:  Your Death Benefit is the greater of Your Purchase Payment (\$100,000) or Your Accumulation Value (\$132,023) and is equal to	\$132,023  <b>\$132,023</b>
<b>End of Tenth Contract Year</b>	Assume Your Accumulation Value declines to:  You then decide to partially surrender: The proportion Your partial surrender represents of the Accumulation Value, which is the partial surrender amount (\$25,000) Divided by the Accumulation Value (\$71,643) which is: Your Accumulation Value and Purchase Payment(s) are both reduced by 34.90%  Thus, after the surrender: Your Accumulation Value is: Your Purchase Payment is: Your Death Benefit is equal to the greater of these amounts:	\$71,643  \$25,000  34.90%  \$46,643 \$65,100 <b>\$65,100</b>
<b>End of Eleventh Contract Year</b>	Assume Your Accumulation Value declines to:  Your Death Benefit is equal to the greater of Your Purchase Payment (\$65,100) or Your Accumulation Value (\$51,483):	\$51,483  <b>\$65,100</b>

## **Special Requirements for Payment of Death Benefit**

If the Contractowner dies before We have distributed the entire interest in the Contract, We must distribute the value of the Contract to the Beneficiary as provided below. Otherwise, the Contract will not qualify as an annuity under Section 72 of the Internal Revenue Code.

Generally, if the Contractowner dies before the Maturity Date, the death benefit may be taken immediately, after which the Contract will terminate, or the Beneficiary may become the Contractowner and the Contract will continue, subject to the following conditions:

If the Beneficiary elects to continue the Contract and is not the deceased Contractowner's spouse, he or she may not make additional Purchase Payments, and the entire interest in the Contract must be distributed to the Beneficiary (a) within five years, or (b) beginning within one year of death, under an annuity option that provides that We will make annuity payments over a period not longer than the life or life expectancy of the Beneficiary.

If the Beneficiary is the deceased Contractowner's spouse, he or she may continue the Contract and name a new Beneficiary, subject to additional conditions in the Contract.

If the Beneficiary wishes to take the death benefit as an annuity payout, then the Beneficiary must make such election and payments must

begin within 60 days of the Contractowner's death. This is necessary to receive federal tax treatment of annuity payments rather than the federal death benefit being treated for tax purposes as a lump sum distribution in the year of the death.

## **Partial and Full Surrenders During the Accumulation Phase**

You may make a partial or full surrender of Your Contract at any time during the Accumulation Phase, provided that any partial surrenders must be for at least \$500. You will be entitled to receive the Accumulation Value less any surrender charge or, in the case of a partial surrender, the portion surrendered, less any surrender charge. Your request is effective on the date it is received in writing on Our form in Good Order at Our Administrative Office. Your Accumulation Value less the requested amount will be determined based on the next computed value of Accumulation Units.

We may defer payment of amounts surrendered from a Subaccount for no more than seven days, except that We may defer payment of amounts surrendered for any period during which:

- the NYSE is closed for trading or trading is restricted on the NYSE;
- an emergency exists as a result of which disposal of securities held in Separate Account C is not reasonably practicable or it is not reasonably practicable to determine

the value of Separate Account C's net assets; or

■ the SEC by order permits Us to defer payments for the protection of Contractowners.

In addition, We may defer for up to six months the payment of any full or partial surrender of amounts allocated to the Fixed Account. If We postpone the payment of any full or partial surrender for more than ten days, We will pay You interest on the amounts surrendered, as specified in the Contract. In the case of a partial surrender, unless You direct Us otherwise, the amount You request will be deducted from Your Subaccounts and/or the Fixed Account in the same proportion as the Subaccount Accumulation Value in each Subaccount and/or the Fixed Account Accumulation Value bears to the Accumulation Value. Your Accumulation Value must be at least \$5,000 after any partial surrender.

## **THE ANNUITY INCOME PERIOD**

### **The Maturity Date**

Annuity payments begin on the Maturity Date You select when You buy the Contract. You may advance or defer the Maturity Date by notifying Us in writing at least 30 days before the previously specified Maturity Date. However, the Maturity Date may not be within the first Contract Year or after the date on which the Annuitant attains age 90. If no Maturity Date is chosen, We will commence annuity payments on the first of the

calendar month after the Annuitant attains age 90.

### **The Amounts of Your Annuity Payments**

Seven days before the Maturity Date (the "Initial Determination Date"), any premium taxes not yet deducted will be deducted from the Accumulation Value to determine the "Net Accumulation Value." Depending on Your election, this value will then be applied to determine either the initial Variable Annuity Payment and/or the initial Fixed Annuity Payment as described further below. You can make or change this election in writing to Us at Our Administrative Office at any time prior to the Initial Determination Date. In the absence of Your election, We will make monthly annuity payments on a fixed basis, beginning on the Maturity Date under Annuity Option 3 with Payments Guaranteed for 10 Years.

After the Maturity Date, We allow no surrenders or changes among annuity payment options; in the case of a variable basis payment option, however, You retain the right to change Your Subaccount allocations subject to the limits described below under "THE CONTRACT IN DETAIL: THE ANNUITY INCOME PERIOD – Transfer of Annuity Value." If the Net Accumulation Value applied on the Maturity Date is less than that required to purchase a minimum initial annuity payment of \$20, the entire Net Accumulation Value will be paid in a lump sum.



The material factors that determine the level of Your annuity benefits are:

- Your Accumulation Value as of the initial determination date;
- the annuity payment option You select;
- the frequency and duration of annuity payments;
- the sex and adjusted age (as defined in the Contract) of the Annuitant and any Joint Annuitant at the Maturity Date; and
- in the case of a Variable Annuity Payment, the investment performance of the Subaccounts You select and the Assumed Investment Return (“AIR”) that You select.

### **Variable Annuity Payments**

Variable Annuity Payments vary as to dollar amount through the annuity income period based on the investment results of the Subaccounts You select and the AIR that You choose. The effective annual AIR chosen can be 0%, 3% or 5%, if allowed by applicable law or regulation. The first Variable Annuity Payment is based on the AIR. Subsequent Variable Annuity Payments fluctuate based on the investment performance of the Subaccounts You have chosen as compared to the AIR. As a result, if the actual net investment return rate of the Subaccounts equals the AIR, the Variable Annuity Payments will be level. If the actual net investment return rate of the Subaccounts is greater than the AIR,

subsequent Variable Annuity Payments will be higher than the initial payment. If it is less than the AIR, subsequent Variable Annuity Payments will be lower.

Once an AIR is chosen, it cannot be changed. If no AIR is chosen, 3% will be used as the AIR. In general, if You select a higher AIR the initial Variable Annuity Payment will be larger than if a lower AIR had been selected, but any increases in the Variable Annuity Payment will be smaller and less frequent, and any decreases in the Variable Annuity Payment will be larger and more frequent. On the Initial Determination Date, We apply the portion of the Net Accumulation Value You have designated to purchase Variable Annuity Payments to the proper Variable Annuity Payment Option Table shown in the Contract (or more favorable rates if We offer them) to determine the amount of the initial Variable Annuity Payment. Subsequent Variable Annuity Payments are determined based on the value of the Annuity Units We credit to each of the Subaccounts You have selected, as described below.

We determine the amount of Annuity Units of each Subaccount to purchase by using the most recent Subaccount allocation instructions and dividing the amount of the initial Variable Annuity Payment that is allocated to each Subaccount by that Subaccount’s Annuity Unit value on the Initial Determination Date. Each Variable Annuity Payment

after the first is determined by multiplying the Annuity Unit value for each Subaccount on the date seven days prior to the date on which the payment is due by the number of Annuity Units in that Subaccount. The resulting payment may be less than or greater than the preceding Variable Annuity Payment.

**Annuity Unit Value**

The value of an Annuity Unit for any Subaccount is initially set at \$10.00. The value for any subsequent Valuation Period is obtained by first multiplying the Annuity Unit value for the immediately preceding Valuation Period by the net investment factor (as defined in “THE CONTRACT IN DETAIL: THE ACCUMULATION PHASE – Subaccount Accumulation Value”) for the current Valuation Period and then dividing the result by the “assumed net investment factor” for the current Valuation Period. The “assumed net investment factor” is equal to one plus the AIR calculated for the number of days in the current Valuation Period.

**Transfer of Annuity Value**

Twice each year, after a Variable Annuity Payment option has commenced, You may transfer all or a portion of the value in a Subaccount to any other Subaccount (“the receiving Subaccount”), which We will use to purchase Annuity Units in the receiving Subaccount. The value in a Subaccount is equal to the value of Annuity Units in the Subaccount multiplied by the number of Annuity Units this Contract owns in

the Subaccount. The number of Annuity Units credited to the receiving Subaccount will be equal to the dollar amount of the value that is being transferred as of the transfer date divided by the value of an Annuity Unit on that same date in the receiving Subaccount. Your request for transfer may be in writing, received in Our offices in Good Order or by telephone. We will not accept a request for transfer of annuity value by facsimile or email. We must receive Your request at least 15 days before the due date of the annuity payment to which the transfer will apply.

**Fixed Annuity Payments**

Fixed Annuity Payments are a constant dollar amount throughout the annuity income period. On the Initial Determination Date, the portion of the Net Accumulation Value You have designated to purchase Fixed Annuity Payments will be applied to the proper Fixed Annuity Payout Option Table shown in the Contract (or more favorable rates if We offer them) to determine the amount of the initial Fixed Annuity Payment.

**Annuity Payment Options**

The Contract provides for the annuity options described below. The Annuity Payment Options available on a variable basis are Options 1, 2a and 3. All Annuity Payment Options shown are available on a fixed basis. Payments can be received on a monthly, quarterly, semi-annual or annual basis.

**Option 1—Single Life Annuity.**

(Available on either a variable or a fixed basis or both). An annuity payable monthly during the Annuitant's lifetime, ceasing with the last payment due before the Annuitant's death. If You elect this option, annuity payments terminate automatically and immediately on the death of the Annuitant without regard to the number or total amount of payments received.

**Option 2a—Joint and Survivor Life Annuity.**

(Available on either a variable or a fixed basis or both). An annuity payable during the joint lifetime of the Annuitant and the Joint Annuitant and continuing thereafter during the lifetime of the survivor, ceasing with the last payment due before the death of the survivor.

**Option 2b—Joint and Two-Thirds to Survivor Life Annuity.**

(Available on a fixed basis only). An annuity payable during the joint lifetime of the Annuitant and the Joint Annuitant and continuing thereafter during the lifetime of the survivor at an amount equal to two-thirds of the joint annuity payment, ceasing with the last payment due before the death of the survivor.

**Option 2c—Joint and One-Half to Survivor Life Annuity.**

(Available on a fixed basis only). An annuity payable during the joint lifetime of the Annuitant and the Joint Annuitant and continuing thereafter during the lifetime of the survivor at an amount equal to one-half of the joint annuity payment, ceasing with

the last payment due before the death of the survivor.

Under annuity options 2a, 2b and 2c, annuity payments terminate automatically and immediately on the deaths of both the Annuitant and the Joint Annuitant without regard to the number or total amount of payments received.

**Option 3—Life Annuity with Payments Guaranteed for 10 or 20 Years.**

(Available on either a variable or a fixed basis or both). An annuity payable during the lifetime of the Annuitant, with the guarantee that if, at his or her death, payments have been made for less than 10 or 20 years, as elected, We will continue to pay to the Beneficiary any guaranteed payments during the remainder of the selected period and, if the Beneficiary dies after the Annuitant, We will continue to pay the Beneficiary's estate the remaining guaranteed payments.

**Option 4—Refund Life Annuity.**

(Available on a fixed basis only). An annuity payable during the lifetime of the Annuitant, with the guarantee that if, at his or her death, the cumulative payments made have been less than the Net Accumulation Value applied on the Initial Determination Date, payments will continue to the Beneficiary until the total of all payments made equal such Accumulation Value.

**Death after Commencement of Annuity Payments**

If the death of any Contractowner, any Annuitant, or any Payee occurs

on or after the Maturity Date but before all proceeds payable under the Contract have been distributed, We will distribute the entire interest in the Contract at least as rapidly as under the annuity option in effect on the date of death.

**Death of Contractowner**

If any Contractowner who is not the Annuitant dies and there is no surviving Contractowner, the Beneficiary will become the Contractowner. If there is a surviving Contractowner, the surviving Contractowner will retain ownership of the Contract. The remaining annuity payments, if any, will continue to be paid to the Payee. If the Payee is the deceased Contractowner, any remaining annuity payments will be made to the surviving Contractowner, if any, or to the Beneficiary.

**Death of Annuitant**

If the Annuitant dies and there is a surviving Annuitant, the remaining annuity payments, if any, will continue to be paid to the Payee. If the Payee is the deceased Annuitant, annuity payments will be made to any surviving Annuitant. If the deceased Annuitant is also the Contractowner, and there is no surviving Contractowner, the surviving Annuitant will assume all rights of ownership under the Contract. If the Annuitant dies and there is no surviving Annuitant, the Beneficiary will assume all rights to ownership, and the previously designated Contractowner will no longer have any rights under the Contract. Any remaining annuity

payments will be paid to the Beneficiary.

**YOUR RIGHT TO CANCEL THE CONTRACT**

You may elect to cancel Your Contract (a) within ten days from the date Your Contract is delivered to You (or thirty days if a replacement Contract) or (b) longer as applicable state law requires. We will cancel the Contract after We receive from You at Our Administrative Office in Good Order (a) the Contract and (b) a written request for cancellation. (We will pay You at least an amount equal to the sum of the Purchase Payments plus any premium taxes that You were charged, subject to state law.)

**CALCULATING VALUES**

To calculate the Accumulation Unit or Annuity Unit values, We must first determine the current value of the units in each Subaccount. We do this for each day the values are calculated by determining the change in investment performance (including Fund-related charges and any dividends and distributions made by the Fund) from the last Valuation Date for each of the Funds. Then, daily charges are applied to Separate Account C for each day since the last Valuation Date. Finally, We multiply the previous unit value by this result.

**CONTRACT EXPENSES**

**Surrender Charges**

We assess a surrender charge when You surrender the Contract, in full or in part, except as described below. The surrender charge is equal to a maximum of 8% of Purchase Payments surrendered, and decreases each year as shown in the following table:

Number of Years from Receipt of Purchase Payment to Date of Surrender	Percentage
Less than 1	8%
1	7%
2	6%
3	5%

4	4%
5	3%
6	2%
7	1%
8+	0%

The length of time from when We receive a Purchase Payment to the time of full or partial surrender of that Purchase Payment determines the percentage of the surrender charge. You will not be charged a surrender charge on partial surrenders during any Contract year up to the annual Free Surrender amount (discussed below) of 10% of purchase payments. You will be subject to a surrender charge on any excess over this amount at the applicable surrender charge percentage in the table. In calculating such a surrender charge, we will assume that the excess amount which you are withdrawing is coming first from Purchase Payments (which are subject to the applicable surrender charge) and then from any Accumulation Value other than Purchase Payments (which is not subject to any surrender charge). If you have made Purchase Payments at different times, your Purchase Payments will be treated as being withdrawn in the order that we have received them (i.e., first-in, first-out).

Each Contract Year, You may, without paying a surrender charge,

surrender a maximum of 10% of Purchase Payments not previously surrendered as of the beginning of that Contract Year (“Free Surrenders”). This privilege is not cumulative, which means that any Free Surrenders not taken during a given Contract Year may not be taken as a Free Surrender in a later Contract Year. In addition, We do not impose a surrender charge if the Accumulation Value is applied to an annuity option or on the payment of any death benefit.

### **Mortality and Expense Risk Charge**

We impose a mortality and expense risk charge. The mortality risk that We assume arises from Our obligation to continue to make annuity payments to each Annuitant (assuming for purposes of this discussion only that the Annuitant is also the Payee) regardless of (a) how long that person lives and (b) how long all annuitants as a group live. We also assume a risk associated with the guaranteed death benefit that We would pay in the event of death of the Annuitant during the Accumulation Phase. In addition, We assume the risk that the annual Contract charge (discussed below) may not be adequate to cover Our administrative expenses. In consideration for assuming these mortality and expense risks, We deduct an amount equal on an annual basis to 1.00% of the daily Accumulation Unit value of the Subaccounts.

We guarantee that We will not increase the mortality and expense risk charge after a Contract is

issued. If the charge is insufficient to cover the actual cost of the mortality and expense risks, the loss will fall on Us. Conversely, if the deductions prove more than sufficient, the excess will be a profit to Us. We can use any profits resulting to Us for any business purpose, including the payment of expenses of distributing the Contract.

### **OTHER CHARGES**

#### **Annual Contract Charge**

We currently deduct a \$35.00 annual Contract charge from the Accumulation Value on (a) the last Valuation Date of each Contract Year or (b) the date of surrender of the Contract, if earlier. These deductions are made during the Accumulation Phase only. The amount of this charge is guaranteed for the first 10 Contract Years, after which it may increase to no more than \$50.00. We make the charge against the Accumulation Value by proportionally reducing the number of Accumulation Units held in each of Your Subaccounts. We will not assess this charge in any state that does not permit it.

#### **Premium Tax Charge**

Some states and municipalities assess premium taxes at the time You make Purchase Payments, surrender, or begin receiving annuity payments.

We currently pay any premium taxes that are assessed. However, We reserve the right to deduct such premium taxes in accordance with the terms of Your Contract. These

taxes currently range up to 3.5% of Purchase Payments received by Us.

### **Fund Expenses**

The Funds also take deductions from, and pay expenses out of, their own assets. Further information about these charges is available in the attached prospectus for the VIP Series.

### **FEDERAL TAX INFORMATION**

This section provides a general summary of the federal tax law as it pertains to the Contract. We believe that the Contract will qualify as a tax-deferred annuity contract for federal income tax purposes, and the following summary assumes so. We do not discuss state or local taxes herein except as noted. The law described herein could change, possibly retroactively. We have the right to modify the Contract in response to changes in the law that affect the favorable tax treatment for annuity owners. We do not offer this summary as tax advice, for which You should consult a qualified tax adviser.

Taxation of a Contract will depend, in part, on whether the Contract is purchased as part of a qualified retirement plan or a traditional or Roth IRA. The following discussion does not apply to a Contract that has been purchased as part of a qualified retirement plan or IRA (a “qualified Contract”). If a qualified Contract is purchased, the tax treatment of Purchase Payments, annuity payments, surrenders and death benefits with respect to a qualified Contract will be governed by the tax law applicable to

qualified retirement plans and IRAs. However, generally, deductible or “before-tax” Purchase Payments for qualified Contracts will be taxed when distributed from the Contract; the Contract is not forfeitable; and Contract ownership may not be transferred. Purchase Payments for a Contract purchased outside of a qualified retirement plan or IRA (a “non-qualified Contract”) are on an “after-tax” basis, so You only pay federal income tax on Your net earnings and net realized gains under the Contract. Generally, these earnings and gains are taxed when You receive distributions thereof under the Contract. The IRS has not reviewed the Contract for qualification as an appropriate investment for a qualified retirement plan or IRA.

When a non-natural person owns a non-qualified Contract, the Contract generally will not be treated as an annuity for federal tax purposes and thus will not enjoy the benefit of tax deferral. However, a Contract owned by a non-natural person as an agent for an individual will be treated as an annuity for those purposes. This summary assumes that the Contractowner is a natural person who is a U.S. citizen or U.S. resident. The federal tax law applicable to corporate taxpayers, non-U.S. citizens, and non-U.S. residents may be different.

### **Purchase Payments**

Your Purchase Payments are not deductible from Your gross income for federal income tax purposes.

### **Increases in Accumulation Value**

Generally, You pay no federal income tax on increases in Your Contract's Accumulation Value until there is a distribution from the Contract. A distribution occurs when there is a partial or full surrender or annuity payments begin.

### **Annuity Payments**

Once annuity payments begin, You generally will be taxed for federal income tax purposes only on the net investment income and gains You have earned (as ordinary income) and not on the amount of Your Purchase Payments. As a result, a portion of each payment will be taxable as ordinary income. The remaining portion will be a nontaxable recovery of Your Investment in the Contract. Generally, Your Investment in the Contract equals the Purchase Payments You made, less any amounts You previously surrendered that were not taxable.

For Fixed Annuity Payments, the tax-free portion of each payment is determined by:

- dividing Your Investment in the Contract by the total amount You expect to receive out of the Contract, and
- multiplying the result by the amount of the payment.

For Variable Annuity Payments, the tax-free portion of each payment is (a) Your Investment in the Contract divided by (b) the number of expected payments.

The remaining portion of each payment, and all of the payments You receive after You recover Your Investment in the Contract, are fully taxable. If payments under a life annuity stop because the Annuitant dies, there is a federal income tax deduction for any unrecovered Investment in the Contract.

### **Surrenders**

Before annuity payments begin, surrenders are taxed for federal income tax purposes as follows:

- a partial or total surrender is taxed in the year of receipt to the extent that the Contract's Accumulation Value exceeds the Investment in the Contract (that is, on an "income first" basis in which distributions generally are taxed as earnings first, followed by a return of the cost basis); and
- a federal tax penalty equal to 10% of the taxable distribution applies to distributions before the taxpayer reaches age 59½ subject to certain exceptions.

The 10% federal tax penalty is generally not imposed on surrenders that are:

- made on or after the death of a Contractowner;
- attributable to the taxpayer's becoming disabled; or
- made as part of a series of substantially equal periodic payments (not less frequently than annually) for the life or life expectancy of the taxpayer or for the joint lives or joint life expectancies of the taxpayer and



his or her designated beneficiary. If You receive systematic payments that You intend to qualify for the substantially equal periodic payment exception, changes (other than by reason of death or disability) to Your systematic payments before You reach age 59 ½ or within five years (after You reach that age) after beginning Your systematic payments will result in the retroactive imposition of the 10% federal tax penalty with interest. Other exceptions may apply under certain circumstances. Special rules may also apply to the exceptions noted above.

If the Contract was purchased as an investment for profit, subject to certain rules, You may deduct any loss upon surrender of the Contract as an ordinary loss. For purposes of surrenders, the Internal Revenue Code treats all Contracts that We issue to You in the same calendar year as a single Contract.

### **Death Benefits**

Unlike the death benefit on a life insurance policy, the death benefit paid on an annuity contract does not pass to the Beneficiary free of federal income tax. Generally, a death benefit is included in the recipient's income as follows:

- if distributed in a lump sum, it is taxed in the same manner as a surrender of the Contract;
- if distributed under an annuity payout option, it is taxed in the same manner as annuity payments.

The death benefit paid to a Beneficiary on a Contract is ordinary

income to the Beneficiary to the extent it exceeds the Contractowner's Investment in the Contract. The Beneficiary must pay federal income tax on this amount at the Beneficiary's tax rate. Moreover, the amount of the death benefit may also be included in the Contractowner's federal gross estate unless the Beneficiary is the spouse. If the Beneficiary is not the spouse, the Beneficiary may be eligible for a special income tax deduction for a portion of the federal estate tax attributable to the death benefit.

### **Transfers, Assignments and Contract Exchanges**

Transferring or assigning ownership of a Contract, changing the Maturity Date or exchanging a Contract (unless the exchange qualifies as a tax-free exchange under Section 1035 of the Internal Revenue Code) may result in certain tax consequences, such as liability for federal income and gift taxes, not explained in this prospectus. Please consult Your tax adviser regarding these consequences.

### **Tax Withholding and Reporting**

The Internal Revenue Code generally requires Us to withhold income tax from any Contract distribution, including a partial surrender or total surrender or an annuity payment. The amount of withholding depends, in part, on whether the payment is "periodic" or "non-periodic."

For periodic payments (e.g., annuity payments), We withhold from the taxable portion of each payment as

if it were a payment of wages, based on a payroll withholding schedule that assumes a

married recipient claiming three withholding exemptions. If You want Us to withhold on a different basis, You must file an appropriate withholding certificate with Us. For non-periodic payments (e.g., distributions such as partial surrenders), We generally withhold 10% of the taxable portion of each payment.

You may elect not to have the withholding rules apply. For periodic payments, Your election is effective for the calendar year for which You file it with Us and for each subsequent year until You amend or revoke it. For non-periodic payments, an election is effective when You file it with Us, but only for the payment to which it is applicable. We have to notify Your recipients of Your right to elect not to have taxes withheld. The Internal Revenue Code generally requires Us to report all payments to the IRS.

### **Other Tax Issues**

We are taxed as a “life insurance company” under the Internal Revenue Code. We do not expect to incur any federal income tax as a result of the net earnings or realized net capital gains attributable to Separate Account C. Based upon this expectation, no charge is currently assessed against Separate Account C for such tax. If We incur such tax in the future, We may assess a charge for such tax against Separate Account C. We

may incur state and local taxes (in addition to premium taxes) attributable to Separate Account C in several states. At present, these taxes are not significant and We currently do not impose any charge for such taxes against Separate Account C. We may, however, assess Separate Account C for such taxes in the future. If any charges for federal, state or local taxes are assessed against Separate Account C in the future, they could reduce the net investment performances of the Subaccounts.

In order for the Contract to be treated as an annuity contract for federal income tax purposes, the investments of each Subaccount to which Purchase Payments under the Contract are allocated must be “adequately diversified” in accordance with the Internal Revenue Code and Treasury Department regulations. The investment adviser of the VIP Series monitors each Fund’s investment portfolio to ensure that the diversification requirements are met, because, for purposes thereof, a Fund’s assets are treated as if they are owned by each Subaccount that invests therein. If any Subaccount in which You invested failed to satisfy these requirements, You would be currently taxed on the net earnings and gains of the Subaccount unless Your Contract was held in a qualified retirement plan or an IRA. The tax would apply from the first quarter of the failure, until We corrected the failure in conformity with a Treasury Department procedure. This is a risk

that is common to all variable annuity contracts.

Each of the VIP Series that is available under the Contract sells its shares not only to Separate Account C but also to other separate accounts that fund variable life insurance policies and variable annuity contracts. We do not anticipate any disadvantage resulting from this arrangement. However, it is possible that a material conflict of interest could arise between the interests of Policyowners and Contractowners that invest in the same Fund. If such a conflict were to arise, We would take whatever steps were necessary to protect the interests of Policyowners and Contractowners, including potentially substituting a different fund for the Fund. It is also possible that the failure of one separate account to comply with the federal tax law requirements could cause all of the separate accounts to lose their tax-deferred status. This is a risk that is common to many variable life insurance policies and variable annuities.

Under certain circumstances, a Contractowner's control of the investments of Separate Account C could cause the Contractowner, rather than Us, to be treated as the owner of the assets in Separate Account C for federal tax purposes, which would result in the current taxation to the Contractowner of the net income and net realized gains on those assets to the Contractowner. Based upon existing IRS guidance, We do not believe that the ownership rights of a

Contractowner under the Contract would result in the Contractowner's being treated as the owner of the assets of the Contract. However, We do not know whether additional guidance will be provided by the IRS on this issue and what standards may be contained in such guidance. Therefore, We reserve the right to modify the Contract as necessary to attempt to prevent a Contractowner from being considered the owner of a pro rata share of the assets of the Contract.

**VOTING RIGHTS**

Because the VIP Series is not required to have annual shareholder meetings, Contractowners generally will not have an occasion to vote on matters that pertain to the VIP Series. In certain circumstances, one or more of the Funds may be required to hold a shareholders meeting or may choose to hold one voluntarily. For example, a Fund may not change fundamental investment policies without the approval of a majority vote of that Fund's shareholders in accordance with the 1940 Act.

If a Fund holds a meeting at which shareholders are entitled to vote, Contractowners would have an opportunity to provide voting instructions for shares of the Fund held by a Subaccount in which their Contract invests. We would vote the shares of any Fund held in a corresponding Subaccount or directly at any Fund shareholders meeting as follows:

- shares attributable to Contractowners for which We received instructions would be voted in accordance with the instructions;
- shares attributable to Contractowners for which We did not receive instructions would be voted in the same proportion that We voted shares held in the Subaccount for which We received instructions; and
- shares not attributable to Contractowners would be voted in the same proportion that We voted shares held in the Subaccount

attributable to Contractowners for which We received instructions.

We will vote Fund shares that We hold directly in the same proportion that We vote shares held in any corresponding Subaccounts that are attributable to Contractowners and for which We receive instructions. However, We will vote Our own shares as We deem appropriate where there are no shares held by Contractowners in any Subaccount. We will present all the shares of any Fund that We held through a Subaccount or directly at any Fund shareholders meeting for purposes of determining a quorum. We will determine the number of Fund shares held in a corresponding Subaccount that is attributable to each Contractowner as follows:

- in the Accumulation Phase, We divide the Subaccount's Accumulation Value by the net asset value of one Fund share, and
- in the annuity income period, We divide the reserve held in the Subaccount for the Variable Annuity Payments under the Contract by the net asset value of one Fund share. As this reserve fluctuates, the number of votes fluctuates.

We will determine the number of votes that a Contractowner has the right to cast as of the record date established by the VIP Series. We will solicit instructions by written communication before the date of the meeting at which votes will be cast. We will send meeting information and other materials

relating to the Fund to each Contractowner having a voting interest in a Subaccount. The voting rights that We describe in this prospectus are created under applicable laws. If the laws eliminate the necessity to submit such matters for approval by persons having voting rights in separate accounts of insurance companies or restrict such voting rights, We reserve the right to proceed in accordance with any such changed laws or regulations. Specifically, We reserve the right to vote shares of any Fund in Our own right, to the extent the law permits.

### **PROCESSING TRANSACTIONS**

Generally, Your transaction requests will be processed as of the Valuation Date on which We receive them, if We receive them in Good Order before the closing of business (generally 4:00 P.M. Eastern Time). Otherwise, they will be processed as of Our next Valuation Date. To meet Our requirements for processing transactions, We may require that You use Our forms.

### **RESERVATION OF RIGHTS**

We also reserve the right to make certain changes to the Contract, Separate Account C or the Funds if We believe they would (a) best serve the interests of the Contractowners and Payees or (b) be appropriate in carrying out the purposes of the Contract. We will make a change only as the law permits. When required, We will (a) obtain the necessary Contractowner or regulatory approval for any change and (b) notify Contractowners before making a change.

For example, We may:

- operate Separate Account C in any form permitted by law;
- add, delete, combine, or modify Subaccounts of Separate Account C;
- add, delete, or substitute for the Fund shares held in any Subaccount the shares of any investment company or series thereof, or any investment permitted by law;
- amend or obtain and continue any exemptions under the Contract if required to comply with federal tax law requirements, the Internal Revenue Code or any other applicable federal or state law; or
- make any necessary technical changes in the Contract in order to conform with any of the above actions.

### **STATE VARIATIONS**

Where required by state law, there may be variations in the Contract covered by a special form of the Contract for Your State. As a result, Your Contract may differ from this prospectus. You should refer to Your Contract for terms that are specific to Your characteristics. We have the right to change the Contract to meet applicable state laws or regulations. We offer the Contract in most states. Check with Your registered representative for availability in Your state. The Contract is offered continuously. Although We do not anticipate discontinuing the offer of the Contract, We reserve the right to do so at any time.

## **DISTRIBUTION OF THE CONTRACT**

The Contract is distributed through Foresters Financial Services, Inc. (“FFS”), which is one of Our affiliates. FFS is a registered broker-dealer under the Securities Exchange Act of 1934, and a member of the Financial Industry Regulatory Authority (“FINRA”). FFS’s executive offices are located at 40 Wall Street, New York, NY 10005.

The Contract is offered to the public through registered representatives of broker-dealers (“Selling Firms”) that are licensed under the federal securities laws and applicable state insurance laws and that have entered into written selling agreements with FFS as the underwriter. We pay FFS a commission of 5.868% of the Purchase Payments made under the Contract. FFS pays commissions to the Selling Firms for their sales of the Contract according to one or more schedules. The amount and timing of commissions may vary depending on the selling agreement. A representative of a Selling Firm who sells You the Policy typically receives a percentage of the compensation FFS pays to his or her Selling Firm, depending on the agreement between the Selling Firm and its representative, and the Selling Firm’s compensation program. Ask Your representative for further information about the compensation Your representative, and the Selling Firm that employs Your representative, may receive in connection with Your purchase of a Policy. We reserve the right to sell the Contracts directly or to enter into selling agreements with

other qualified affiliated or unaffiliated registered broker-dealers.

In addition, in an effort to promote the sale of Our products, We and FFS may enter into compensation arrangements with certain broker-dealer firms with respect to certain or all registered representatives of such firms under which such firms may receive separate compensation or reimbursement for, among other things, training of sales personnel, marketing, administrative services and/or other services they provide to Us or Our affiliates. These services may include, but are not limited to: educating customers on Our product features; conducting due diligence and analysis; providing office access, operations and systems support; and holding seminars intended to educate registered representatives and make them more knowledgeable about Our products. We and FFS also may compensate third-party vendors for services that such vendors render to broker-dealer firms. To the extent permitted by the FINRA rules and other applicable laws and regulations, We and FFS may pay or allow other promotional incentives or payments in the forms of non-cash compensation (e.g., gifts, occasional meals and entertainment, sponsorship of training and due diligence events). These arrangements may not be offered to all firms and the terms of such arrangements may differ between firms. In addition, Our affiliates may provide such compensation, payments and/or incentives to firms arising out of the marketing, sale

and/or servicing of variable annuities or life insurance offered by Us.

## **REPORTS**

Our variable annuities are offered through broker-dealers that are registered with the SEC and are members of FINRA. At least twice each year, We will send a report to You that contains financial information about the Funds as required by applicable law. In addition, transaction confirmations are sent by Us on behalf of the broker-dealers through which variable annuity transactions are processed and, at least once each year, We will send a statement that gives You financial information about Your Contract.

If several members of the same household each own a Contract, We may send only one such report or prospectus to that address, unless You instruct Us otherwise. You may receive additional copies by calling or writing Us.

## **FINANCIAL STATEMENTS**

The Financial Statements of FLIAC and for Separate Account C are in the SAI.

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SEC file numbers: Separate Account C: 033-33419/811-06130



To: Foresters Life Insurance and Annuity Company  
Raritan Plaza 1  
Edison, New Jersey 08837

Request for Statement of  
Additional Information

I would like to receive a current copy of the following:  
(check all appropriate boxes below)

- The Statement of Additional Information for First Investors Life Variable Annuity Fund C (Separate Account C).
- The Statement of Additional Information for Delaware VIP<sup>®</sup> Trust

From: \_\_\_\_\_  
(name)

Contract number: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone number: \_\_\_\_\_

- Check if this is a change of address.

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# Prospectus

## Delaware VIP® Trust

Delaware VIP Covered Call Strategy Series

Delaware VIP Fund for Income Series

Delaware VIP Growth Equity Series

Delaware VIP Equity Income Series

Delaware VIP Government Cash Management Series

Delaware VIP Growth and Income Series

Delaware VIP Opportunity Series

Delaware VIP Limited Duration Bond Series

Delaware VIP Special Situations Series

Delaware VIP International Series

Delaware VIP Total Return Series

Delaware VIP Investment Grade Series

## Standard Class

October 4, 2019

**Beginning on or about June 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of your Series' shareholder reports will no longer be sent to you by mail, unless you specifically request them from the Series or from your financial intermediary, such as a broker/dealer, bank, or insurance company. Instead, you will be notified by mail each time a report is posted on the website and provided with a link to access the report.**

**If you already elected to receive shareholder reports electronically, you will not be affected by this change and you do not need to take any action.**

**You may elect to receive paper copies of all future shareholder reports free of charge. You can inform the Series that you wish to continue receiving paper copies of your shareholder reports by contacting us at 800 523-1918. If you own these shares through a financial intermediary, you may contact your financial intermediary to elect to continue to receive paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held with the Delaware Funds® by Macquarie or your financial intermediary.**

**The US Securities and Exchange Commission has not approved or disapproved these securities or passed upon the adequacy of this Prospectus. Any representation to the contrary is a criminal offense.**

**Get shareholder reports and prospectuses online instead of in the mail.  
Visit [delawarefunds.com/dcio/literature](http://delawarefunds.com/dcio/literature).**

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# Series summary

## Delaware VIP® Covered Call Strategy Series

### What is the Series' investment objective?

Delaware VIP Covered Call Strategy Series seeks long-term capital appreciation.

### What are the Series' fees and expenses?

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Series. The fee table and example do not reflect any fees or sales charges imposed by variable insurance contracts. If they did, the expenses would be higher.

### Annual series operating expenses (expenses that you pay each year as a percentage of the value of your investment)

Class	Standard
Management fees . . . . .	0.75%
Distribution and service (12b-1) fees . . . . .	none
Other expenses . . . . .	0.37%
Total annual series operating expenses . . . . .	1.12%
Fee waivers and expense reimbursements . . . . .	(0.22%) <sup>1</sup>
Total annual series operating expenses after fee waivers and expense reimbursements . . . . .	0.90%

<sup>1</sup> The Series' investment manager, Delaware Management Company (Manager), has contractually agreed to waive all or a portion of its investment advisory fees and/or pay/reimburse expenses (excluding any acquired fund fees and expenses, taxes, interest, short sale dividend and interest expenses, brokerage fees, certain insurance costs, and nonroutine expenses or costs, including, but not limited to, those relating to reorganizations, litigation, conducting shareholder meetings, and liquidations) in order to prevent total annual series operating expenses from exceeding 0.90% of the Series' average daily net assets from Oct. 4, 2019 through Oct. 31, 2021. These waivers and reimbursements may only be terminated by agreement of the Manager and the Series.

### Example

This example is intended to help you compare the cost of investing in the Series with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Series for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and

# Series summary

reflects the Manager's expense waivers and reimbursements for the 2-year contractual period and the total operating expenses without waivers for years 3 through 10. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Class	Standard
1 year . . . . .	\$92
3 years. . . . .	\$311
5 years. . . . .	\$573
10 years. . . . .	\$1,323

## Portfolio turnover

The Series pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Series shares are held in a taxable account. These costs, which are not reflected in the annual series operating expenses or in the example, affect the Series’ performance. During the most recent fiscal year, the Predecessor Series’ (defined below) portfolio turnover rate was 87% of the average value of its portfolio.

## What are the Series’ principal investment strategies?

The Series invests in a portfolio of equity securities and writes (sells) call options on those securities. Under normal circumstances, the Series writes (sells) call options on at least 80% of the Series’ total assets (80% policy). The Series normally writes (sells) covered call options listed on US exchanges on the equity securities held by the Series to seek to lower the overall volatility of the Series’ portfolio, protect the Series from market declines and generate income. The call options written (sold) by the Series will generally have an exercise price that is above the market price of the underlying security at the time the option is written (sold). The Series’ equity investments consist primarily of common stocks of large-size US companies (companies over \$10 billion in market capitalization), certain of which may pay dividends, and US dollar-denominated equity securities of foreign issuers (i.e., American Depositary Receipts (ADRs)) traded on US securities exchanges. To a lesser extent, the Series may also invest in and write (sell) covered call options on securities of mid- and small-capitalization issuers and exchange-traded funds (ETFs) that track certain market indices, such as the S&P 500. The nature of the Series is such that it may be expected to underperform equity markets during periods of sharply rising equity prices; conversely, the Series seeks to reduce losses relative to equity markets during periods of declining equity prices.

A call option gives the purchaser of the option the right to buy, and the writer, in this case, the Series, the obligation to sell, the underlying security at the exercise price at any time prior to the expiration of the contract, regardless of the market price of the underlying security during the option period. Covered call options may be sold up to the number of shares of the equity securities held by the Series.

In selecting investments, Ziegler Capital Management, LLC (ZCM), the Series' sub-advisor, considers the following, among other criteria: a) companies in an industry with a large market share or significant revenues that fit the Series' investment strategy; b) companies with new products or new management to replace underperforming management; c) recent or anticipated fundamental improvements in industry environment; and d) companies that are out of favor. Call options written by the Series are designed to create income, lower the overall volatility of the Series' portfolio and mitigate the impact of market declines. ZCM considers several factors when writing (selling) call options, including the overall equity market outlook, sector and/or industry attractiveness, individual security considerations, and relative and/or historical levels of option premiums. Premiums received for a call option the Series writes will be treated as a short-term capital gain if the option expires.

The Series may sell a security based on the following, among other criteria: a) an actual or anticipated significant decline in an issuer's profitability and/or a significant negative outlook from management; b) a large appreciation in the stock price that leads to overvaluation relative to itself and its peers historically; c) significant management turnover at the senior level; or d) an industry-wide decrease in demand for an issuer's products or services. ZCM writes call options based upon its outlook on the economy and stock market and analysis of individual stocks, which can impact the exercise price and expiration of a call option. Generally, higher implied volatility will lead to longer expirations, locking in potentially higher call premiums, whereas lower implied volatility will tend to lead to shorter-dated options. The writing of covered call options may result in frequent trading and a high portfolio turnover rate.

Additionally, from time to time, in pursuing its investment strategies, the Series may hold significant investments (25% or more of its assets) in a specific market sector, including the information technology sector.

## **What are the principal risks of investing in the Series?**

Investing in any mutual fund involves the risk that you may lose part or all of the money you invest. Over time, the value of your investment in the Series will increase and decrease according to changes in the value of the securities in the Series' portfolio. The Series' principal risks include:

**Market risk** — Stock prices may decline over short or even extended periods due to general economic and market conditions, adverse political or regulatory developments or a change in interest rates. Adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling investments to meet redemptions.

**Call options risk** — Writing call options involves risks, such as potential losses if equity markets or an individual equity security do not move as expected and the potential for greater losses than if these techniques had not been used. By writing covered call options, the Series will give up the opportunity to benefit from potential increases in the value of a Series asset

## Series summary

above the exercise price, but will bear the risk of declines in the value of the asset. Writing call options may expose the Series to significant additional costs. Derivatives may be difficult to sell, unwind or value.

**Dividend risk** — At times, the Series may not be able to identify attractive dividend-paying stocks. The income received by the Series will also fluctuate due to the amount of dividends that companies elect to pay, which could adversely affect the Series' ability to pay dividends and its share price.

**Active management and selection risk** — The risk that the securities selected by a series' management will underperform the markets, the relevant indices, or the securities selected by other funds with similar investment objectives and investment strategies. The securities and sectors selected may vary from the securities and sectors included in the relevant index.

**Exchange-traded funds risk** — The risks of investing in securities of ETFs typically reflect the risks of the types of instruments in which the ETF invests. In addition, because ETFs are investment companies, the Series will bear its proportionate share of the fees and expenses of an investment in an ETF. As a result, the Series' operating expenses may be higher and performance may be lower.

**High portfolio turnover and frequent trading risk** — High portfolio turnover could increase the Series' transaction costs and negatively impact performance.

**Mid-size and small-size company risk** — The market risk associated with stocks of mid- and small-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of mid- and small-size companies tend to experience sharper price fluctuations. At times, it may be difficult to sell mid- to small-size company stocks at reasonable prices.

**Sector risk** — The Series may hold a significant amount of investments in similar businesses, which could be affected by the same economic or market conditions. The Series may be significantly invested in the information technology sector, meaning that the value of its shares may be particularly vulnerable to factors affecting that sector, such as intense competition, government regulation and potentially rapid product obsolescence. Companies in this sector also are heavily dependent on intellectual property rights and may be adversely affected by the loss or impairment of those rights.

**American depositary receipts risk** — ADRs may involve many of the same risks as direct investments in foreign securities, including currency exchange fluctuations, less liquidity, more volatility, different governmental regulations, and the potential for political and economic instability.

The Manager is an indirect wholly owned subsidiary of Macquarie Group Limited (MGL). Other than Macquarie Bank Limited (MBL), a subsidiary of MGL and an affiliate of the Manager, 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. The Series is governed by US laws and regulations.

### **How has Delaware VIP® Covered Call Strategy Series performed?**

The bar chart and table below provide some indication of the risks of investing in the Series. The Series has adopted the performance of the First Investors Life Series Covered Call Strategy Fund (Predecessor Series) as the result of a reorganization of the Predecessor Series into the Series which was consummated after the close of business on Oct. 4, 2019 (Reorganization). The Series had not yet commenced operations prior to the Reorganization. The bar chart shows changes in the performance of the Predecessor Series from year to year and shows how the Predecessor Series' average annual total returns for the 1-year and lifetime periods compare with those of a broad measure of market performance. The Predecessor Series' past performance (before and after taxes) is not necessarily an indication of how the Series will perform in the future. The returns reflect any expense caps in effect during these periods. The returns would be lower without the expense caps.

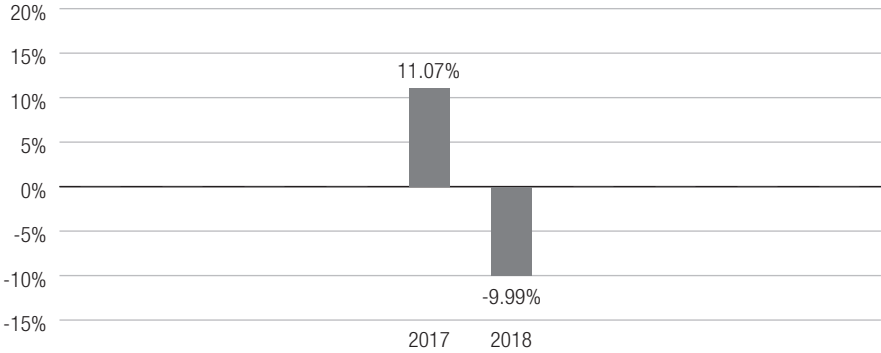
The returns shown for periods ending on or prior to Oct. 4, 2019 are those of the Predecessor Series. The returns of the Series will be different from the returns of the Predecessor Series as they have different expenses.

Updated performance information is available by calling 800 523-1918 or by visiting our website at [delawarefunds.com/dcio/performance](http://delawarefunds.com/dcio/performance).

# Series summary

Performance reflects all Series expenses but does not include any fees or sales charges imposed by variable insurance contracts. If they had been included, the returns shown below would be lower. Investors should consult the variable contract prospectus for more information.

### Calendar year-by-year total return



During the periods illustrated in this bar chart, the Series' highest quarterly return was 5.79% for the quarter ended Sept. 30, 2018, and its lowest quarterly return was -12.71% for the quarter ended Dec. 31, 2018.

### Average annual total returns for periods ended December 31, 2018

	1 year	Life of Series
Covered Call Strategy Series (Inception Date: 5/2/16) . . . . .	-9.99%	1.94%
CBOE S&P 500 BuyWrite Index (reflects no deduction for fees, expenses or taxes). . . . .	-4.77%	5.35%
S&P 500® Index (reflects no deduction for fees, expenses or taxes) .	-4.38%	9.74%

### Who manages the Series?

#### Investment manager

Delaware Management Company, a series of Macquarie Investment Management Business Trust (a Delaware statutory trust)

#### Sub-advisor

Ziegler Capital Management, LLC (ZCM)

Portfolio managers	Title with ZCM	Start date on the Series
Wiley D. Angell	Senior Portfolio Manager	October 2019
Sean C. Hughes, CFA	Senior Portfolio Manager	October 2019

### Purchase and redemption of Series shares

Shares are sold only to separate accounts of life insurance companies at net asset value (NAV). Please refer to the variable annuity or variable life insurance product contract prospectus for more information about the purchase and redemption of shares.

### Tax information

The dividends and distributions paid from the Series to the insurance company separate accounts will consist of ordinary income, capital gains, or some combination of both. Because shares of the Series must be purchased through separate accounts used to fund variable annuity contracts or variable life insurance contracts (variable contracts), such dividends and distributions will be exempt from current taxation by contract holders if left to accumulate within a separate account. You should refer to your variable contract prospectus for more information on these tax consequences.

### Payments to broker/dealers and other financial intermediaries

If you purchase shares of the Series through a broker/dealer or other financial intermediary (such as an insurance company), the Series and its related companies may pay the intermediary for the sale of Series shares and related services. These payments may create a conflict of interest by influencing the broker/dealer or other intermediary and your salesperson to recommend the Series over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# Series summary

## What is the Series' investment objective?

Delaware VIP Fund for Income Series seeks high current income.

## What are the Series' fees and expenses?

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Series. The fee table and example do not reflect any fees or sales charges imposed by variable insurance contracts. If they did, the expenses would be higher.

### Annual series operating expenses (expenses that you pay each year as a percentage of the value of your investment)

Class	Standard
Management fees . . . . .	0.65%
Distribution and service (12b-1) fees . . . . .	none
Other expenses . . . . .	0.20%
Total annual series operating expenses . . . . .	0.85%
Fee waivers and expense reimbursements . . . . .	(0.02%) <sup>1</sup>
Total annual series operating expenses after fee waivers and expense reimbursements . . . . .	0.83%

<sup>1</sup> The Series' investment manager, Delaware Management Company (Manager), has contractually agreed to waive all or a portion of its investment advisory fees and/or pay/reimburse expenses (excluding any acquired fund fees and expenses, taxes, interest, short sale dividend and interest expenses, brokerage fees, certain insurance costs, and nonroutine expenses or costs, including, but not limited to, those relating to reorganizations, litigation, conducting shareholder meetings, and liquidations) in order to prevent total annual series operating expenses from exceeding 0.83% of the Series' average daily net assets from Oct. 4, 2019 through Oct. 31, 2021. These waivers and reimbursements may only be terminated by agreement of the Manager and the Series.

## Example

This example is intended to help you compare the cost of investing in the Series with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Series for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and reflects the Manager's expense waivers and reimbursements for the 2-year contractual period and the total operating expenses without waivers for years 3 through 10. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Class	Standard
1 year . . . . .	\$85
3 years . . . . .	\$267
5 years . . . . .	\$467
10 years . . . . .	\$1,045



## **Portfolio turnover**

The Series pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Series shares are held in a taxable account. These costs, which are not reflected in the annual series operating expenses or in the example, affect the Series’ performance. During the most recent fiscal year, the Predecessor Series’ (defined below) portfolio turnover rate was 73% of the average value of its portfolio.

## **What are the Series’ principal investment strategies?**

The Series primarily invests in high yield, below investment grade corporate bonds (commonly known as “high yield” or “junk bonds”). High yield bonds include both bonds that are rated below Baa3 by Moody’s Investors Service, Inc. or below BBB- by Standard & Poor’s Financial Services LLC as well as unrated bonds that are determined by the Series’ Manager to be of equivalent quality. High yield bonds generally provide higher income than investment grade bonds to compensate investors for their higher risk of default (i.e., failure to make required interest or principal payments). The Series may also invest in other high yield debt securities, such as assignments of syndicated bank loans (also known as “floating rate loans”). While the Series does not impose any maturity or duration limits on its investments, the Manager expects that the majority of the Series’ investments will be in bonds maturing in 10 years or less.

Although the Manager will consider ratings assigned by ratings agencies in selecting high yield bonds, it relies principally on its own research and investment analysis. The Manager may sell a bond when it shows deteriorating fundamentals or it falls short of the Manager’s expectations. It may also decide to continue to hold a bond (or related securities) after its issuer defaults or is subject to a bankruptcy. In addition, the 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 Series security trades on behalf of the Manager and exercise investment discretion for securities in certain markets where the Manager believes it will be beneficial to utilize an Affiliated Sub-Advisor’s specialized market knowledge.

# Series summary

## What are the principal risks of investing in the Series?

Investing in any mutual fund involves the risk that you may lose part or all of the money you invest. Over time, the value of your investment in the Series will increase and decrease according to changes in the value of the securities in the Series' portfolio. The Series' principal risks include:

**Market risk** — The floating rate loan, high yield loan and bond market can experience sharp price swings due to a variety of factors, including changes in economic forecasts, stock market volatility, large sustained sales of high yield bonds by major investors, high-profile defaults or the market's psychology. Adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemptions.

**High yield (junk bond) risk** — The risk that high yield securities, commonly known as “junk bonds,” are subject to reduced creditworthiness of issuers, increased risk of default, and a more limited and less liquid secondary market. High yield securities may also be subject to greater price volatility and risk of loss of income and principal than are higher-rated securities. High yield bonds are sometimes issued by municipalities that have less financial strength and therefore have less ability to make projected debt payments on the bonds.

**Credit risk** — A debt issuer may become unable or unwilling to pay interest or principal when due. The prices of debt securities are affected by the credit quality of the issuer.

**Interest rate risk** — In general, when interest rates rise, the market value of a debt security declines, and when interest rates decline, the market value of a debt security increases. Floating rate securities may be less sensitive than fixed-rate instruments to interest rate changes, but they could remain sensitive over the short-term to interest rate changes. The interest rates on floating rate securities adjust periodically and may not correlate to prevailing interest rates during the periods between rate adjustments. Securities with longer maturities and durations are generally more sensitive to interest rate changes.

**Floating rate loan risk** — The value of any collateral securing a floating rate loan may decline, be insufficient to meet the borrower's obligations, or be difficult or costly to liquidate. It may take significantly longer than 7 days for investments in floating rate loans to settle, which can adversely affect the Series' ability to timely honor redemptions. In the event of a default, it may be difficult to collect on any collateral and a floating rate loan can decline significantly in value. The Series' access to collateral may also be limited by bankruptcy or other insolvency laws. Although senior loans may be senior to equity and debt securities in the borrower's capital structure, the loans may be subordinated to other obligations of the borrower or its subsidiaries. If a floating rate loan is acquired through an assignment, the Series may not be able to unilaterally enforce all rights and remedies under the loan and

with regard to any associated collateral. High yield floating rate loans usually are more credit sensitive. Floating rate loans may not be considered “securities” for certain purposes of the federal securities laws and purchasers, such as the Series, therefore, may not be entitled to rely on the anti-fraud protections of the federal securities laws. Floating rate loans which reference the London interbank offered rate (LIBOR) may be adversely affected by potential changes related to the use of LIBOR. While some floating rate loans may contemplate a scenario where LIBOR is no longer available by providing for an alternative rate setting methodology, not all instruments have such “fallback provisions” and the effectiveness of replacement rates is uncertain. The potential abandonment of LIBOR could affect the value and liquidity of floating rate loans which reference LIBOR, especially those that do not have fallback provisions.

**Active management and selection risk** — The risk that the securities selected by a series’ management will underperform the markets, the relevant indices, or the securities selected by other funds with similar investment objectives and investment strategies. The securities and sectors selected may vary from the securities and sectors included in the relevant index.

**Liquidity risk** — Certain investments may be difficult or impossible to sell at a favorable time or price. Market developments may cause the Series’ investments to become less liquid and subject to erratic price movements. High yield securities and loans tend to be less liquid. Floating rate loans generally are subject to legal or contractual restrictions on resale and may trade infrequently. Assignments of bank loans and bonds also may be less liquid at times because of potential delays in the settlement process or restrictions on resale.

The Manager is an indirect wholly owned subsidiary of Macquarie Group Limited (MGL). Other than Macquarie Bank Limited (MBL), a subsidiary of MGL and an affiliate of the Manager, 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. The Series is governed by US laws and regulations.

## **How has Delaware VIP® Fund for Income Series performed?**

The bar chart and table below provide some indication of the risks of investing in the Series. The Series has adopted the performance of the First Investors Life Series Fund For Income (Predecessor Series) as the result of a reorganization of the Predecessor Series into the Series which was consummated after the close of business on Oct. 4, 2019 (Reorganization). The Series had not yet commenced operations prior to the Reorganization. The bar chart shows changes in the performance of the Predecessor Series from year to year and shows how

# Series summary

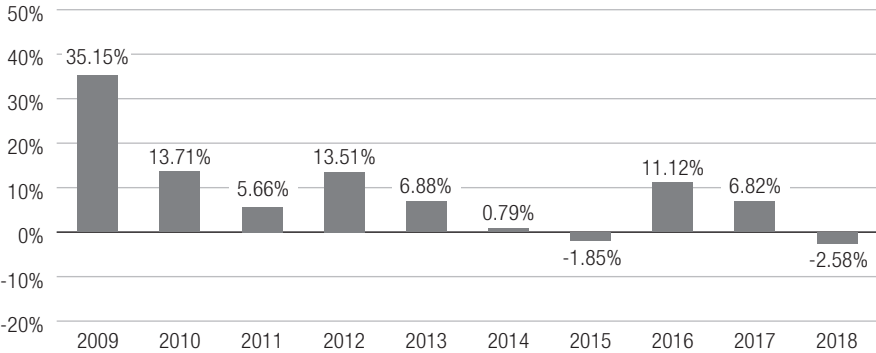
the Predecessor Series' average annual total returns for the 1-, 5-, and 10-year or lifetime periods compare with those of a broad measure of market performance. The Predecessor Series' past performance (before and after taxes) is not necessarily an indication of how the Series will perform in the future. The returns reflect any expense caps in effect during these periods. The returns would be lower without the expense caps.

The returns shown for periods ending on or prior to Oct. 4, 2019 are those of the Predecessor Series. The returns of the Series will be different from the returns of the Predecessor Series as they have different expenses.

Updated performance information is available by calling 800 523-1918 or by visiting our website at [delawarefunds.com/dcio/performance](http://delawarefunds.com/dcio/performance).

Performance reflects all Series expenses but does not include any fees or sales charges imposed by variable insurance contracts. If they had been included, the returns shown below would be lower. Investors should consult the variable contract prospectus for more information.

## Calendar year-by-year total return



During the periods illustrated in this bar chart, the Series' highest quarterly return was 15.22% for the quarter ended June 30, 2009, and its lowest quarterly return was -5.37% for the quarter ended Sept. 30, 2011.

## Average annual total returns for periods ended December 31, 2018

	1 year	5 years	10 years
Fund for Income Series . . . . .	-2.58%	2.73%	8.46%
ICE BofAML US High Yield Constrained Index (reflects no deduction for fees, expenses, or taxes)* . . . . .	-2.27%	3.83%	11.02%
ICE BofAML BB-B US Cash Pay High Yield Constrained Index (reflects no deduction for fees, expenses or taxes)* . . . . .	-2.04%	3.87%	9.98%

\* The Series changed its broad-based securities index to the ICE BofAML US High Yield Constrained Index as of Oct. 4, 2019. The Series elected to use the new index because it more closely reflected the Series' investment strategies.

## Who manages the Series?

### Investment manager

Delaware Management Company, a series of Macquarie Investment Management Business Trust (a Delaware statutory trust)

Portfolio managers	Title with Delaware Management Company	Start date on the Series
John P. McCarthy, CFA	Senior Vice President, Co-Head of High Yield, Senior Portfolio Manager	October 2019
Adam H. Brown, CFA	Senior Vice President, Co-Head of High Yield, Senior Portfolio Manager	October 2019
Craig C. Dembek, CFA	Executive Director, Global Head of Credit Research	October 2019
Paul A. Matlack, CFA	Senior Vice President, Senior Portfolio Manager, Fixed Income Strategist	October 2019

### Sub-advisors

Macquarie Investment Management Austria Kapitalanlage AG (MIMAK)

Macquarie Investment Management Europe Limited (MIMEL)

Macquarie Investment Management Global Limited (MIMGL)

# Series summary

## **Purchase and redemption of Series shares**

Shares are sold only to separate accounts of life insurance companies at net asset value (NAV). Please refer to the variable annuity or variable life insurance product contract prospectus for more information about the purchase and redemption of shares.

## **Tax information**

The dividends and distributions paid from the Series to the insurance company separate accounts will consist of ordinary income, capital gains, or some combination of both. Because shares of the Series must be purchased through separate accounts used to fund variable annuity contracts or variable life insurance contracts (variable contracts), such dividends and distributions will be exempt from current taxation by contract holders if left to accumulate within a separate account. You should refer to your variable contract prospectus for more information on these tax consequences.

## **Payments to broker/dealers and other financial intermediaries**

If you purchase shares of the Series through a broker/dealer or other financial intermediary (such as an insurance company), the Series and its related companies may pay the intermediary for the sale of Series shares and related services. These payments may create a conflict of interest by influencing the broker/dealer or other intermediary and your salesperson to recommend the Series over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# Delaware VIP® Growth Equity Series

## What is the Series' investment objective?

Delaware VIP Growth Equity Series seeks long-term growth of capital.

## What are the Series' fees and expenses?

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Series. The fee table and example do not reflect any fees or sales charges imposed by variable insurance contracts. If they did, the expenses would be higher.

### Annual series operating expenses (expenses that you pay each year as a percentage of the value of your investment)

Class	Standard
Management fees . . . . .	0.65%
Distribution and service (12b-1) fees . . . . .	none
Other expenses . . . . .	0.11%
Total annual series operating expenses . . . . .	0.76%
Fee waivers and expense reimbursements . . . . .	(0.00%) <sup>1</sup>
Total annual series operating expenses after fee waivers and expense reimbursements . . . . .	0.76%

<sup>1</sup> The Series' investment manager, Delaware Management Company (Manager), has contractually agreed to waive all or a portion of its investment advisory fees and/or pay/reimburse expenses (excluding any acquired fund fees and expenses, taxes, interest, short sale dividend and interest expenses, brokerage fees, certain insurance costs, and nonroutine expenses or costs, including, but not limited to, those relating to reorganizations, litigation, conducting shareholder meetings, and liquidations) in order to prevent total annual series operating expenses from exceeding 0.80% of the Series' average daily net assets from Oct. 4, 2019 through Oct. 31, 2021. These waivers and reimbursements may only be terminated by agreement of the Manager and the Series.

## Example

This example is intended to help you compare the cost of investing in the Series with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Series for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and reflects the Manager's expense waivers and reimbursements for the 2-year contractual period and the total operating expenses without waivers for years 3 through 10. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Class	Standard
1 year . . . . .	\$78
3 years . . . . .	\$243
5 years . . . . .	\$422
10 years . . . . .	\$942

# Series summary

## **Portfolio turnover**

The Series pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Series shares are held in a taxable account. These costs, which are not reflected in the annual series operating expenses or in the example, affect the Series’ performance. During the most recent fiscal year, the Predecessor Series’ (defined below) portfolio turnover rate was 31% of the average value of its portfolio.

## **What are the Series’ principal investment strategies?**

The Series invests in a portfolio of approximately 40-45 common stocks that the Series’ sub-advisor, Smith Asset Management Group, L.P. (Smith), believe offers the best potential for earnings growth with the lowest risk of negative earnings surprises.

Smith employs quantitative and qualitative analysis to identify high quality companies that it believes have the ability to accelerate earnings growth and exceed investor expectations. Beginning with a universe of stocks that includes large-, mid- and small-size companies, Smith uses risk control and valuation screens primarily based on valuation, financial quality, stock volatility and corporate governance, to eliminate stocks that are highly volatile or are more likely to underperform the market. The Series will generally invest primarily in US companies.

Stocks that pass the initial screens are then evaluated using a proprietary methodology and fundamental analysis to produce a list of 80-100 eligible companies that Smith believes have a high probability of earnings growth that exceeds investor expectations. The analysis includes an evaluation of changes in Wall Street opinions, individual analysts’ historical accuracy, earnings quality analysis and corporate governance practices. Smith then constructs the Series’ portfolio based on a traditional fundamental analysis of the companies identified on the list to understand their business prospects, earnings potential, strength of management and competitive positioning.

Stocks may be sold if they exhibit negative investment or performance characteristics, including: a negative earnings forecast or report, valuation concerns, company officials’ downward guidance on company performance or earnings or announcement of a buyout. Additionally, from time to time, in pursuing its investment strategies, the Series may hold significant investments (25% or more of its assets) in a specific market sector, including the information technology sector.



## What are the principal risks of investing in the Series?

Investing in any mutual fund involves the risk that you may lose part or all of the money you invest. Over time, the value of your investment in the Series will increase and decrease according to changes in the value of the securities in the Series' portfolio. The Series' principal risks include:

**Market risk** — Stock prices may decline over short or even extended periods due to general economic and market conditions, adverse political or regulatory developments or interest rate fluctuations. Adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemptions.

**Growth stock risk** — The Series' focus on growth stocks increases the potential volatility of its share price. If expectations are not met, the prices of these stocks may decline significantly.

**Focused portfolio risk** — Because the Series generally invests in a limited portfolio of only 40 to 45 stocks, its performance may be more volatile than other funds whose portfolios may contain a larger number of securities.

**Active management and selection risk** — The risk that the securities selected by a series' management will underperform the markets, the relevant indices, or the securities selected by other funds with similar investment objectives and investment strategies. The securities and sectors selected may vary from the securities and sectors included in the relevant index.

**Sector risk** — The Series may hold a significant amount of investments in similar businesses, which could be affected by the same economic or market conditions. To the extent the Series invests significantly in the information technology sector, the value of the Series' shares may be particularly vulnerable to factors affecting that sector, such as intense competition and potentially rapid product obsolescence. Companies in this sector also are heavily dependent on intellectual property rights and may be adversely affected by the loss or impairment of those rights.

**Mid-size and small-size company risk** — The market risk associated with stocks of mid- and small-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of mid- and small-size companies tend to experience sharper price fluctuations. At times, it may be difficult to sell mid- to small-size company stocks at reasonable prices.

The Series investment manager, Delaware Management Company (Manager), is an indirect wholly owned subsidiary of Macquarie Group Limited (MGL). Other than Macquarie Bank Limited (MBL), a subsidiary of MGL and an affiliate of the Manager, 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

# Series summary

other liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities, unless noted otherwise. The Series is governed by US laws and regulations.

## How has Delaware VIP® Growth Equity Series performed?

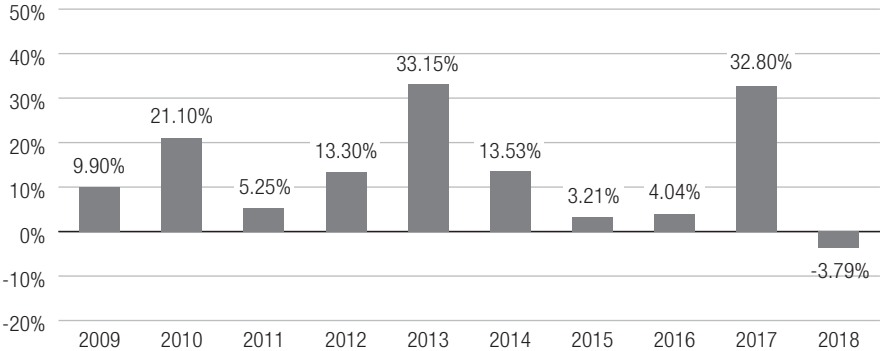
The bar chart and table below provide some indication of the risks of investing in the Series. The Series has adopted the performance of the First Investors Life Series Select Growth Fund (Predecessor Series) as the result of a reorganization of the Predecessor Series into the Series which was consummated after the close of business on Oct. 4, 2019 (Reorganization). The Series had not yet commenced operations prior to the Reorganization. The bar chart shows changes in the performance of the Predecessor Series from year to year and shows how the Predecessor Series' average annual total returns for the 1-, 5-, and 10-year or lifetime periods compare with those of a broad measure of market performance. The Predecessor Series' past performance (before and after taxes) is not necessarily an indication of how the Series will perform in the future. The returns reflect any expense caps in effect during these periods. The returns would be lower without the expense caps.

The returns shown for periods ending on or prior to Oct. 4, 2019 are those of the Predecessor Series. The returns of the Series will be different from the returns of the Predecessor Series as they have different expenses.

Updated performance information is available by calling 800 523-1918 or by visiting our website at [delawarefunds.com/dcio/performance](http://delawarefunds.com/dcio/performance).

Performance reflects all Series expenses but does not include any fees or sales charges imposed by variable insurance contracts. If they had been included, the returns shown below would be lower. Investors should consult the variable contract prospectus for more information.

**Calendar year-by-year total return**



During the periods illustrated in this bar chart, the Series' highest quarterly return was 15.08% for the quarter ended March 31, 2012, and its lowest quarterly return was -15.78% for the quarter ended Dec. 31, 2018.

### Average annual total returns for periods ended December 31, 2018

	1 year	5 years	10 years
Growth Equity Series . . . . .	-3.79%	9.27%	12.65%
Russell 1000® Growth Index (reflects no deduction for fees, expenses or taxes)* . . . . .	-1.51%	10.40%	15.29%
Russell 3000® Growth Index (reflects no deduction for fees, expenses or taxes)* . . . . .	-2.12%	9.99%	15.15%

Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. Russel® is a trademark of Frank Russell Company.

\* The Series changed its broad-based index to the Russell 1000 Growth Index as of Jan. 31, 2019. The Series elected to use the new index because it more closely reflects the Series' investment strategy.

## Who manages the Series?

### Investment manager

Delaware Management Company, a series of Macquarie Investment Management Business Trust (a Delaware statutory trust)

### Sub-advisor

Smith Asset Management Group, L.P. (Smith)

Portfolio managers	Title with Smith	Start date on the Series
Stephen S. Smith, CFA	Chief Executive Officer and Chief Investment Officer	October 2019
John D. Brim, CFA	President and Portfolio Manager	October 2019
Eivind Olsen, CFA	Portfolio Manager	October 2019

## Purchase and redemption of Series shares

Shares are sold only to separate accounts of life insurance companies at net asset value (NAV). Please refer to the variable annuity or variable life insurance product contract prospectus for more information about the purchase and redemption of shares.

# Series summary

## **Tax information**

The dividends and distributions paid from the Series to the insurance company separate accounts will consist of ordinary income, capital gains, or some combination of both. Because shares of the Series must be purchased through separate accounts used to fund variable annuity contracts or variable life insurance contracts (variable contracts), such dividends and distributions will be exempt from current taxation by contract holders if left to accumulate within a separate account. You should refer to your variable contract prospectus for more information on these tax consequences.

## **Payments to broker/dealers and other financial intermediaries**

If you purchase shares of the Series through a broker/dealer or other financial intermediary (such as an insurance company), the Series and its related companies may pay the intermediary for the sale of Series shares and related services. These payments may create a conflict of interest by influencing the broker/dealer or other intermediary and your salesperson to recommend the Series over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# Delaware VIP® Equity Income Series

## What is the Series' investment objective?

Delaware VIP Equity Income Series seeks total return.

## What are the Series' fees and expenses?

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Series. The fee table and example do not reflect any fees or sales charges imposed by variable insurance contracts. If they did, the expenses would be higher.

### Annual series operating expenses (expenses that you pay each year as a percentage of the value of your investment)

Class	Standard
Management fees . . . . .	0.65%
Distribution and service (12b-1) fees . . . . .	none
Other expenses . . . . .	0.10%
Total annual series operating expenses . . . . .	0.75%
Fee waivers and expense reimbursements . . . . .	(0.00%) <sup>1</sup>
Total annual series operating expenses after fee waivers and expense reimbursements . . . . .	0.75%

<sup>1</sup> The Series' investment manager, Delaware Management Company (Manager), has contractually agreed to waive all or a portion of its investment advisory fees and/or pay/reimburse expenses (excluding any acquired fund fees and expenses, taxes, interest, short sale dividend and interest expenses, brokerage fees, certain insurance costs, and nonroutine expenses or costs, including, but not limited to, those relating to reorganizations, litigation, conducting shareholder meetings, and liquidations) in order to prevent total annual series operating expenses from exceeding 0.80% of the Series' average daily net assets from Oct. 4, 2019 through Oct. 31, 2021. These waivers and reimbursements may only be terminated by agreement of the Manager and the Series.

## Example

This example is intended to help you compare the cost of investing in the Series with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Series for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and reflects the Manager's expense waivers and reimbursements for the 2-year contractual period and the total operating expenses without waivers for years 3 through 10. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Class	Standard
1 year . . . . .	\$77
3 years . . . . .	\$240
5 years . . . . .	\$417
10 years . . . . .	\$930

# Series summary

## Portfolio turnover

The Series pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Series shares are held in a taxable account. These costs, which are not reflected in the annual series operating expenses or in the example, affect the Series’ performance. During the most recent fiscal year, the Predecessor Series’ (defined below) portfolio turnover rate was 50% of the average value of its portfolio.

## What are the Series’ principal investment strategies?

The Series invests, under normal circumstances, primarily in companies that the Series believes are undervalued in the market relative to their long term potential. Under normal circumstances, the Series will invest at least 80% of its net assets (including any borrowings for investment purposes) in equities (80% policy). For purposes of this 80% policy, equities may include common stock, preferred stock, equity-based exchange-traded funds (ETFs) and instruments that are convertible into common stock, or other instruments that represent an equity position in an issuer. The Series seeks to generate income by investing in dividend paying companies.

The Series generally uses a “bottom-up” approach in attempting to identify stocks that are undervalued. This means that the Series generally identifies potential investments through fundamental research and analysis which includes, among other things, analyzing a company’s balance sheet, cash flow statements and competition within a company’s industry. The Series also assesses a company’s corporate strategy and whether the company is operating in the interests of shareholders, as well as, analyzing economic trends, interest rates, and industry diversification.

The Series may sell a security if it becomes fully valued, its fundamentals have deteriorated or alternative investment opportunities become more attractive.

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

## What are the principal risks of investing in the Series?

Investing in any mutual fund involves the risk that you may lose part or all of the money you invest. Over time, the value of your investment in the Series will increase and decrease according to changes in the value of the securities in the Series’ portfolio. The Series’ principal risks include:

**Market risk** — Stock prices may decline over short or even extended periods due to general economic and market conditions, adverse political or regulatory developments or interest rate fluctuations. While dividend-paying stocks are generally considered less volatile than other

stocks, there can be no guarantee that the Series' overall portfolio will be less volatile than the general stock market. Adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemptions.

**Active management and selection risk** — The risk that the securities selected by a series' management will underperform the markets, the relevant indices, or the securities selected by other funds with similar investment objectives and investment strategies. The securities and sectors selected may vary from the securities and sectors included in the relevant index.

**Undervalued securities risk** — The Series seeks to invest in securities that are undervalued and that will rise in value due to anticipated events or changes in investor perceptions. If these developments do not occur, the market price of these securities may not rise as expected or may fall.

The Series investment manager, Delaware Management Company (Manager), is an indirect wholly owned subsidiary of Macquarie Group Limited (MGL). Other than Macquarie Bank Limited (MBL), a subsidiary of MGL and an affiliate of the Manager, 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. The Series is governed by US laws and regulations.

## **How has Delaware VIP® Equity Income Series performed?**

The bar chart and table below provide some indication of the risks of investing in the Series. The Series has adopted the performance of the First Investors Life Series Equity Income Fund (Predecessor Series) as the result of a reorganization of the Predecessor Series into the Series which was consummated after the close of business on Oct. 4, 2019 (Reorganization). The Series had not yet commenced operations prior to the Reorganization. The bar chart shows changes in the performance of the Predecessor Series from year to year and shows how the Predecessor Series' average annual total returns for the 1-, 5-, and 10-year or lifetime periods compare with those of a broad measure of market performance. The Predecessor Series' past performance (before and after taxes) is not necessarily an indication of how the Series will perform in the future. The returns reflect any expense caps in effect during these periods. The returns would be lower without the expense caps.

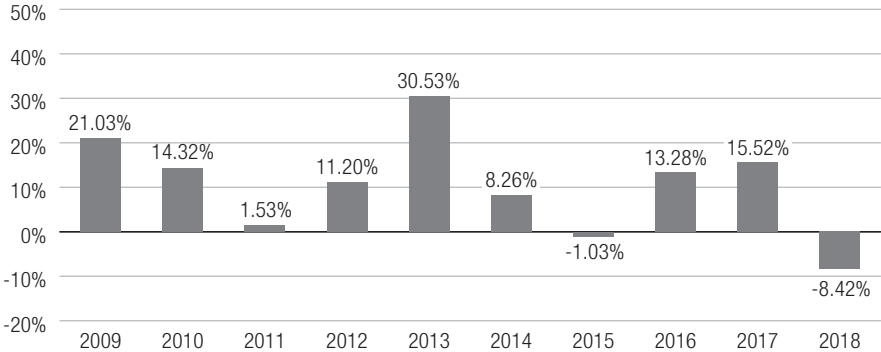
The returns shown for periods ending on or prior to Oct. 4, 2019 are those of the Predecessor Series. The returns of the Series will be different from the returns of the Predecessor Series as they have different expenses.

# Series summary

Updated performance information is available by calling 800 523-1918 or by visiting our website at [delawarefunds.com/dcio/performance](http://delawarefunds.com/dcio/performance).

Performance reflects all Series expenses but does not include any fees or sales charges imposed by variable insurance contracts. If they had been included, the returns shown below would be lower. Investors should consult the variable contract prospectus for more information.

## Calendar year-by-year total return



During the periods illustrated in this bar chart, the Series' highest quarterly return was 14.39% for the quarter ended Sept. 30, 2009, and its lowest quarterly return was -15.03% for the quarter ended Sept. 30, 2011.

## Average annual total returns for periods ended December 31, 2018

	1 year	5 years	10 years
Equity Income Series . . . . .	-8.42%	5.13%	10.10%
Russell 1000® Value Index (reflects no deduction for fees, expenses or taxes)* . . . . .	-8.27%	5.95%	11.18%
MSCI USA Value Index (reflects no deduction for fees, expenses or taxes)* . . . . .	-7.18%	6.62%	11.13%

Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company.

\* The Series changed its broad-based securities index to the Russell 1000 Value Index as of Oct. 4, 2019. The Series had previously changed its broad-based securities index to the MSCI USA Value Index as of Jan. 31, 2019. In each case the Series elected to use the new index because it more closely reflects the Series' investment strategies.



## Who manages the Series?

### Investment manager

Delaware Management Company, a series of Macquarie Investment Management Business Trust (a Delaware statutory trust)

Portfolio managers	Title with Delaware Management Company	Start date on the Series
Nikhil G. Lalvani, CFA	Vice President, Senior Portfolio Manager, Team Leader	October 2019
Robert A. Vogel Jr., CFA	Vice President, Senior Portfolio Manager	October 2019
Kristen E. Bartholdson	Vice President, Senior Portfolio Manager	October 2019

### Sub-advisors

Macquarie Investment Management Global Limited (MIMGL)

Macquarie Funds Management Hong Kong Limited (MFMHKL)

## Purchase and redemption of Series shares

Shares are sold only to separate accounts of life insurance companies at net asset value (NAV). Please refer to the variable annuity or variable life insurance product contract prospectus for more information about the purchase and redemption of shares.

## Tax information

The dividends and distributions paid from the Series to the insurance company separate accounts will consist of ordinary income, capital gains, or some combination of both. Because shares of the Series must be purchased through separate accounts used to fund variable annuity contracts or variable life insurance contracts (variable contracts), such dividends and distributions will be exempt from current taxation by contract holders if left to accumulate within a separate account. You should refer to your variable contract prospectus for more information on these tax consequences.

## Payments to broker/dealers and other financial intermediaries

If you purchase shares of the Series through a broker/dealer or other financial intermediary (such as an insurance company), the Series and its related companies may pay the intermediary for the sale of Series shares and related services. These payments may create a conflict of interest by influencing the broker/dealer or other intermediary and your salesperson to recommend the Series over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# Series summary

## Delaware VIP® Government Cash Management Series

### What is the Series' investment objective?

Delaware VIP Government Cash Management Series seeks to earn current income consistent with the preservation of capital and maintenance of liquidity.

### What are the Series' fees and expenses?

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Series. The fee table and example do not reflect any fees or sales charges imposed by variable insurance contracts. If they did, the expenses would be higher.

### Annual series operating expenses (expenses that you pay each year as a percentage of the value of your investment)

Class	Standard
Management fees . . . . .	0.45%
Distribution and service (12b-1) fees . . . . .	none
Other expenses . . . . .	0.56%
Total annual series operating expenses . . . . .	1.01%
Fee waivers and expense reimbursements . . . . .	(0.18%) <sup>1</sup>
Total annual series operating expenses after fee waivers and expense reimbursements . . . . .	0.83%

<sup>1</sup> The Series' investment manager, Delaware Management Company (Manager), has contractually agreed to waive all or a portion of its investment advisory fees and/or pay/reimburse expenses (excluding any acquired fund fees and expenses, taxes, interest, short sale dividend and interest expenses, brokerage fees, certain insurance costs, and nonroutine expenses or costs, including, but not limited to, those relating to reorganizations, litigation, conducting shareholder meetings, and liquidations) in order to prevent total annual series operating expenses from exceeding 0.83% of the Series' average daily net assets from Oct. 4, 2019 through Oct. 31, 2021. These waivers and reimbursements may only be terminated by agreement of the Manager and the Series.

### Example

This example is intended to help you compare the cost of investing in the Series with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Series for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and

reflects the Manager's expense waivers and reimbursements for the 2-year contractual period and the total operating expenses without waivers for years 3 through 10. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Class	Standard
1 year . . . . .	\$85
3 years . . . . .	\$285
5 years . . . . .	\$522
10 years . . . . .	\$1,203

**What are the Series' principal investment strategies?**

The Series intends to operate as a "government money market fund" as defined in Rule 2a-7 under the Investment Company Act of 1940 as amended. The Series will invest at least 99.5% of its total assets in (i) US Government securities; (ii) cash; and/or (iii) repurchase agreements that are collateralized fully by cash and/or US Government securities. In addition, under normal circumstances, the Series will invest at least 80% of its net assets, including any borrowings for investment purposes, in US Government securities and repurchase agreements collateralized fully by cash or US Government securities. US Government securities include: US Treasury bills and notes; obligations issued by the US Government, its agencies or instrumentalities, including securities issued by entities chartered by Congress that are not issued or guaranteed by the US Treasury, including the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Home Loan Banks and Federal Farm Credit Banks; and obligations issued by issuers that are guaranteed as to principal or interest by the US Government, its agencies or instrumentalities, including the Government National Mortgage Association. The Series may invest in fixed, variable and floating rate instruments. The Series generally invests in securities with remaining maturities of 397 days or less.

The Series' portfolio is managed to meet regulatory requirements that permit the Series to maintain a stable net asset value (NAV) of \$1.00 per share. These include requirements relating to the credit quality, maturity, liquidity and diversification of the Series investments.

**What are the principal risks of investing in the Series?**

You could lose money by investing in the Series. Although the Series seeks to preserve a \$1.00 per share net asset value, it cannot guarantee it will do so. An investment in the Series is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance

# Series summary

Corporation or any other government agency. The Series' sponsor has no legal obligation to provide financial support to the Series, and you should not expect that the sponsor will provide support to the Series at any time. The Series' principal risks include:

**Market risk** — The prices of the debt securities held by the Series may decline in response to certain events, such as general economic and market conditions, adverse political or regulatory developments and interest rate fluctuations. Adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemptions or cause the Series' NAV to decline below \$1.00 per share. Supply issues could arise within the US Treasury securities market as demand increases for US Government securities.

**Yield risk** — The yields received by the Series on its investments will generally decline as interest rates decline.

**Interest rate risk** — Like the values of other debt instruments, the market values of US government securities are affected by changes in interest rates. When interest rates rise, the market values of US government securities generally decline. This could cause the Series' NAV to decline below \$1.00 per share. Interest rates across the US economy have recently increased and may continue to increase, thereby heightening the Series' exposure to the risks associated with rising interest rates.

**Repurchase agreement risk** — If the seller in a repurchase agreement transaction defaults on its obligation to repurchase a security, the Series may suffer delays, incur costs and lose money in exercising its rights.

**Credit risk** — The US Government securities the Series invests in may or may not be backed by the full faith and credit of the US Government. Securities issued by US Government sponsored enterprises are supported only by the credit of the issuing entity. The value of an investment will decline if there is a default by or a deterioration in the credit quality of the issuer or a provider of a credit enhancement or demand feature. This could cause the Series' NAV to decline below \$1.00 per share.

**Liquidity risk** — Certain investments may be difficult or impossible to sell at a favorable time or price. Market developments may cause the Series' investments to become less liquid and subject to erratic price movements, which may have an adverse effect on the Series' ability to maintain a \$1.00 share price.

The Series' Manager is an indirect wholly owned subsidiary of Macquarie Group Limited (MGL). Other than Macquarie Bank Limited (MBL), a subsidiary of MGL and an affiliate of the Manager, 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. The Series is governed by US laws and regulations.

### How has Delaware VIP® Government Cash Management Series performed?

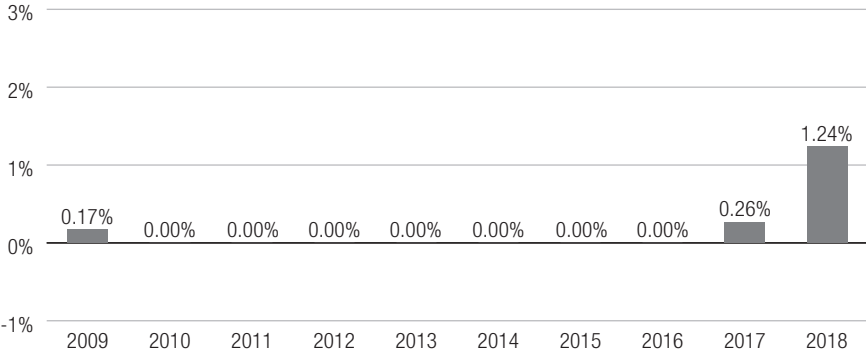
The bar chart and table below provide some indication of the risks of investing in the Series. The Series has adopted the performance of the First Investors Life Series Government Cash Management Fund (Predecessor Series) as the result of a reorganization of the Predecessor Series into the Series which was consummated after the close of business on Oct. 4, 2019 (Reorganization). The Series had not yet commenced operations prior to the Reorganization. The bar chart shows changes in the performance of the Predecessor Series from year to year and shows how the Predecessor Series' average annual total returns for the 1-, 5-, and 10-year or lifetime periods. The Predecessor Series' past performance (before and after taxes) is not necessarily an indication of how the Series will perform in the future. The returns reflect any expense caps in effect during these periods. The returns would be lower without the expense caps.

The returns shown for periods ending on or prior to Oct. 4, 2019 are those of the Predecessor Series. The returns of the Series will be different from the returns of the Predecessor Series as they have different expenses.

Updated performance information is available by calling 800 523-1918 or by visiting our website at [delawarefunds.com/dcio/performance](http://delawarefunds.com/dcio/performance).

Performance reflects all Series expenses but does not include any fees or sales charges imposed by variable insurance contracts. If they had been included, the returns shown below would be lower. Investors should consult the variable contract prospectus for more information.

**Calendar year-by-year total return**



# Series summary

During the periods illustrated in this bar chart, the Series' highest quarterly return was 0.41% for the quarter ended Dec. 31, 2018, and its lowest quarterly return was 0.00% for each quarter beginning with the quarter ended Dec. 31, 2009 through the quarter ended June 30, 2017.

## Average annual total returns for periods ended December 31, 2018

	1 year	5 years	10 years
Government Cash Management Series. . . . .	1.24%	0.30%	0.17%
ICE BofAML US 3-Month Treasury Bill Index (reflects no deduction for fees, expenses, or taxes)*. . . . .	1.87%	0.63%	0.37%

\* The Series added a broad-based securities index as of Oct. 4, 2019. The Series elected to use the new index because it reflected the Series' investment strategies.

## Who manages the Series?

### Investment manager

Delaware Management Company, a series of Macquarie Investment Management Business Trust (a Delaware statutory trust).

## Purchase and redemption of Series shares

Shares are sold only to separate accounts of life insurance companies at net asset value (NAV). Please refer to the variable annuity or variable life insurance product contract prospectus for more information about the purchase and redemption of shares.

## Tax information

The dividends and distributions paid from the Series to the insurance company separate accounts will consist of ordinary income, capital gains, or some combination of both. Because shares of the Series must be purchased through separate accounts used to fund variable annuity contracts or variable life insurance contracts (variable contracts), such dividends and distributions will be exempt from current taxation by contract holders if left to accumulate within a separate account. You should refer to your variable contract prospectus for more information on these tax consequences.

## Payments to broker/dealers and other financial intermediaries

If you purchase shares of the Series through a broker/dealer or other financial intermediary (such as an insurance company), the Series and its related companies may pay the intermediary for the sale of Series shares and related services. These payments may create a conflict of interest by influencing the broker/dealer or other intermediary and your salesperson to recommend the Series over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

### What is the Series' investment objective?

Delaware VIP Growth and Income Series seeks long-term growth of capital and current income.

### What are the Series' fees and expenses?

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Series. The fee table and example do not reflect any fees or sales charges imposed by variable insurance contracts. If they did, the expenses would be higher.

#### Annual series operating expenses (expenses that you pay each year as a percentage of the value of your investment)

Class	Standard
Management fees . . . . .	0.65%
Distribution and service (12b-1) fees . . . . .	none
Other expenses . . . . .	0.07%
Total annual series operating expenses . . . . .	0.72%
Fee waivers and expense reimbursements . . . . .	(0.00%) <sup>1</sup>
Total annual series operating expenses after fee waivers and expense reimbursements . . . . .	0.72%

<sup>1</sup> The Series' investment manager, Delaware Management Company (Manager), has contractually agreed to waive all or a portion of its investment advisory fees and/or pay/reimburse expenses (excluding any acquired fund fees and expenses, taxes, interest, short sale dividend and interest expenses, brokerage fees, certain insurance costs, and nonroutine expenses or costs, including, but not limited to, those relating to reorganizations, litigation, conducting shareholder meetings, and liquidations) in order to prevent total annual series operating expenses from exceeding 0.77% of the Series' average daily net assets from Oct. 4, 2019 through Oct. 31, 2021. These waivers and reimbursements may only be terminated by agreement of the Manager and the Series.

### Example

This example is intended to help you compare the cost of investing in the Series with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Series for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and

# Series summary

reflects the Manager's expense waivers and reimbursements for the 2-year contractual period and the total operating expenses without waivers for years 3 through 10. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Class	Standard
1 year . . . . .	\$74
3 years. . . . .	\$230
5 years. . . . .	\$401
10 years. . . . .	\$894

## Portfolio turnover

The Series pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Series shares are held in a taxable account. These costs, which are not reflected in the annual series operating expenses or in the example, affect the Series’ performance. During the most recent fiscal year, the Predecessor Series’ (defined below) portfolio turnover rate was 58% of the average value of its portfolio.

## What are the Series’ principal investment strategies?

The Series primarily invests in common stocks that offer the potential for capital growth, current income or both. The Series primarily invests in common stocks of large-size companies. The Series may also invest in mid- and small-size companies. Some but not all of the companies the Series invests in may regularly pay dividends.

The Series generally uses a “bottom-up” approach to selecting investments. This means that the Series generally identifies potential investments through fundamental research and analysis and also focuses on other issues, such as economic trends, interest rates and market capitalization. Economic trends relate to the overall direction in which the economy is moving which may provide insights into the future direction of companies. Factors may include consumer confidence, employment, interest rates and inflation. In deciding whether to buy or sell securities, the Series considers, among other things, the issuer’s financial strength, management, earnings growth or potential earnings growth and the issuer’s valuation relative to its fundamentals and peers.

The portfolio managers research individual companies and analyzes economic and market conditions, seeking to identify the securities that it believes are the best investments for the Fund. The Fund invests primarily in securities that the portfolio manager believes have long-term capital appreciation, or growth potential. The portfolio managers follow a value-oriented investment philosophy in selecting stocks for the Fund using a research-intensive approach that considers



factors such as (i) a security price that reflects a market valuation that is judged to be below the estimated present or future value of the company; (ii) favorable earnings prospects and dividend yield potential; (iii) the financial condition of the issuer; and (iv) various qualitative factors.

Stocks that the Fund invests in may pay dividends. Common or ordinary stocks are securities that represent shares of ownership in a corporation. Stockholders may participate in a corporation's profits through its distributions of dividends to stockholders, proportionate to the number of shares they own. The Fund may also own convertible securities. Convertible securities are usually preferred stocks or corporate bonds that can be exchanged for a set number of shares of common stock at a predetermined price. These securities offer higher appreciation potential than nonconvertible bonds and greater income potential than nonconvertible preferred stocks. The Fund may also invest in real estate investment trusts (REITs) and income-generating equity securities. REITs are pooled investment vehicles that invest primarily in income-producing real estate or real estate-related loans or interests.

The Series may sell a security if it becomes fully valued, is no longer attractively valued, its fundamentals have deteriorated or alternative investments become more attractive.

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

## **What are the principal risks of investing in the Series?**

Investing in any mutual fund involves the risk that you may lose part or all of the money you invest. Over time, the value of your investment in the Series will increase and decrease according to changes in the value of the securities in the Series' portfolio. The Series' principal risks include:

**Market risk** — Stock prices may decline over short or even extended periods due to general economic and market conditions, adverse political or regulatory developments or interest rate fluctuations. While dividend-paying stocks are generally considered less volatile than other stocks, there can be no guarantee that an investment therein will be less volatile than the general stock market. The Series' investments in potential growth opportunities may increase the potential volatility of its share price. Adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemptions.

**Undervalued securities risk** — The Series seeks to invest in securities that are undervalued and that will rise in value due to anticipated events or changes in investor perceptions. If these developments do not occur, the market price of these securities may not rise as expected or may fall.

# Series summary

**Dividend risk** — At times, the Series may not be able to identify attractive dividend-paying stocks. The income received by the Series will also fluctuate due to the amount of dividends that companies elect to pay, which could adversely affect the Series' ability to pay dividends and its share price.

**Active management and selection risk** — The risk that the securities selected by a series' management will underperform the markets, the relevant indices, or the securities selected by other funds with similar investment objectives and investment strategies. The securities and sectors selected may vary from the securities and sectors included in the relevant index.

**REIT risk** — In addition to the risks associated with the real estate industry, which include declines in the real estate market, decreases in property revenues and increases in property taxes and operating expenses, REITs are subject to additional risks, including those related to adverse governmental actions, declines in property value, and the potential failure to qualify for federal tax-free "pass-through" of distributed net income and net realized gains and exemption from registration as an investment company. REITs are dependent upon specialized management skills and may invest in relatively few properties, a small geographic area or a small number of property types. As a result, investments in REITs may be volatile. REITs are pooled investment vehicles with their own fees and expenses, and the Series will indirectly bear a proportionate share of those fees and expenses.

The Manager is an indirect wholly owned subsidiary of Macquarie Group Limited (MGL). Other than Macquarie Bank Limited (MBL), a subsidiary of MGL and an affiliate of the Manager, 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. The Series is governed by US laws and regulations.

## **How has Delaware VIP® Growth and Income Series performed?**

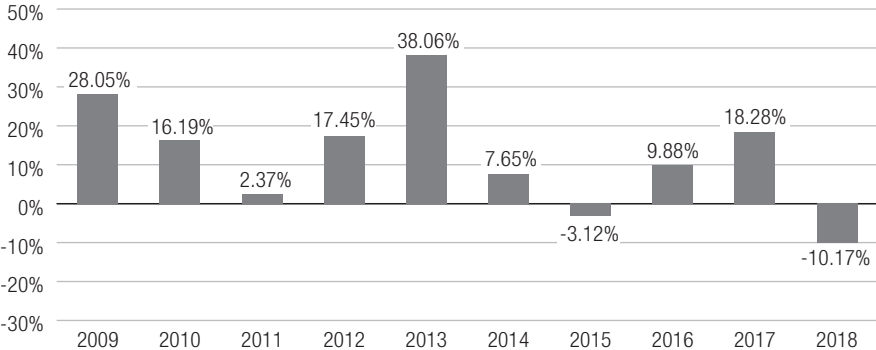
The bar chart and table below provide some indication of the risks of investing in the Series. The Series has adopted the performance of the First Investors Life Series Growth & Income Fund (Predecessor Series) as the result of a reorganization of the Predecessor Series into the Series which was consummated after the close of business on Oct. 4, 2019 (Reorganization). The Series had not yet commenced operations prior to the Reorganization. The bar chart shows changes in the performance of the Predecessor Series from year to year and shows how the Predecessor Series' average annual total returns for the 1-, 5-, and 10-year or lifetime periods compare with those of a broad measure of market performance. The Predecessor Series' past performance (before and after taxes) is not necessarily an indication of how the Series will perform in the future. The returns reflect any expense caps in effect during these periods. The returns would be lower without the expense caps.

The returns shown for periods ending on or prior to Oct. 4, 2019 are those of the Predecessor Series. The returns of the Series will be different from the returns of the Predecessor Series as they have different expenses.

Updated performance information is available by calling 800 523-1918 or by visiting our website at [delawarefunds.com/dcio/performance](http://delawarefunds.com/dcio/performance).

Performance reflects all Series expenses but does not include any fees or sales charges imposed by variable insurance contracts. If they had been included, the returns shown below would be lower. Investors should consult the variable contract prospectus for more information.

**Calendar year-by-year total return**



During the periods illustrated in this bar chart, the Series' highest quarterly return was 17.42% for the quarter ended June 30, 2009, and its lowest quarterly return was -17.48% for the quarter ended Sept. 30, 2011.

**Average annual total returns for periods ended December 31, 2018**

	1 year	5 years	10 years
Growth and Income Series . . . . .	-10.17%	4.02%	11.64%
Russell 1000® Value Index (reflects no deduction for fees, expenses or taxes)* . . . . .	-8.27%	5.95%	11.18%
MSCI USA Value Index (reflects no deduction for fees, expenses or taxes)* . . . . .	-7.18%	6.62%	11.13%

Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company.

\* The Series changed its broad-based securities index to the Russell 1000 Value Index as of Oct. 4, 2019. The Series had previously changed its broad-based securities index to the MSCI USA Value Index as of Jan. 31, 2019. In each case the Series elected to use the new index because it more closely reflects the Series' investment strategies.

# Series summary

## Who manages the Series?

### Investment manager

Delaware Management Company, a series of Macquarie Investment Management Business Trust (a Delaware statutory trust)

Portfolio managers	Title with Delaware Management Company	Start date on the Series
Nikhil G. Lalvani, CFA	Vice President, Senior Portfolio Manager, Team Leader	October 2019
Robert A. Vogel Jr., CFA	Vice President, Senior Portfolio Manager	October 2019
Kristen E. Bartholdson	Vice President, Senior Portfolio Manager	October 2019

### Sub-advisors

Macquarie Investment Management Global Limited (MIMGL)

Macquarie Funds Management Hong Kong Limited (MFMHKL)

## Purchase and redemption of Series shares

Shares are sold only to separate accounts of life insurance companies at net asset value (NAV). Please refer to the variable annuity or variable life insurance product contract prospectus for more information about the purchase and redemption of shares.

## Tax information

The dividends and distributions paid from the Series to the insurance company separate accounts will consist of ordinary income, capital gains, or some combination of both. Because shares of the Series must be purchased through separate accounts used to fund variable annuity contracts or variable life insurance contracts (variable contracts), such dividends and distributions will be exempt from current taxation by contract holders if left to accumulate within a separate account. You should refer to your variable contract prospectus for more information on these tax consequences.

## **Payments to broker/dealers and other financial intermediaries**

If you purchase shares of the Series through a broker/dealer or other financial intermediary (such as an insurance company), the Series and its related companies may pay the intermediary for the sale of Series shares and related services. These payments may create a conflict of interest by influencing the broker/dealer or other intermediary and your salesperson to recommend the Series over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# Series summary

## Delaware VIP® Opportunity Series

### What is the Series' investment objective?

Delaware VIP Opportunity Series seeks long-term capital growth.

### What are the Series' fees and expenses?

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Series. The fee table and example do not reflect any fees or sales charges imposed by variable insurance contracts. If they did, the expenses would be higher.

#### Annual series operating expenses (expenses that you pay each year as a percentage of the value of your investment)

Class	Standard
Management fees . . . . .	0.75%
Distribution and service (12b-1) fees . . . . .	none
Other expenses . . . . .	0.14%
Total annual series operating expenses . . . . .	0.89%
Fee waivers and expense reimbursements . . . . .	(0.06%) <sup>1</sup>
Total annual series operating expenses after fee waivers and expense reimbursements . . . . .	0.83%

<sup>1</sup> The Series' investment manager, Delaware Management Company (Manager), has contractually agreed to waive all or a portion of its investment advisory fees and/or pay/reimburse expenses (excluding any acquired fund fees and expenses, taxes, interest, short sale dividend and interest expenses, brokerage fees, certain insurance costs, and nonroutine expenses or costs, including, but not limited to, those relating to reorganizations, litigation, conducting shareholder meetings, and liquidations) in order to prevent total annual series operating expenses from exceeding 0.83% of the Series' average daily net assets from Oct. 4, 2019 through Oct. 31, 2021. These waivers and reimbursements may only be terminated by agreement of the Manager and the Series.

### Example

This example is intended to help you compare the cost of investing in the Series with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Series for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and reflects the Manager's expense waivers and reimbursements for the 2-year contractual period and the total operating expenses without waivers for years 3 through 10. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Class	Standard
1 year . . . . .	\$85
3 years . . . . .	\$272
5 years . . . . .	\$481
10 years . . . . .	\$1,085

## **Portfolio turnover**

The Series pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Series shares are held in a taxable account. These costs, which are not reflected in the annual series operating expenses or in the example, affect the Series’ performance. During the most recent fiscal year, the Predecessor Series’ (defined below) portfolio turnover rate was 59% of the average value of its portfolio.

## **What are the Series’ principal investment strategies?**

The Series invests primarily in mid- and small-size companies that the Series’ Manager believes offer attractive valuation and quality characteristics. Companies with attractive valuations are those that have a lower valuation than the company’s historical average valuation and a lower valuation than the company’s competitors. Companies with quality characteristics will make shareholder friendly use of its cash flow, which would include, but is not limited to: dividend payments or increases, share repurchases, and repayment of debt. The Series may also invest in active or passive exchange-traded funds (ETFs) to gain exposure to such securities and in real estate investment trusts (REITs). The Series may continue to hold stocks of companies that grow into larger companies and may also invest opportunistically in larger companies.

The Series uses a “bottom-up” approach to selecting investments. The Series uses fundamental research to search for companies that have one or more of the following: a strong balance sheet; experienced management; and stocks that are attractively priced. The Series attempts to stay broadly diversified, but it may emphasize certain industry sectors based upon economic and market conditions.

The Series may sell a stock if it becomes fully valued, its fundamentals have deteriorated or alternative investments become more attractive. The Series may also sell a stock if it grows into a large, well-established company, although it may also continue to hold such a stock irrespective of its size.

The Manager may permit its affiliates, Macquarie Investment Management Global Limited (MIMGL) and Macquarie Fund Management Hong Kong Limited, to execute Series security trades on behalf of the Manager. The Manager may also seek quantitative support from MIMGL.

# Series summary

## What are the principal risks of investing in the Series?

Investing in any mutual fund involves the risk that you may lose part or all of the money you invest. Over time, the value of your investment in the Series will increase and decrease according to changes in the value of the securities in the Series' portfolio. The Series' principal risks include:

**Market risk** — Stock prices may decline over short or even extended periods due to general economic and market conditions, adverse political or regulatory developments or interest rate fluctuations. Adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemptions.

**Mid-size and small-size company risk** — The market risk associated with stocks of mid- and small-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of mid- and small-size companies tend to experience sharper price fluctuations. At times, it may be difficult to sell mid- to small-size company stocks at reasonable prices.

**Active management and selection risk** — The risk that the securities selected by a series' management will underperform the markets, the relevant indices, or the securities selected by other funds with similar investment objectives and investment strategies. The securities and sectors selected may vary from the securities and sectors included in the relevant index.

**Exchange-traded funds risk** — The risks of investing in an ETF typically reflect the risks of the types of instruments in which the ETF invests. In addition, because ETFs are investment companies, the Series will bear its proportionate share of the fees and expenses of an investment in an ETF. As a result, the Series' expenses may be higher and performance may be lower.

**REIT risk** — In addition to the risks associated with the real estate industry, which include declines in the real estate market, decreases in property revenues and increases in property taxes and operating expenses, REITs are subject to additional risks, including those related to adverse governmental actions, declines in property value, and the potential failure to qualify for federal tax-free "pass-through" of distributed net income and net realized gains and



exemption from registration as an investment company. REITs are dependent upon specialized management skills and may invest in relatively few properties, a small geographic area or a small number of property types. As a result, investments in REITs may be volatile. REITs are pooled investment vehicles with their own fees and expenses, and the Series will indirectly bear a proportionate share of those fees and expenses.

The Manager is an indirect wholly owned subsidiary of Macquarie Group Limited (MGL). Other than Macquarie Bank Limited (MBL), a subsidiary of MGL and an affiliate of the Manager, 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. The Series is governed by US laws and regulations.

### **How has Delaware VIP® Opportunity Series performed?**

The bar chart and table below provide some indication of the risks of investing in the Series. The Series has adopted the performance of the First Investors Life Series Opportunity Fund (Predecessor Series) as the result of a reorganization of the Predecessor Series into the Series which was consummated after the close of business on Oct. 4, 2019 (Reorganization). The Series had not yet commenced operations prior to the Reorganization. The bar chart shows changes in the performance of the Predecessor Series from year to year and shows how the Predecessor Series' average annual total returns for the 1-year, 5-year, and lifetime periods compare with those of a broad measure of market performance. The Predecessor Series' past performance (before and after taxes) is not necessarily an indication of how the Series will perform in the future. The returns reflect any expense caps in effect during these periods. The returns would be lower without the expense caps.

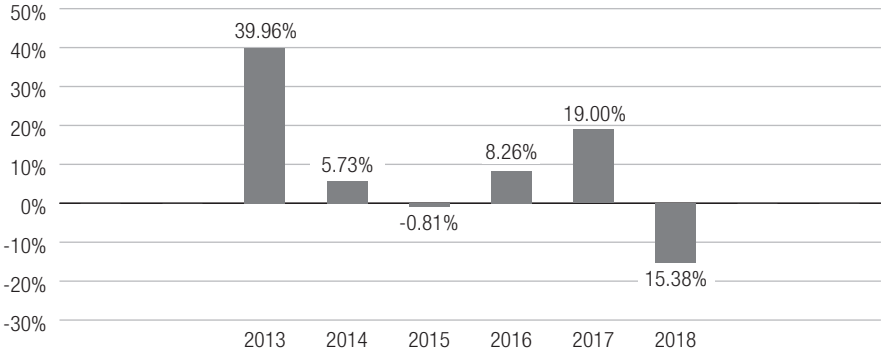
The returns shown for periods ending on or prior to Oct. 4, 2019 are those of the Predecessor Series. The returns of the Series will be different from the returns of the Predecessor Series as they have different expenses.

Updated performance information is available by calling 800 523-1918 or by visiting our website at [delawarefunds.com/dcio/performance](http://delawarefunds.com/dcio/performance).

# Series summary

Performance reflects all Series expenses but does not include any fees or sales charges imposed by variable insurance contracts. If they had been included, the returns shown below would be lower. Investors should consult the variable contract prospectus for more information.

## Calendar year-by-year total return



During the periods illustrated in this bar chart, the Series' highest quarterly return was 11.93% for the quarter ended March 31, 2013, and its lowest quarterly return was -16.37% for the quarter ended Dec. 31, 2018.

## Average annual total returns for periods ended December 31, 2018

	1 year	5 years	Life of Series
Opportunity Series (Inception Date: 12/17/12) . . . . .	-15.38%	2.71%	8.20%
Russell 2500™ Index (reflects no deduction for fees, expenses, or taxes)* . . . . .	-10.00%	5.15%	10.21%
S&P MidCap 400® Index (reflects no deduction for fees, expenses or taxes)* . . . . .	-11.08%	6.03%	10.27%

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\* The Series changed its broad-based securities index to the Russell 2500 Index as of Oct. 4, 2019. The Series elected to use the new index because it more closely reflected the Series' investment strategies.

## Who manages the Series?

### Investment manager

Delaware Management Company, a series of Macquarie Investment Management Business Trust (a Delaware statutory trust)

Portfolio managers	Title with Delaware Management Company	Start date on the Series
Francis X. Morris	Executive Director, Chief Investment Officer — US Core Equity	October 2019
Christopher S. Adams, CFA	Vice President, Senior Portfolio Manager	October 2019
Michael S. Morris, CFA	Vice President, Senior Portfolio Manager	October 2019
Donald G. Padilla, CFA	Vice President, Senior Portfolio Manager	October 2019
David E. Reidinger	Vice President, Senior Portfolio Manager	October 2019

### Sub-advisors

Macquarie Investment Management Global Limited (MIMGL)

Macquarie Funds Management Hong Kong Limited (MFMHKL)

## Purchase and redemption of Series shares

Shares are sold only to separate accounts of life insurance companies at net asset value (NAV). Please refer to the variable annuity or variable life insurance product contract prospectus for more information about the purchase and redemption of shares.

## Tax information

The dividends and distributions paid from the Series to the insurance company separate accounts will consist of ordinary income, capital gains, or some combination of both. Because shares of the Series must be purchased through separate accounts used to fund variable annuity contracts or variable life insurance contracts (variable contracts), such dividends and distributions will be exempt from current taxation by contract holders if left to accumulate within a separate account. You should refer to your variable contract prospectus for more information on these tax consequences.

# Series summary

## **Payments to broker/dealers and other financial intermediaries**

If you purchase shares of the Series through a broker/dealer or other financial intermediary (such as an insurance company), the Series and its related companies may pay the intermediary for the sale of Series shares and related services. These payments may create a conflict of interest by influencing the broker/dealer or other intermediary and your salesperson to recommend the Series over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# Delaware VIP® Limited Duration Bond Series

## What is the Series' investment objective?

Delaware VIP Limited Duration Bond Series seeks current income consistent with low volatility of principal.

## What are the Series' fees and expenses?

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Series. The fee table and example do not reflect any fees or sales charges imposed by variable insurance contracts. If they did, the expenses would be higher.

### Annual series operating expenses (expenses that you pay each year as a percentage of the value of your investment)

Class	Standard
Management fees . . . . .	0.50%
Distribution and service (12b-1) fees . . . . .	none
Other expenses . . . . .	0.64%
Total annual series operating expenses . . . . .	1.14%
Fee waivers and expense reimbursements . . . . .	(0.39%) <sup>1</sup>
Total annual series operating expenses after fee waivers and expense reimbursements . . . . .	0.75%

<sup>1</sup> The Series' investment manager, Delaware Management Company (Manager), has contractually agreed to waive all or a portion of its investment advisory fees and/or pay/reimburse expenses (excluding any acquired fund fees and expenses, taxes, interest, short sale dividend and interest expenses, brokerage fees, certain insurance costs, and nonroutine expenses or costs, including, but not limited to, those relating to reorganizations, litigation, conducting shareholder meetings, and liquidations) in order to prevent total annual series operating expenses from exceeding 0.75% of the Series' average daily net assets from Oct. 4, 2019 through Oct. 31, 2021. These waivers and reimbursements may only be terminated by agreement of the Manager and the Series.

## Example

This example is intended to help you compare the cost of investing in the Series with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Series for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and

# Series summary

reflects the Manager's expense waivers and reimbursements for the 2-year contractual period and the total operating expenses without waivers for years 3 through 10. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Class	Standard
1 year . . . . .	\$77
3 years. . . . .	\$283
5 years. . . . .	\$550
10 years. . . . .	\$1,314

## Portfolio turnover

The Series pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Series shares are held in a taxable account. These costs, which are not reflected in the annual series operating expenses or in the example, affect the Series' performance. During the most recent fiscal year, the Predecessor Series' (defined below) portfolio turnover rate was 268% of the average value of its portfolio.

## What are the Series' principal investment strategies?

Under normal circumstances, the Series will invest at least 80% of its net assets (plus any borrowings for investment purposes) in investment grade bonds (80% policy). For purposes of this 80% policy, investment grade bonds also include other investment grade fixed-income securities.

Investment grade debt securities include those that are rated within the four highest ratings categories by Moody's Investors Service, Inc. (Moody's) or Standard & Poor's Financial Services LLC (S&P) or that are unrated but determined by the Series' Manager to be of equivalent quality.

The Series may invest in a variety of different types of investment grade fixed-income securities, including corporate bonds, securities issued or guaranteed by the US Government or US Government-sponsored enterprises (some of which are not backed by the full faith and credit of the US Government), mortgage-backed and other asset-backed securities. While the Series will typically invest in domestic fixed income securities, the Series may invest up to 30% of its assets in foreign fixed income securities. In making investment decisions, the Manager considers the outlook for interest rates, economic forecasts and market conditions, credit ratings, and its own analysis of an issuer's financial condition. The Manager will not necessarily sell an investment if its rating is reduced.

## Delaware VIP® Limited Duration Bond Series

To a lesser extent, the Series also invests in high yield, below investment grade corporate bonds (commonly known as “high yield” or “junk bonds”). High yield bonds include bonds that are rated below Baa3 by Moody’s or below BBB- by S&P as well as unrated bonds that are determined by the Manager to be of equivalent quality. The Manager will consider ratings assigned by ratings agencies in selecting high yield bonds, but relies principally on its own research and investment analysis. In managing its portion of the Series, the Manager focuses on investments it believes can generate attractive and consistent income. The Manager may sell a bond when it shows deteriorating fundamentals or it falls short of the Manager’s expectations. In addition, the Manager may also invest in active or passive exchange-traded funds (ETFs) that could expose the Series to high yield securities. The 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 Series security trades on behalf of the Manager and exercise investment discretion for securities in certain markets where the Manager believes it will be beneficial to utilize an Affiliated Sub-Advisor’s specialized market knowledge.

Additionally, from time to time, in pursuing its investment strategies, the Series may hold significant investments (25% or more of its assets) in a specific market sector, including the financials sector.

The Series seeks to maintain an average weighted duration of between one and six years. Duration is a measurement of a bond’s sensitivity to changes in interest rates. For every 1% change in interest rates, a bond’s price generally changes approximately 1% in the opposite direction for each year of duration. For example, if a portfolio of fixed income securities has an average weighted duration of six years, its value can be expected to fall about 6% if interest rates rise by 1. Conversely, the portfolio’s value can be expected to rise approximately 6% if interest rates fall by 1%. As a result, prices of securities with longer durations tend to be more sensitive to interest rate changes than prices of securities with shorter durations. By comparison, a debt security’s “maturity” is the date on which the security matures and the issuer is obligated to repay principal. Duration is typically not equal to maturity.

The Series may invest in US Treasury futures and options on US Treasury futures to hedge against changes in interest rates.

# Series summary

## What are the principal risks of investing in the Series?

Investing in any mutual fund involves the risk that you may lose part or all of the money you invest. Over time, the value of your investment in the Series will increase and decrease according to changes in the value of the securities in the Series' portfolio. The Series' principal risks include:

**Market risk** — The prices of the debt securities held by the Series may decline in response to certain events, such as general economic and market conditions, adverse political or regulatory developments and interest rate fluctuations. Adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemptions. Certain investments may be difficult or impossible to sell at a favorable time or price when the Series requires liquidity to make redemptions.

**Interest rate risk** — In general, when interest rates rise, the market value of a debt security declines, and when interest rates decline, the market value of a debt security increases. Securities with longer maturities and durations are generally more sensitive to interest rate changes.

**Prepayment and extension risk** — When interest rates decline, borrowers tend to refinance their loans and the loans that back mortgage-backed and other asset-backed securities suffer a higher rate of prepayment. This could cause a decrease in the Series' income and share price. Conversely, when interest rates rise, borrowers tend to repay their loans less quickly which, will generally increase both the Series' sensitivity to interest rates and its potential for price declines.

**Credit risk** — A debt issuer may become unable or unwilling to pay interest or principal when due. The prices of debt securities are affected by the credit quality of the issuer and, in the case of mortgage-backed and asset-backed securities, the credit quality of the underlying loans. Securities issued by US Government-sponsored enterprises are supported only by the credit of the issuing entity.

**Call options risk** — Writing call options involves risks, such as potential losses if equity markets or an individual equity security do not move as expected and the potential for greater losses than if these techniques had not been used. By writing covered call options, the Series will give up the opportunity to benefit from potential increases in the value of a Series asset above the exercise price, but will bear the risk of declines in the value of the asset. Writing call options may expose the Series to significant additional costs. Derivatives may be difficult to sell, unwind or value.



**Sector risk** — The Series may hold a significant amount of investments in similar businesses, which could be affected by the same economic or market conditions. To the extent the Series invests significantly in the financials sector, the value of the Series' shares may be particularly vulnerable to factors affecting that sector, such as the availability and cost of capital, changes in interest rates, the rate of corporate and consumer debt defaults, credit ratings and quality, market liquidity, extensive government regulation and price competition.

**Derivatives risk** — Investments in US Treasury futures and options on US Treasury futures to hedge against changes in interest rates involve risks, such as potential losses if interest rates do not move as expected and the potential for greater losses than if these techniques had not been used. Investments in derivatives can increase the volatility of the Series' share price and may expose it to significant additional costs. Derivatives may be difficult to sell, unwind, or value.

**Exchange-traded funds risk** — The risks of investing in an ETF typically reflect the risks of the types of instruments in which the ETF invests. In addition, because ETFs are investment companies, the Series will bear its proportionate share of the fees and expenses of an investment in an ETF. As a result, the Series' expenses may be higher and performance may be lower.

**Active management and selection risk** — The risk that the securities selected by a series' management will underperform the markets, the relevant indices, or the securities selected by other funds with similar investment objectives and investment strategies. The securities and sectors selected may vary from the securities and sectors included in the relevant index.

**Foreign securities risk** — There are special risk factors associated with investing in foreign securities, including the risks of fluctuations in exchange rates, potential political and economic instability, differing accounting and financial reporting standards or inability to obtain reliable financial information regarding an issuer's financial condition, less stringent regulation and supervision of foreign securities markets, custodians and securities depositories, and potential capital restrictions. Some securities issued by foreign governments or their subdivisions, agencies and instrumentalities may not be backed by the full faith and credit of the foreign government and some foreign governments may default on principal and interest payments. To the extent the Series significantly invests in securities of a single country or region, it is more likely to be affected by events or conditions of that area. As a result, it may be more volatile than a more geographically diversified fund.

# Series summary

**Liquidity risk** — Certain investments may be difficult or impossible to sell at a favorable time or price. Market developments may cause the Series' investments to become less liquid and subject to erratic price movements. High yield securities tend to be less liquid.

The Manager is an indirect wholly owned subsidiary of Macquarie Group Limited (MGL). Other than Macquarie Bank Limited (MBL), a subsidiary of MGL and an affiliate of the Manager, 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. The Series is governed by US laws and regulations.

## **How has Delaware VIP® Limited Duration Bond Series performed?**

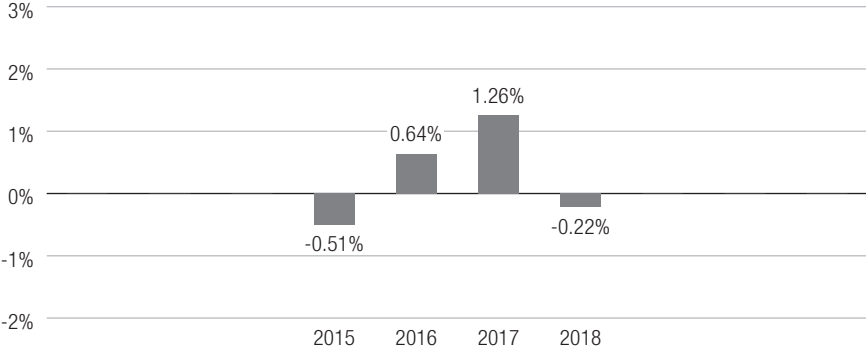
The bar chart and table below provide some indication of the risks of investing in the Series. The Series has adopted the performance of the First Investors Life Series Limited Duration Bond Fund (Predecessor Series) as the result of a reorganization of the Predecessor Series into the Series which was consummated after the close of business on Oct. 4, 2019 (Reorganization). The Series had not yet commenced operations prior to the Reorganization. The bar chart shows changes in the performance of the Predecessor Series from year to year and shows how the Predecessor Series' average annual total returns for the 1-year and lifetime periods compare with those of a broad measure of market performance. The Predecessor Series' past performance (before and after taxes) is not necessarily an indication of how the Series will perform in the future. The returns reflect any expense caps in effect during these periods. The returns would be lower without the expense caps.

The returns shown for periods ending on or prior to Oct. 4, 2019 are those of the Predecessor Series. The returns of the Series will be different from the returns of the Predecessor Series as they have different expenses.

Updated performance information is available by calling 800 523-1918 or by visiting our website at [delawarefunds.com/dcio/performance](http://delawarefunds.com/dcio/performance).

Performance reflects all Series expenses but does not include any fees or sales charges imposed by variable insurance contracts. If they had been included, the returns shown below would be lower. Investors should consult the variable contract prospectus for more information.

**Calendar year-by-year total return**



During the periods illustrated in this bar chart, the Series' highest quarterly return was 1.16% for the quarter ended March 31, 2016, and its lowest quarterly return was -1.23% for the quarter ended Dec. 31, 2016.

**Average annual total returns for periods ended December 31, 2018**

	1 year	Life of Series
Limited Duration Bond Series (Inception Date: 7/1/14). . . . .	-0.22%	-0.33%
Bloomberg Barclays 1-3 Year US Government/Credit Index (reflects no deduction for fees, expenses or taxes)* . . . . .	1.60%	1.02%
ICE BofAML 1-5 Year US Broad Market Index (reflects no deduction for fees, expenses or taxes)* . . . . .	1.37%	1.30%

\* The Series changed its broad-based securities index to the Bloomberg Barclays 1-3 Year US Government/Credit Index as of Jan. 31, 2019. The Series elected to use the new index because it more closely reflects the Series' investment strategies.

# Series summary

## Who manages the Series?

### Investment manager

Delaware Management Company, a series of Macquarie Investment Management Business Trust (a Delaware statutory trust)

Portfolio managers	Title with Delaware Management Company	Start date on the Series
Roger A. Early, CPA, CFA	Executive Director, Chief Investment Officer of US Fixed Income	October 2019
Brian C. McDonnell, CFA	Executive Director, Head of US Fixed Income	October 2019
Adam H. Brown, CFA	Senior Vice President, Co-Head of High Yield, Senior Portfolio Manager	October 2019
John P. McCarthy, CFA	Senior Vice President, Co-Head of High Yield, Senior Portfolio Manager	October 2019

### Sub-advisors

Macquarie Investment Management Austria Kapitalanlage AG (MIMAK)

Macquarie Investment Management Europe Limited (MIMEL)

Macquarie Investment Management Global Limited (MIMGL)

## Purchase and redemption of Series shares

Shares are sold only to separate accounts of life insurance companies at net asset value (NAV). Please refer to the variable annuity or variable life insurance product contract prospectus for more information about the purchase and redemption of shares.

## **Tax information**

The dividends and distributions paid from the Series to the insurance company separate accounts will consist of ordinary income, capital gains, or some combination of both. Because shares of the Series must be purchased through separate accounts used to fund variable annuity contracts or variable life insurance contracts (variable contracts), such dividends and distributions will be exempt from current taxation by contract holders if left to accumulate within a separate account. You should refer to your variable contract prospectus for more information on these tax consequences.

## **Payments to broker/dealers and other financial intermediaries**

If you purchase shares of the Series through a broker/dealer or other financial intermediary (such as an insurance company), the Series and its related companies may pay the intermediary for the sale of Series shares and related services. These payments may create a conflict of interest by influencing the broker/dealer or other intermediary and your salesperson to recommend the Series over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# Series summary

## Delaware VIP® Special Situations Series

### What is the Series' investment objective?

Delaware VIP Special Situations Series seeks long-term growth of capital.

### What are the Series' fees and expenses?

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Series. The fee table and example do not reflect any fees or sales charges imposed by variable insurance contracts. If they did, the expenses would be higher.

#### Annual series operating expenses (expenses that you pay each year as a percentage of the value of your investment)

Class	Standard
Management fees . . . . .	0.75%
Distribution and service (12b-1) fees . . . . .	none
Other expenses . . . . .	0.08%
Total annual series operating expenses . . . . .	0.83%
Fee waivers and expense reimbursements . . . . .	(0.03%) <sup>1</sup>
Total annual series operating expenses after fee waivers and expense reimbursements . . . . .	0.80%

<sup>1</sup> The Series' investment manager, Delaware Management Company (Manager), has contractually agreed to waive all or a portion of its investment advisory fees and/or pay/reimburse expenses (excluding any acquired fund fees and expenses, taxes, interest, short sale dividend and interest expenses, brokerage fees, certain insurance costs, and nonroutine expenses or costs, including, but not limited to, those relating to reorganizations, litigation, conducting shareholder meetings, and liquidations) in order to prevent total annual series operating expenses from exceeding 0.80% of the Series' average daily net assets from Oct. 4, 2019 through Oct. 31, 2021. These waivers and reimbursements may only be terminated by agreement of the Manager and the Series.

### Example

This example is intended to help you compare the cost of investing in the Series with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Series for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and reflects the Manager's expense waivers and reimbursements for the 2-year contractual period and the total operating expenses without waivers for years 3 through 10. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Class	Standard
1 year . . . . .	\$82
3 years . . . . .	\$259
5 years . . . . .	\$454
10 years . . . . .	\$1,020

## **Portfolio turnover**

The Series pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Series shares are held in a taxable account. These costs, which are not reflected in the annual series operating expenses or in the example, affect the Series’ performance. During the most recent fiscal year, the Predecessor Series’ (defined below) portfolio turnover rate was 54% of the average value of its portfolio.

## **What are the Series’ principal investment strategies?**

The Series invests primarily in common stocks of small sized companies that the investment manager, Delaware Management Company (Manager), believes appear low relative to their underlying value or long-term potential.

The Series seeks to achieve its investment objective by investing, under normal circumstances, at least 80% of the value of its total assets (net assets plus the amount of any borrowings for investment purposes) in securities of companies that are deemed by the Manager to be special situations which are defined as investments primarily in common stocks of small-size companies that in the Manager’s opinion, appear low relative to their underlying value or future potential. The Series uses a “bottom-up” approach to selecting investments. The Series uses fundamental research to search for companies that have one or more of the following: a strong balance sheet, experienced management, and stocks that are attractively priced. Considerations used when determining a special situation include, among other factors, the financial strength of a company, its management, the prospects for its industry, and any anticipated changes within the company that might suggest a more favorable outlook going forward. The Manager focuses on free cash flow in its individual stock selection, seeking companies that it believes have a sustainable ability to buy back shares, lower debt, and/or increase or initiate dividends. The Series considers small-capitalization companies to be companies with a market capitalization generally less than 3.5 times the dollar-weighted, median market capitalization of the Russell 2000® Index at the time of purchase. The Series may invest in exchange-traded funds (ETFs) to gain exposure to stocks and up to 15% of its net assets in real estate investment trusts (REITs).

The Manager may permit its affiliates, Macquarie Investment Management Global Limited (MIMGL) and Macquarie Fund Management Hong Kong Limited, to execute Series security trades on behalf of the Manager. The Manager may also seek quantitative support from MIMGL.

# Series summary

## What are the principal risks of investing in the Series?

Investing in any mutual fund involves the risk that you may lose part or all of the money you invest. Over time, the value of your investment in the Series will increase and decrease according to changes in the value of the securities in the Series' portfolio. The Series' principal risks include:

**Market risk** — Stock prices may decline over short or even extended periods due to general economic and market conditions, adverse political or regulatory developments or interest rate fluctuations. Adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemptions.

**Small-size and mid-size company risk** — The market risk associated with stocks of small- and mid-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of small- and mid-size companies tend to experience sharper price fluctuations. At times, it may be difficult to sell small- to mid-size company stocks at reasonable prices.

**Undervalued securities risk** — The Series seeks to invest in stocks that are undervalued and that will rise in value due to anticipated events or changes in investor perceptions. If these developments do not occur, the market price of these securities may not rise as expected or may fall.

**Active management and selection risk** — The risk that the securities selected by a series' management will underperform the markets, the relevant indices, or the securities selected by other funds with similar investment objectives and investment strategies. The securities and sectors selected may vary from the securities and sectors included in the relevant index.

**Exchange-traded funds risk** — The risks of investing in an ETF typically reflect the risks of the types of instruments in which the ETF invests. In addition, because ETFs are investment companies, the Series will bear its proportionate share of the fees and expenses of an investment in an ETF. As a result, the Series' expenses may be higher and performance may be lower.

**REIT risk** — In addition to the risks associated with the real estate industry, which include declines in the real estate market, decreases in property revenues and increases in property taxes and operating expenses, REITs are subject to additional risks, including those related to adverse governmental actions, declines in property value, and the potential failure to qualify for federal tax-free "pass-through" of distributed net income and net realized gains and



exemption from registration as an investment company. REITs are dependent upon specialized management skills and may invest in relatively few properties, a small geographic area or a small number of property types. As a result, investments in REITs may be volatile. REITs are pooled investment vehicles with their own fees and expenses, and the Series will indirectly bear a proportionate share of those fees and expenses.

The Manager is an indirect wholly owned subsidiary of Macquarie Group Limited (MGL). Other than Macquarie Bank Limited (MBL), a subsidiary of MGL and an affiliate of the Manager, 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. The Series is governed by US laws and regulations.

### **How has Delaware VIP® Special Situations Series performed?**

The bar chart and table below provide some indication of the risks of investing in the Series. The Series has adopted the performance of the First Investors Life Series Special Situations Fund (Predecessor Series) as the result of a reorganization of the Predecessor Series into the Series which was consummated after the close of business on Oct. 4, 2019 (Reorganization). The Series had not yet commenced operations prior to the Reorganization. The bar chart shows changes in the performance of the Predecessor Series from year to year and shows how the Predecessor Series' average annual total returns for the 1-, 5-, and 10-year or lifetime periods compare with those of a broad measure of market performance. The Predecessor Series' past performance (before and after taxes) is not necessarily an indication of how the Series will perform in the future. The returns reflect any expense caps in effect during these periods. The returns would be lower without the expense caps.

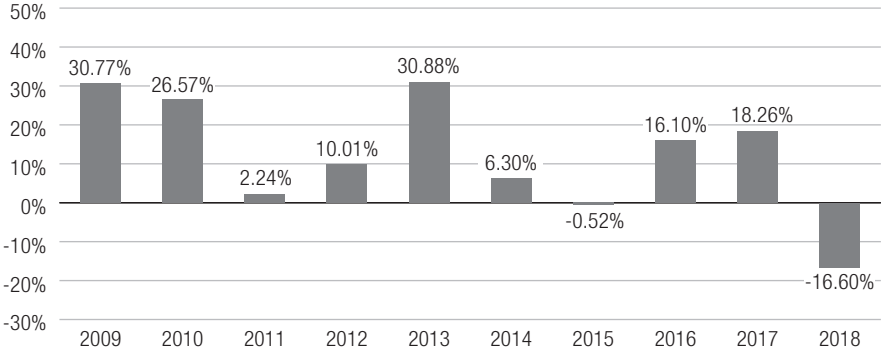
The returns shown for periods ending on or prior to Oct. 4, 2019 are those of the Predecessor Series. The returns of the Series will be different from the returns of the Predecessor Series as they have different expenses.

Updated performance information is available by calling 800 523-1918 or by visiting our website at [delawarefunds.com/dcio/performance](http://delawarefunds.com/dcio/performance).

# Series summary

Performance reflects all Series expenses but does not include any fees or sales charges imposed by variable insurance contracts. If they had been included, the returns shown below would be lower. Investors should consult the variable contract prospectus for more information.

## Calendar year-by-year total return



During the periods illustrated in this bar chart, the Series' highest quarterly return was 17.19% for the quarter ended June 30, 2009, and its lowest quarterly return was -18.59% for the quarter ended Dec. 31, 2018.

## Average annual total returns for periods ended December 31, 2018

	1 year	5 years	10 years
Special Situations Series . . . . .	-16.60%	3.90%	11.43%
Russell 2000® Value Index (reflects no deduction for fees, expenses or taxes)* . . . . .	-12.86%	3.61%	10.40%
MSCI USA Small Cap Value Index (reflects no deduction for fees, expenses or taxes)* . . . . .	-13.35%	4.82%	12.85%

Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company.

\* The Series changed its broad-based securities index to the Russell 2000 Value Index as of Oct. 4, 2019. The Series had previously changed its broad-based securities index to the MSCI USA Small Cap Value Index as of Jan. 31, 2019. In each case the Series elected to use the new index because it more closely reflects the Series' investment strategies.

## Who manages the Series?

### Investment manager

Delaware Management Company, a series of Macquarie Investment Management Business Trust (a Delaware statutory trust)

<b>Portfolio managers</b>	<b>Title with Delaware Management Company</b>	<b>Start date on the Series</b>
Christopher S. Beck, CFA	Executive Director, Chief Investment Officer — US Small-Mid Cap Value Equity	October 2019
Steven G. Catricks, CFA	Vice President, Senior Portfolio Manager	October 2019
Kent P. Madden, CFA	Vice President, Senior Portfolio Manager	October 2019
Kelley McKee Carabasi, CFA	Vice President, Senior Portfolio Manager	October 2019
Michael Foley, CFA	Vice President, Senior Portfolio Manager	October 2019

### Sub-advisors

Macquarie Investment Management Global Limited (MIMGL)

Macquarie Funds Management Hong Kong Limited (MFMHKL)

### Purchase and redemption of Series shares

Shares are sold only to separate accounts of life insurance companies at net asset value (NAV). Please refer to the variable annuity or variable life insurance product contract prospectus for more information about the purchase and redemption of shares.

# Series summary

## **Tax information**

The dividends and distributions paid from the Series to the insurance company separate accounts will consist of ordinary income, capital gains, or some combination of both. Because shares of the Series must be purchased through separate accounts used to fund variable annuity contracts or variable life insurance contracts (variable contracts), such dividends and distributions will be exempt from current taxation by contract holders if left to accumulate within a separate account. You should refer to your variable contract prospectus for more information on these tax consequences.

## **Payments to broker/dealers and other financial intermediaries**

If you purchase shares of the Series through a broker/dealer or other financial intermediary (such as an insurance company), the Series and its related companies may pay the intermediary for the sale of Series shares and related services. These payments may create a conflict of interest by influencing the broker/dealer or other intermediary and your salesperson to recommend the Series over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# Delaware VIP® International Series

## What is the Series' investment objective?

Delaware VIP International Series seeks long-term capital growth.

## What are the Series' fees and expenses?

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Series. The fee table and example do not reflect any fees or sales charges imposed by variable insurance contracts. If they did, the expenses would be higher.

### Annual series operating expenses (expenses that you pay each year as a percentage of the value of your investment)

Class	Standard
Management fees . . . . .	0.85%
Distribution and service (12b-1) fees . . . . .	none
Other expenses . . . . .	0.14%
Total annual series operating expenses . . . . .	0.99%
Fee waivers and expense reimbursements . . . . .	(0.13%) <sup>1</sup>
Total annual series operating expenses after fee waivers and expense reimbursements . . . . .	0.86%

<sup>1</sup> The Series' investment manager, Delaware Management Company (Manager), has contractually agreed to waive all or a portion of its investment advisory fees and/or pay/reimburse expenses (excluding any acquired fund fees and expenses, taxes, interest, short sale dividend and interest expenses, brokerage fees, certain insurance costs, and nonroutine expenses or costs, including, but not limited to, those relating to reorganizations, litigation, conducting shareholder meetings, and liquidations) in order to prevent total annual series operating expenses from exceeding 0.86% of the Series' average daily net assets from Oct. 4, 2019 through Oct. 31, 2021. These waivers and reimbursements may only be terminated by agreement of the Manager and the Series.

## Example

This example is intended to help you compare the cost of investing in the Series with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Series for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and

# Series summary

reflects the Manager's expense waivers and reimbursements for the 2-year contractual period and the total operating expenses without waivers for years 3 through 10. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Class	Standard
1 year . . . . .	\$88
3 years. . . . .	\$289
5 years. . . . .	\$521
10 years. . . . .	\$1,189

## Portfolio turnover

The Series pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Series shares are held in a taxable account. These costs, which are not reflected in the annual series operating expenses or in the example, affect the Series’ performance. During the most recent fiscal year, the Predecessor Series’ (defined below) portfolio turnover rate was 50% of the average value of its portfolio.

## What are the Series’ principal investment strategies?

The Series primarily invests in a portfolio of common stocks and other equity securities of companies that are located outside of the United States. To a limited degree, the Series may also invest in companies based in the United States. The Series may rely on the country where the issuer is incorporated, is headquartered or has its principal place of business in determining the location of an issuer. Additionally, in pursuing its investment strategies, the Series may hold significant investments (25% or more of its assets) in a specific market sector, including the consumer staples sector. The Series is a nondiversified fund.

A representative list of the countries where the Manager may invest includes: Australia, Brazil, Canada, China, Finland, France, Germany, Hong Kong, Italy, Japan, Luxembourg, the Netherlands, Singapore, Spain, Sweden, Switzerland, Taiwan, and the United Kingdom. While this is a representative list, the Series may also invest in other countries as well.

The investment process is bottom-up, research-driven. The aim is to produce attractive risk-adjusted long-term returns by investing in understandable, quality businesses with mispriced earnings power. Mispricings occur when shorter term market fluctuations lead to a discount between a stock’s price and its fair value which is derived from such factors as the long term sales and future earnings potential of a business. Stock selection rests on an assessment of each company and its risk-return profile. Sustainability is defined as the Fund’s ability to generate profits over the long term that also from time to time have the ability

to redeploy part of earnings and reinvest into future advantageous areas of the business. Research is centered on understanding the nature and sustainability of how the company creates value, including the associated risks. Businesses identified as attractive are likely to display one or more of these favorable characteristics: solid earnings power and free cash flow generation, sustainable business models and competitive advantages, ability to reinvest at rates above the cost of capital, flexibility to restructure inefficiencies, potential to benefit from consolidation within their industries, and ability to gain market share from competitors. Sustainable businesses are businesses that have the ability to generate profits over the long term that also from time to time have the ability to redeploy part of earnings and reinvest into future advantageous areas of the business. An estimate for long-term earnings power is derived in order to calculate the fair value of a company. Fair value is defined as the estimated worth of a company based upon the company's earning potential and other variables. To compensate for unpredictable risks, the team aims to invest in companies that can be bought within an adequate safety margin to the estimated fair value. The portfolio managers strive to purchase stocks at a discount to what they deem to be fair value. The discount effectively provides a cushion to absorb potential stock price depreciation due to such factors as unexpected negative shifts in currency values and/or economic or political instability and negative shifts in company earnings.

The Manager may permit its affiliates, Macquarie Investment Management Global Limited (MIMGL) and Macquarie Fund Management Hong Kong Limited, to execute Series security trades on behalf of the Manager. The Manager may also seek quantitative support from MIMGL.

Screening is a method used for idea generation. A typical screen may exclude stocks under a certain market cap and then applying numerous valuation, quality and growth metrics as hurdles that would effectively reduce the universe further. Survivors would become candidates for fundamental research whereas in-depth analysis occurs to ultimately determine the attractiveness of a stock for potential portfolio admission.

## **What are the principal risks of investing in the Series?**

Investing in any mutual fund involves the risk that you may lose part or all of the money you invest. Over time, the value of your investment in the Series will increase and decrease according to changes in the value of the securities in the Series' portfolio. The Series' principal risks include:

**Market risk** — Stock prices may decline over short or even extended periods due to general economic and market conditions, adverse political or regulatory developments or interest rate fluctuations. Adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemptions.

# Series summary

**Foreign and emerging markets risk** — The risk that international investing (particularly in emerging markets) may be adversely affected by political instability; changes in currency exchange rates; inefficient markets and higher transaction costs; foreign economic conditions; the imposition of economic or trade sanctions; or inadequate or different regulatory and accounting standards. The risk associated with international investing will be greater in emerging markets than in more developed foreign markets because, among other things, emerging markets may have less stable political and economic environments. In addition, there often is substantially less publicly available information about issuers and such information tends to be of a lesser quality. Economic markets and structures tend to be less mature and diverse and the securities markets may also be smaller, less liquid, and subject to greater price volatility.

**Active management and selection risk** — The risk that the securities selected by a series' management will underperform the markets, the relevant indices, or the securities selected by other funds with similar investment objectives and investment strategies. The securities and sectors selected may vary from the securities and sectors included in the relevant index.

**Nondiversification risk** — A nondiversified series has the flexibility to invest as much as 50% of its assets in as few as two issuers with no single issuer accounting for more than 25% of the series. The remaining 50% of its assets must be diversified so that no more than 5% of its assets are invested in the securities of a single issuer. Because a nondiversified series may invest its assets in fewer issuers, the value of its shares may increase or decrease more rapidly than if it were fully diversified.

**Industry, sector, and security risks** — Industry and sector risk is the risk that the value of securities in a particular industry or sector (such as consumer staples) will decline because of changing expectations for the performance in that industry or sector.

Security risk is the risk that the value of an individual stock or bond will decline because of changing expectations for the performance of the individual company issuing the stock or bond (due to situations that could range from decreased sales to events such as a pending merger or actual or threatened bankruptcy).

**Consumer staples sector risk** — Companies in the consumer staples sector may be adversely affected by changes in the worldwide economy, world events, government regulation, environmental factors, consumer confidence, consumer spending, marketing, competition, demographics and consumer preferences, product trends, and production spending. Companies in this sector are also affected by natural and man-made disasters and political, social, or labor unrest that affect production and distribution of consumer staple products.



**Liquidity risk** — Certain investments may be difficult or impossible to sell at a favorable time or price. Market developments may cause the Series' investments to become less liquid and subject to erratic price movements. This risk is particularly acute in the case of foreign securities that are traded in smaller, less-developed or emerging markets.

The Manager is an indirect wholly owned subsidiary of Macquarie Group Limited (MGL). Other than Macquarie Bank Limited (MBL), a subsidiary of MGL and an affiliate of the Manager, 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. The Series is governed by US laws and regulations.

### **How has Delaware VIP® International Series performed?**

The bar chart and table below provide some indication of the risks of investing in the Series. The Series has adopted the performance of the First Investors Life Series International Fund (Predecessor Series) as the result of a reorganization of the Predecessor Series into the Series which was consummated after the close of business on Oct. 4, 2019 (Reorganization). The Series had not yet commenced operations prior to the Reorganization. The bar chart shows changes in the performance of the Predecessor Series from year to year and shows how the Predecessor Series' average annual total returns for the 1-, 5-, and 10-year or lifetime periods compare with those of a broad measure of market performance. The Predecessor Series' past performance (before and after taxes) is not necessarily an indication of how the Series will perform in the future. The returns reflect any expense caps in effect during these periods. The returns would be lower without the expense caps.

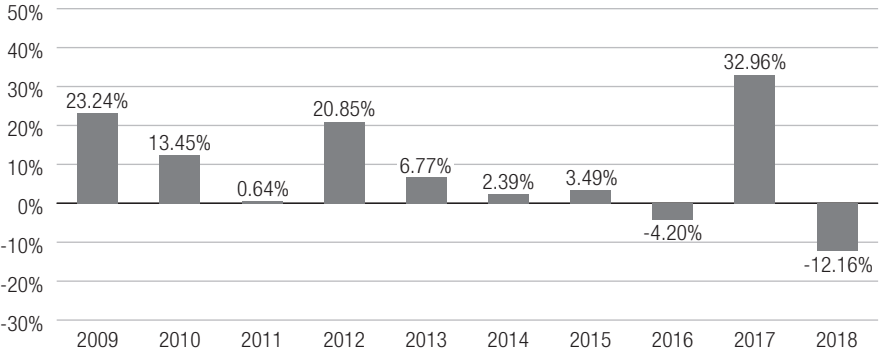
The returns shown for periods ending on or prior to Oct. 4, 2019 are those of the Predecessor Series. The returns of the Series will be different from the returns of the Predecessor Series as they have different expenses.

Updated performance information is available by calling 800 523-1918 or by visiting our website at [delawarefunds.com/dcio/performance](http://delawarefunds.com/dcio/performance).

# Series summary

Performance reflects all Series expenses but does not include any fees or sales charges imposed by variable insurance contracts. If they had been included, the returns shown below would be lower. Investors should consult the variable contract prospectus for more information.

## Calendar year-by-year total return



During the periods illustrated in this bar chart, the Series' highest quarterly return was 19.05% for the quarter ended June 30, 2009, and its lowest quarterly return was -12.92% for the quarter ended Sept. 30, 2011.

## Average annual total returns for periods ended December 31, 2018

	1 year	5 years	10 years
International Series . . . . .	-12.16%	3.46%	7.97%
MSCI EAFE (Europe, Australasia, Far East) Index (net) (reflects the deduction of foreign withholding taxes on dividends). . . . .	-13.79%	0.53%	6.31%
MSCI EAFE (Europe, Australasia, Far East) Index (gross) (reflects no deduction for foreign withholding taxes on dividends). . . . .	-13.36%	1.00%	6.81%

## Who manages the Series?

### Investment manager

Delaware Management Company, a series of Macquarie Investment Management Business Trust (a Delaware statutory trust)

Portfolio managers	Title with Delaware Management Company	Start date on the Series
Christopher Gowlland, CFA	Vice President, Senior Quantitative Analyst	October 2019
Jens Hansen	Managing Director, Chief Investment Officer — Global Equity Team	October 2019
Klaus Petersen, CFA	Portfolio Manager — Global Equity Team	October 2019
Claus Juul	Portfolio Manager — Global Equity Team	October 2019
Åsa Annerstedt	Portfolio Manager — Global Equity Team	October 2019

### Sub-advisors

Macquarie Investment Management Global Limited (MIMGL)

Macquarie Funds Management Hong Kong Limited (MFMHKL)

## Purchase and redemption of Series shares

Shares are sold only to separate accounts of life insurance companies at net asset value (NAV). Please refer to the variable annuity or variable life insurance product contract prospectus for more information about the purchase and redemption of shares.

## Tax information

The dividends and distributions paid from the Series to the insurance company separate accounts will consist of ordinary income, capital gains, or some combination of both. Because shares of the Series must be purchased through separate accounts used to fund variable annuity contracts or variable life insurance contracts (variable contracts), such dividends and distributions will be exempt from current taxation by contract holders if left to accumulate within a separate account. You should refer to your variable contract prospectus for more information on these tax consequences.

# Series summary

## **Payments to broker/dealers and other financial intermediaries**

If you purchase shares of the Series through a broker/dealer or other financial intermediary (such as an insurance company), the Series and its related companies may pay the intermediary for the sale of Series shares and related services. These payments may create a conflict of interest by influencing the broker/dealer or other intermediary and your salesperson to recommend the Series over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# Delaware VIP® Total Return Series

## What is the Series' investment objective?

Delaware VIP Total Return Series seeks to provide sustainable current income with potential for capital appreciation with moderate investment risk.

## What are the Series' fees and expenses?

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Series. The fee table and example do not reflect any fees or sales charges imposed by variable insurance contracts. If they did, the expenses would be higher.

### Annual series operating expenses (expenses that you pay each year as a percentage of the value of your investment)

Class	Standard
Management fees . . . . .	0.65%
Distribution and service (12b-1) fees . . . . .	none
Other expenses . . . . .	0.22%
Total annual series operating expenses . . . . .	0.87%
Fee waivers and expense reimbursements . . . . .	(0.01%) <sup>1</sup>
Total annual series operating expenses after fee waivers and expense reimbursements . . . . .	0.86%

<sup>1</sup> The Series' investment manager, Delaware Management Company (Manager), has contractually agreed to waive all or a portion of its investment advisory fees and/or pay/reimburse expenses (excluding any acquired fund fees and expenses, taxes, interest, short sale dividend and interest expenses, brokerage fees, certain insurance costs, and nonroutine expenses or costs, including, but not limited to, those relating to reorganizations, litigation, conducting shareholder meetings, and liquidations) in order to prevent total annual series operating expenses from exceeding 0.86% of the Series' average daily net assets from Oct. 4, 2019 through Oct. 31, 2021. These waivers and reimbursements may only be terminated by agreement of the Manager and the Series.

## Example

This example is intended to help you compare the cost of investing in the Series with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Series for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and

# Series summary

reflects the Manager's expense waivers and reimbursements for the 2-year contractual period and the total operating expenses without waivers for years 3 through 10. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Class	Standard
1 year . . . . .	\$88
3 years. . . . .	\$275
5 years. . . . .	\$480
10 years. . . . .	\$1,071

## Portfolio turnover

The Series pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Series shares are held in a taxable account. These costs, which are not reflected in the annual series operating expenses or in the example, affect the Series’ performance. During the most recent fiscal year, the Predecessor Series’ (defined below) portfolio turnover rate was 68% of the average value of its portfolio.

## What are the Series’ principal investment strategies?

The Series allocates its assets among stocks (US and foreign companies), bonds and money market instruments. The Series does not use a fixed formula for allocating investments between stocks and bonds. While the percentage of assets allocated to each asset class is flexible rather than fixed, the Series normally invests at least 50% of its net assets in stocks and convertible securities with the remainder in bonds, cash and money market instruments. The percentages may change due to, among other things, market fluctuations or reallocation decisions by the Series’ Manager.

In connection with the determination of the Series’ allocation ranges, the Series’ Manager considers various factors, including existing and projected market conditions for equity and fixed income securities. Once the asset allocation for bonds, stocks and money market instruments has been set, the Manager uses fundamental research and analysis to determine which particular investments to purchase or sell. The percentage allocations within the above ranges may change due to, among other things, market fluctuations or reallocation decisions by the Manager. Reallocations outside of the above ranges are expected to occur infrequently. In addition, the Manager may seek investment advice and recommendations from its affiliates: Macquarie Investment Management Europe Limited, Macquarie Investment Management Austria Kapitalanlage AG, Macquarie Investment Management Global Limited (MIMGL), and Macquarie Funds Management Hong Kong Limited (MFMHKL) (together, the “Affiliated Sub-Advisors”). The Manager may also permit these Affiliated Sub-Advisors to execute Series

security trades on behalf of the Manager and exercise investment discretion for securities in certain markets where the Manager believes it will be beneficial to utilize an Affiliated Sub-Advisor's specialized market knowledge.

The Series may permit its affiliates, MIMGL and MFMHKL, to execute Series security trades on behalf of the Manager. The Manager may also seek quantitative support from MIMGL.

The Series' investments in stocks are normally diversified among common stocks of large-, mid- and small-size companies that offer the potential for capital growth, current income, or both. In selecting stocks, the Manager considers, among other things, the issuer's financial strength, management, earnings growth potential and history (if any) of paying dividends.

The Series' investments in bonds are primarily diversified among different types of bonds and other debt securities, including corporate bonds, US Government securities and mortgage-backed and other asset-backed securities. The Manager selects bonds by first considering the outlook for the economy and interest rates, and thereafter, a particular security's characteristics. The Manager may sell a security if it becomes fully valued, its fundamentals have deteriorated, alternative investments become more attractive or if it is necessary to rebalance the portfolio. The Series does not impose any maturity, duration or ratings limits on the Manager's investments in bonds.

The Series may also invest in high yield, below investment grade corporate bonds (commonly known as "high yield" or "junk bonds"). High yield bonds include bonds that are rated below Baa3 by Moody's Investors Service, Inc. or below BBB- by Standard & Poor's as well as unrated bonds that are determined by the Manager to be of equivalent quality. The Manager will consider ratings assigned by ratings agencies in selecting high yield bonds, but rely principally on their own research and investment analysis. In managing the high yield, below investment grade corporate bond portion of the Series, the Manager focuses on investments they believe can generate attractive and consistent income. The Manager may sell a bond when it shows deteriorating fundamentals or it falls short of the Manager's expectations. The Series may invest in credit-linked securities, provided that no more than 10% of the Series' net assets are invested in credit-linked securities.

In addition, the Manager may also invest in active or passive exchange-traded funds (ETFs) that could expose the Series to high yield securities.

The Series may also invest in real estate related companies and real estate investment trusts (REITs).

The Series may also invest in US Treasury futures and options on US Treasury futures to hedge against changes in interest rates.

# Series summary

The Series may invest 20% of its net assets in derivatives, including but not limited to, options, futures, forwards, and swaps. The Manager will invest in derivatives for the purpose of gaining market exposure, hedging, generating income through option overwriting, and to facilitate foreign currency transactions. Under normal conditions, the Series will not invest more than 20% of its assets or the economic equivalent in derivatives instruments.

## What are the principal risks of investing in the Series?

Investing in any mutual fund involves the risk that you may lose part or all of the money you invest. Over time, the value of your investment in the Series will increase and decrease according to changes in the value of the securities in the Series' portfolio. The Series' principal risks include:

**Market risk** — Stock prices may decline over short or even extended periods due to general economic and market conditions, adverse political or regulatory developments or interest rate fluctuations. Similarly, bond prices fluctuate in value with changes in interest rates, the economy and circumstances directly involving issuers. Adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemptions. Certain investments may be difficult or impossible to sell at a favorable time or price when the Series requires liquidity to make redemptions.

**Active management and selection risk** — The risk that the securities selected by a series' management will underperform the markets, the relevant indices, or the securities selected by other funds with similar investment objectives and investment strategies. The securities and sectors selected may vary from the securities and sectors included in the relevant index.

**Allocation risk** — The Series may allocate assets to investment classes that underperform other classes. For example, the Series may be overweighted in stocks when the stock market is falling and the bond market is rising.

**Credit risk** — A debt issuer may become unable or unwilling to pay interest or principal when due. The prices of debt securities are affected by the credit quality of the issuer and, in the case of mortgage-backed and other asset-backed securities, the credit quality of the underlying loans. Securities issued by US Government-sponsored enterprises are supported only by the credit of the issuing entity.

**Interest rate risk** — In general, when interest rates rise, the market value of a debt security declines, and when interest rates decline, the market value of a debt security increases. Securities with longer maturities and durations are generally more sensitive to interest rate changes.



**High yield (junk bond) risk** — The risk that high yield securities, commonly known as “junk bonds,” are subject to reduced creditworthiness of issuers, increased risk of default, and a more limited and less liquid secondary market. High yield securities may also be subject to greater price volatility and risk of loss of income and principal than are higher-rated securities. High yield bonds are sometimes issued by municipalities that have less financial strength and therefore have less ability to make projected debt payments on the bonds.

**Prepayment and extension risk** — When interest rates decline, borrowers tend to refinance their loans and the loans that back mortgage-backed and other asset-backed securities suffer a higher rate of prepayment. This could cause a decrease in the Series’ income and share price. Conversely, when interest rates rise, borrowers tend to repay their loans less quickly, which will generally increase both the Series’ sensitivity to rising interest rates and its potential for price declines.

**Mid-size and small-size company risk** — The market risk associated with stocks of mid- and small-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of mid- and small-size companies tend to experience sharper price fluctuations. At times, it may be difficult to sell mid- to small-size company stocks at reasonable prices.

**Derivatives risk** — Investments in US Treasury futures and options on US Treasury futures to hedge against changes in interest rates involve risks, such as potential losses if interest rates do not move as expected and the potential for greater losses than if these techniques had not been used. Investments in derivatives can increase the volatility of the Series’ share price and may expose it to significant additional costs. Derivatives may be difficult to sell, unwind, or value.

**Foreign securities risk** — There are special risk factors associated with investing in foreign securities, including the risks of fluctuations in exchange rates, potential political and economic instability, differing accounting and financial reporting standards or inability to obtain reliable financial information regarding an issuer’s financial condition, less stringent regulation and supervision of foreign securities markets, custodians and securities depositories, and potential capital restrictions. Some securities issued by foreign governments or their subdivisions, agencies and instrumentalities may not be backed by the full faith and credit of the foreign government and some foreign governments may default on principal and interest payments. To the extent the Series significantly invests in securities of a single country or region, it is more likely to be affected by events or conditions of that area. As a result, it may be more volatile than a more geographically diversified fund.

**Real estate industry risk** — This risk includes, among others: possible declines in the value of real estate; risks related to general and local economic conditions; possible lack of availability of mortgage funds; overbuilding; extended vacancies of properties; increases in

# Series summary

competition, property taxes, and operating expenses; changes in zoning laws; costs resulting from the cleanup of, and liability to third parties resulting from, environmental problems; casualty for condemnation losses; uninsured damages from floods, earthquakes, or other natural disasters; limitations on and variations in rents; and changes in interest rates.

**REIT risk** — In addition to the risks associated with the real estate industry, which include declines in the real estate market, decreases in property revenues and increases in property taxes and operating expenses, REITs are subject to additional risks, including those related to adverse governmental actions, declines in property value, and the potential failure to qualify for federal tax-free “pass-through” of distributed net income and net realized gains and exemption from registration as an investment company. REITs are dependent upon specialized management skills and may invest in relatively few properties, a small geographic area or a small number of property types. As a result, investments in REITs may be volatile. REITs are pooled investment vehicles with their own fees and expenses, and the Series will indirectly bear a proportionate share of those fees and expenses.

**Exchange-traded funds risk** — The risks of investing in an ETF typically reflect the risks of the types of instruments in which the ETF invests. In addition, because ETFs are investment companies, the Series will bear its proportionate share of the fees and expenses of an investment in an ETF. As a result, the Series’ expenses may be higher and performance may be lower.

**Liquidity risk** — Certain investments may be difficult or impossible to sell at a favorable time or price. Market developments may cause the Series’ investments to become less liquid and subject to erratic price movements. High yield securities and loans tend to be less liquid. Floating rate loans generally are subject to legal or contractual restrictions on resale and may trade infrequently. Bonds also may be less liquid because of potential delays in the settlement process or restrictions on resale.

The Manager is an indirect wholly owned subsidiary of Macquarie Group Limited (MGL). Other than Macquarie Bank Limited (MBL), a subsidiary of MGL and an affiliate of the Manager, 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. The Series is governed by US laws and regulations.

## **How has Delaware VIP® Total Return Series performed?**

The bar chart and table below provide some indication of the risks of investing in the Series. The Series has adopted the performance of the First Investors Life Series Total Return Fund (Predecessor Series) as the result of a reorganization of the Predecessor Series into the Series

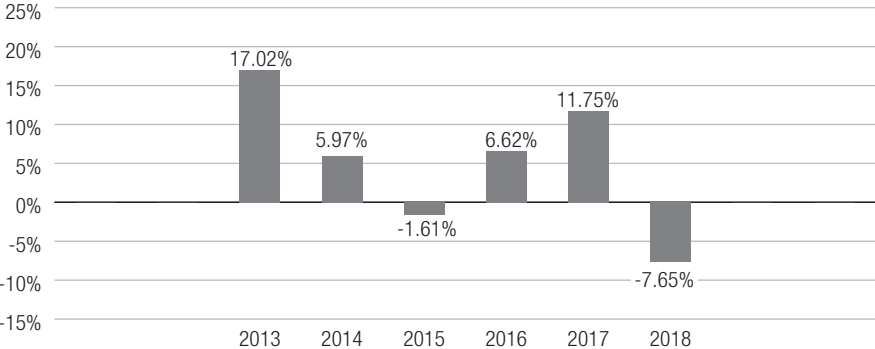
which was consummated after the close of business on Oct. 4, 2019 (Reorganization). The Series had not yet commenced operations prior to the Reorganization. The bar chart shows changes in the performance of the Predecessor Series from year to year and shows how the Predecessor Series' average annual total returns for the 1-year, 5-year, and lifetime periods compare with those of a broad measure of market performance. The Predecessor Series' past performance (before and after taxes) is not necessarily an indication of how the Series will perform in the future. The returns reflect any expense caps in effect during these periods. The returns would be lower without the expense caps.

The returns shown for periods ending on or prior to Oct. 4, 2019 are those of the Predecessor Series. The returns of the Series will be different from the returns of the Predecessor Series as they have different expenses.

Updated performance information is available by calling 800 523-1918 or by visiting our website at [delawarefunds.com/dcio/performance](http://delawarefunds.com/dcio/performance).

Performance reflects all Series expenses but does not include any fees or sales charges imposed by variable insurance contracts. If they had been included, the returns shown below would be lower. Investors should consult the variable contract prospectus for more information.

**Calendar year-by-year total return**



During the periods illustrated in this bar chart, the Series' highest quarterly return was 6.04% for the quarter ended March 31, 2013, and its lowest quarterly return was -8.69% for the quarter ended Dec. 31, 2018.

# Series summary

## Average annual total returns for periods ended December 31, 2018

	1 year	5 years	Life of Series
Total Return Series (Inception Date: 12/17/12) . . . . .	-7.65%	2.78%	4.87%
S&P 500® Index (reflects no deduction for fees, expenses or taxes). . . . .	-4.38%	8.49%	12.02%
60% S&P 500 Index/40% Bloomberg Barclays US Aggregate Index (reflects no deduction for fees, expenses or taxes). . . . .	-2.35%	6.24%	8.05%*
Bloomberg Barclays US Aggregate Index (reflects no deduction for fees, expenses, or taxes) . . . . .	0.01%	2.52%	1.74%
ICE BofAML US Corporate, Government & Mortgage Index (reflects no deduction for fees, expenses or taxes). . . . .	0.00%	2.61%	1.76%

\* As of 12/31/12

## Who manages the Series?

### Investment manager

Delaware Management Company, a series of Macquarie Investment Management Business Trust (a Delaware statutory trust)

Portfolio managers	Title with Delaware Management Company	Start date on the Series
Babak “Bob” Zenouzi	Senior Vice President, Chief Investment Officer — Real Estate Securities and Income Solutions (RESIS)	October 2019
Damon J. Andres, CFA	Vice President, Senior Portfolio Manager	October 2019

### Sub-advisors

Macquarie Investment Management Austria Kapitalanlage AG (MIMAK)

Macquarie Investment Management Europe Limited (MIMEL)

Macquarie Investment Management Global Limited (MIMGL)

Macquarie Funds Management Hong Kong Limited (MFMHKL)

## **Purchase and redemption of Series shares**

Shares are sold only to separate accounts of life insurance companies at net asset value (NAV). Please refer to the variable annuity or variable life insurance product contract prospectus for more information about the purchase and redemption of shares.

## **Tax information**

The dividends and distributions paid from the Series to the insurance company separate accounts will consist of ordinary income, capital gains, or some combination of both. Because shares of the Series must be purchased through separate accounts used to fund variable annuity contracts or variable life insurance contracts (variable contracts), such dividends and distributions will be exempt from current taxation by contract holders if left to accumulate within a separate account. You should refer to your variable contract prospectus for more information on these tax consequences.

## **Payments to broker/dealers and other financial intermediaries**

If you purchase shares of the Series through a broker/dealer or other financial intermediary (such as an insurance company), the Series and its related companies may pay the intermediary for the sale of Series shares and related services. These payments may create a conflict of interest by influencing the broker/dealer or other intermediary and your salesperson to recommend the Series over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# Series summary

## Delaware VIP® Investment Grade Series

### What is the Series' investment objective?

Delaware VIP Investment Grade Series seeks to generate a maximum level of income consistent with investment primarily in investment grade debt securities.

### What are the Series' fees and expenses?

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Series. The fee table and example do not reflect any fees or sales charges imposed by variable insurance contracts. If they did, the expenses would be higher.

### Annual series operating expenses (expenses that you pay each year as a percentage of the value of your investment)

Class	Standard
Management fees . . . . .	0.50%
Distribution and service (12b-1) fees . . . . .	none
Other expenses . . . . .	0.16%
Total annual series operating expenses . . . . .	0.66%
Fee waivers and expense reimbursements . . . . .	(0.00%) <sup>1</sup>
Total annual series operating expenses after fee waivers and expense reimbursements . . . . .	0.66%

<sup>1</sup> The Series' investment manager, Delaware Management Company (Manager), has contractually agreed to waive all or a portion of its investment advisory fees and/or pay/reimburse expenses (excluding any acquired fund fees and expenses, taxes, interest, short sale dividend and interest expenses, brokerage fees, certain insurance costs, and nonroutine expenses or costs, including, but not limited to, those relating to reorganizations, litigation, conducting shareholder meetings, and liquidations) in order to prevent total annual series operating expenses from exceeding 0.69% of the Series' average daily net assets from Oct. 4, 2019 through Oct. 31, 2021. These waivers and reimbursements may only be terminated by agreement of the Manager and the Series.

### Example

This example is intended to help you compare the cost of investing in the Series with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Series for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and

reflects the Manager’s expense waivers and reimbursements for the 2-year contractual period and the total operating expenses without waivers for years 3 through 10. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

Class	Standard
1 year . . . . .	\$67
3 years. . . . .	\$211
5 years. . . . .	\$368
10 years. . . . .	\$822

**Portfolio turnover**

The Series pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Series shares are held in a taxable account. These costs, which are not reflected in the annual series operating expenses or in the example, affect the Series’ performance. During the most recent fiscal year, the Predecessor Series’ (defined below) portfolio turnover rate was 53% of the average value of its portfolio.

**What are the Series’ principal investment strategies?**

Under normal circumstances, the Series invests at least 80% of its net assets (plus any borrowings for investment purposes) in investment grade debt securities. Investment grade debt securities include those that are rated within the four highest ratings categories by Moody’s or S&P or that are unrated but determined by the Series’ investment manager, Delaware Management Company (Manager), to be of equivalent quality.

The Series primarily invests in investment grade US corporate bonds. The Series may also invest in other investment grade securities, including securities issued or guaranteed by the US Government or US Government-sponsored enterprises (some of which are not backed by the full faith and credit of the US Government) and investment grade mortgage-backed and other asset-backed securities. In making investment decisions, the Manager considers the outlook for interest rates, economic forecasts and market conditions, credit ratings, and its own analysis of an issuer’s financial condition. The Manager attempts to stay broadly diversified, but may emphasize certain industries based on its outlook. The Manager usually will sell a security when it shows deteriorating fundamentals, it falls short of the portfolio manager’s expectations, or a more attractive investment is available. The Manager will not necessarily sell an investment if its rating is reduced.

# Series summary

To a lesser extent, the Series also invests in high yield, below investment grade corporate bonds (commonly known as “high yield” or “junk bonds”). High yield bonds include bonds that are rated below Baa3 by Moody’s or below BBB- by S&P as well as unrated bonds that are determined by the Manager to be of equivalent quality. The Manager will consider ratings assigned by ratings agencies in selecting high yield bonds, but relies principally on its own research and investment analysis. In managing its portion of the Series, the Manager focuses on investments it believes can generate attractive and consistent income. The Manager may sell a bond when it shows deteriorating fundamentals or it falls short of the Manager’s expectations. In addition, the Manager may also invest in active or passive exchange-traded funds (ETFs) that could expose the Series to high yield securities.

The Series may invest in securities of any maturity or duration, but may adjust its average portfolio weighted duration or maturity in anticipation of interest rate changes. For example, if the Series expects interest rates to rise, it may seek to reduce its average portfolio weighted duration and maturity. The Series may also invest in US Treasury futures and options on US Treasury futures to hedge against changes in interest rates.

Additionally, from time to time, in pursuing its investment strategies, the Series may hold significant investments (25% or more of its assets) in a specific market sector, including the financials sector.

## What are the principal risks of investing in the Series?

Investing in any mutual fund involves the risk that you may lose part or all of the money you invest. Over time, the value of your investment in the Series will increase and decrease according to changes in the value of the securities in the Series’ portfolio. The Series’ principal risks include:

**Market risk** — The prices of the debt securities held by the Series may decline in response to certain events, such as general economic and market conditions, adverse political or regulatory developments and interest rate fluctuations. Adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemptions.

**Interest rate risk** — In general, when interest rates rise, the market value of a debt security declines, and when interest rates decline, the market value of a debt security increases. Securities with longer maturities and durations are generally more sensitive to interest rate changes.

**Prepayment and extension risk** — When interest rates decline, borrowers tend to refinance their loans and the loans that back mortgage-backed and other asset-backed securities suffer a higher rate of prepayment. This could cause a decrease in the Series’ income and share price. Conversely, when interest rates rise, borrowers tend to repay their loans less quickly, which will generally increase the Series’ sensitivity to interest rates and its potential for price declines.



**Credit risk** — A debt issuer may become unable or unwilling to pay interest or principal when due. The prices of debt securities are affected by the credit quality of the issuer and, in the case of mortgage-backed and asset-backed securities, the credit quality of the underlying loans. Securities issued by US Government-sponsored enterprises are supported only by the credit of the issuing entity.

**Sector risk** — The Series may hold a significant amount of investments in similar businesses, which could be affected by the same economic or market conditions. To the extent the Series invests significantly in the financials sector, the value of the Series' shares may be particularly vulnerable to factors affecting that sector, such as the availability and cost of capital, changes in interest rates, the rate of corporate and consumer debt defaults, credit ratings and quality, market liquidity, extensive government regulation and price competition.

**Derivatives risk** — Investments in US Treasury futures and options on US Treasury futures involve risks, such as potential losses if interest rates do not move as expected and the potential for greater losses than if these techniques had not been used. Investments in derivatives can increase the volatility of the Series' share price and may expose it to significant additional costs. Derivatives may be difficult to sell, unwind, or value.

**Exchange-traded funds risk** — The risks of investing in an ETF typically reflect the risks of the types of instruments in which the ETF invests. In addition, because ETFs are investment companies, the Series will bear its proportionate share of the fees and expenses of an investment in an ETF. As a result, the Series' expenses may be higher and performance may be lower.

**Active management and selection risk** — The risk that the securities selected by a series' management will underperform the markets, the relevant indices, or the securities selected by other funds with similar investment objectives and investment strategies. The securities and sectors selected may vary from the securities and sectors included in the relevant index.

**Liquidity risk** — Certain investments may be difficult or impossible to sell at a favorable time or price. Market developments may cause the Series' investments to become less liquid and subject to erratic price movements. High yield securities tend to be less liquid.

The Manager is an indirect wholly owned subsidiary of Macquarie Group Limited (MGL). Other than Macquarie Bank Limited (MBL), a subsidiary of MGL and an affiliate of the Manager, 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. The Series is governed by US laws and regulations.

# Series summary

## How has Delaware VIP® Investment Grade Series performed?

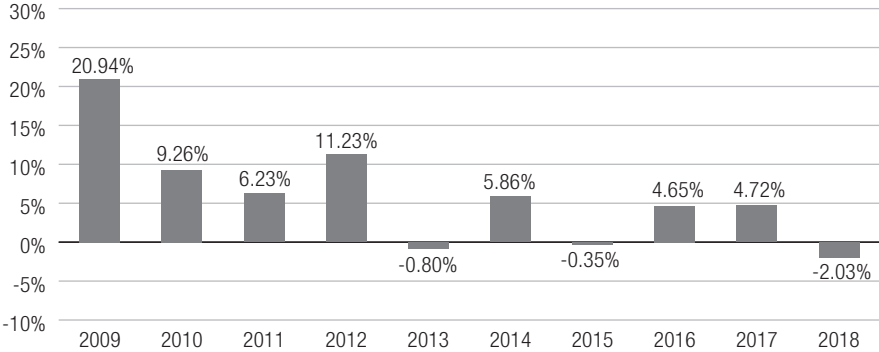
The bar chart and table below provide some indication of the risks of investing in the Series. The Series has adopted the performance of the First Investors Life Series Investment Grade Fund (Predecessor Series) as the result of a reorganization of the Predecessor Series into the Series which was consummated after the close of business on Oct. 4, 2019 (Reorganization). The Series had not yet commenced operations prior to the Reorganization. The bar chart shows changes in the performance of the Predecessor Series from year to year and shows how the Predecessor Series' average annual total returns for the 1-, 5-, and 10-year, or lifetime periods compare with those of a broad measure of market performance. The Predecessor Series' past performance (before and after taxes) is not necessarily an indication of how the Series will perform in the future. The returns reflect any expense caps in effect during these periods. The returns would be lower without the expense caps.

The returns shown for periods ending on or prior to Oct. 4, 2019 are those of the Predecessor Series. The returns of the Series will be different from the returns of the Predecessor Series as they have different expenses.

Updated performance information is available by calling 800 523-1918 or by visiting our website at [delawarefunds.com/dcio/performance](http://delawarefunds.com/dcio/performance).

Performance reflects all Series expenses but does not include any fees or sales charges imposed by variable insurance contracts. If they had been included, the returns shown below would be lower. Investors should consult the variable contract prospectus for more information.

**Calendar year-by-year total return**



During the periods illustrated in this bar chart, the Series' highest quarterly return was 10.24% for the quarter ended June 30, 2009, and its lowest quarterly return was -3.31% for the quarter ended June 30, 2013.

## Average annual total returns for periods ended December 31, 2018

	1 year	5 years	10 years
Investment Grade Series . . . . .	-2.03%	2.52%	5.78%
Bloomberg Barclays US Corporate Investment Grade Index (reflects no deduction for fees, expenses, or taxes)* . . . .	-2.51%	3.28%	5.92%
ICE BofAML US Corporate Index (reflects no deduction for fees, expenses or taxes)* . . . . .	-2.25%	3.34%	6.10%

\* The Series changed its broad-based securities index to the Bloomberg Barclays US Corporate Investment Grade Index as of Oct. 4, 2019. The Series elected to use the new index because it more closely reflected the Series' investment strategies.

## Who manages the Series?

### Investment manager

Delaware Management Company, a series of Macquarie Investment Management Business Trust (a Delaware statutory trust)

Portfolio managers	Title with Delaware Management Company	Start date on the Series
Michael G. Wildstein, CFA	Executive Director, Head of Credit and Insurance Asset Management	October 2019
Roger A. Early, CPA, CFA	Executive Director, Chief Investment Officer of US Fixed Income	October 2019
Paul A. Matlack, CFA	Senior Vice President, Senior Portfolio Manager, Fixed Income Strategist	October 2019
Craig C. Dembek, CFA	Executive Director, Global Head of Credit Research	October 2019
John P. McCarthy, CFA	Senior Vice President, Co-Head of High Yield, Senior Portfolio Manager	October 2019
Kashif Ishaq	Senior Vice President, Global Head of Corporate Bond Trading	October 2019

# Series summary

<b>Portfolio managers</b>	<b>Title with Delaware Management Company</b>	<b>Start date on the Series</b>
J. David Hillmeyer, CFA	Executive Director, Head of Multisector/ Global Fixed Income	October 2019
Wayne A. Anglace, CFA	Senior Vice President, Senior Portfolio Manager	October 2019

## **Sub-advisors**

Macquarie Investment Management Austria Kapitalanlage AG (MIMAK)

Macquarie Investment Management Europe Limited (MIMEL)

Macquarie Investment Management Global Limited (MIMGL)

## **Purchase and redemption of Series shares**

Shares are sold only to separate accounts of life insurance companies at net asset value (NAV). Please refer to the variable annuity or variable life insurance product contract prospectus for more information about the purchase and redemption of shares.

## **Tax information**

The dividends and distributions paid from the Series to the insurance company separate accounts will consist of ordinary income, capital gains, or some combination of both. Because shares of the Series must be purchased through separate accounts used to fund variable annuity contracts or variable life insurance contracts (variable contracts), such dividends and distributions will be exempt from current taxation by contract holders if left to accumulate within a separate account. You should refer to your variable contract prospectus for more information on these tax consequences.

## **Payments to broker/dealers and other financial intermediaries**

If you purchase shares of the Series through a broker/dealer or other financial intermediary (such as an insurance company), the Series and its related companies may pay the intermediary for the sale of Series shares and related services. These payments may create a conflict of interest by influencing the broker/dealer or other intermediary and your salesperson to recommend the Series over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

# How we manage the Series

## **Our principal investment strategies**

### **Delaware VIP Covered Call Strategy Series**

The Series invests in a portfolio of equity securities and writes (sells) call options on those securities. Under normal circumstances, the Series writes (sells) call options on at least 80% of the Series' total assets (80% policy). The 80% policy is nonfundamental and may be changed without shareholder approval, but the Series will provide shareholders with at least 60 days' notice before changing this 80% policy. The Series normally writes (sells) covered call options listed on US exchanges on the equity securities held by the Series to seek to lower the overall volatility of the Series' portfolio, protect the Series from market declines and generate income. Call options written (sold) by the Series generally have an exercise price above the price of the underlying security at the time the option is written (sold).

The Series' equity investments consist primarily of common stocks of large-size US companies, certain of which may pay dividends, and US dollar-denominated equity securities of foreign issuers (i.e., American Depositary Receipts (ADRs)), traded on a US securities exchange. ADRs are receipts typically issued in connection with a US or foreign bank or trust company which evidence ownership of underlying securities issued by a non-US company. To a lesser extent, the Series may also invest in and write (sell) covered call options on securities of mid- and small-capitalization issuers and exchange-traded funds (ETFs) that track certain market indices, such as the S&P 500. The nature of the Series is such that it may be expected to underperform equity markets during periods of sharply rising equity prices; conversely, the Series seeks to reduce losses relative to equity markets during periods of declining equity prices.

A call option gives the purchaser of the option the right to buy, and the writer, in this case, the Series, the obligation to sell, the underlying security at the exercise price at any time prior to the expiration of the contract, regardless of the market price of the underlying security during the option period. Covered call options may be sold up to the number of shares of the equity securities held by the Series. The premium paid to the writer is consideration for undertaking the obligations under the option contract. The writer of a covered call option forgoes all or a portion of the potential profit from an increase in the market price of the underlying security above the exercise price in exchange for the benefit of receiving the option premiums which potentially provide some protection against the loss of capital if the underlying security declines in price. The Series receives premium income from the writing of options.

In making investment decisions, the Series' sub-advisor reviews a variety of factors, including economic data, Federal Reserve policy, fiscal policy, inflation and interest rates, commodity pricing, sector, industry and security issues, regulatory factors and street research to appraise economic and market cycles.

# How we manage the Series

In selecting investments, the Series' sub-advisor considers the following, among other criteria: a) companies in an industry with a large market share or significant revenues that fit the Series' investment strategy; b) companies with new products or new management to replace underperforming management; c) recent or anticipated fundamental improvements in industry environment; and d) companies that are out of favor. Covered call options written by the Series are designed to create income, lower the overall volatility of the Series' portfolio and mitigate the impact of market declines. The Series' sub-advisor considers several factors when writing (selling) call options, including the overall equity market outlook, sector and/or industry attractiveness, individual security considerations, and relative and/or historical levels of option premiums.

The Series may sell a security based on the following, among other criteria: a) an actual or anticipated significant decline in the issuer's profitability such as the loss of an exclusive patent or a strong competitor entering the market and/or a significant negative outlook from management; b) a large appreciation in the stock price leads to overvaluation relative to itself and its peers historically; c) significant management turnover at the senior level; or d) an actual or expected decline in demand for the issuer's products or services. The sub-advisor writes call options based upon the sub-advisor's outlook on the economy and stock market and analysis of individual stocks, which can impact the exercise price and expiration of a call option. Generally, higher implied volatility will lead to longer expirations, locking in the potentially higher call premiums, whereas lower implied volatility will tend to lead to shorter dated options. The writing of covered call options may result in frequent trading and a high portfolio turnover rate.

The Series reserves the right to take temporary defensive positions that are inconsistent with the Series' principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objective. The Series may also choose not to take defensive positions. Information about the Series' holdings can be found in the most recent annual report, and information concerning the Series' policies and procedures with respect to disclosure of the Series' portfolio holdings is available in the Series' Statement of Additional Information (see back cover).

The Statement of Additional Information also describes non-principal investment strategies that the Series may use, including investing in other types of investments that are not described in this prospectus.

## **Delaware VIP Fund for Income Series**

The Series primarily invests in high yield, below investment grade corporate bonds (commonly known as "high yield" or "junk bonds"). High yield bonds include both bonds that are rated below Baa3 by Moody's Investors Service, Inc. or below BBB- by Standard & Poor's Financial Services LLC as well as unrated bonds that are determined by the Manager to be

of equivalent quality. High yield bonds generally provide higher income than investment grade bonds to compensate investors for their higher risk of default (i.e., failure to make required interest or principal payments). High yield bond issuers include small or relatively new companies lacking the history or capital to merit investment grade status, former blue chip companies downgraded because of financial problems, special purpose entities that are used to finance capital investment, sales or leases of equipment, loans or other programs and firms with heavy debt loads. High yield securities may be backed by receivables or other assets. The Series may also invest in other high yield debt securities, such as assignments of syndicated bank loans (also known as “floating rate loans”).

The Manager seeks to reduce the risk of a default by selecting bonds through careful credit research and analysis. The Manager seeks to reduce the impact of a potential default by diversifying its investments among bonds of many different companies and industries. The Manager attempts to invest in bonds that have stable to improving credit quality and potential for capital appreciation because of a credit rating upgrade or an improvement in the outlook for a particular company, industry or the economy as a whole.

Although the Manager will consider ratings assigned by ratings agencies in selecting high yield bonds, it relies principally on its own research and investment analysis. The Manager considers a variety of factors, including the overall economic outlook, the issuer's competitive position, the outlook of its industry, its managerial strength, anticipated cash flow, debt maturity schedules, borrowing requirements, interest or dividend coverage, asset coverage and earnings prospects. The Series may sell a bond when it shows deteriorating fundamentals or it falls short of the Manager's expectations. It may also decide to continue to hold a bond (or related securities, such as stocks or warrants) after its issuer defaults or is subject to a bankruptcy. In addition, the 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 Series security trades on behalf of the Manager and exercise investment discretion for securities in certain markets where the Manager believes it will be beneficial to utilize an Affiliated Sub-Advisor's specialized market knowledge.

The Series reserves the right to take temporary defensive positions that are inconsistent with the Series' principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objective. The Series may also choose not to take defensive positions.

The Statement of Additional Information also describes non-principal investment strategies that the Series may use, including investing in other types of investments that are not described in this prospectus.

# How we manage the Series

## **Delaware VIP Growth Equity Series**

The Series invests in a portfolio of approximately 40-45 common stocks that the Series' sub-advisor believes offers the best potential for earnings growth with the lowest risk of negative earnings surprises. The Series is managed by an investment team.

When selecting investments for the Series, the sub-advisor employs quantitative and qualitative analysis to identify high quality companies that it believes have the ability to accelerate earnings growth and exceed investor expectations. The security selection process consists of three steps. Beginning with a universe of stocks that includes large-, mid- and small-size companies, the sub-advisor's investment team first conducts a series of risk control and valuation screens designed to eliminate those stocks that are highly volatile or are more likely to underperform the market. The sub-advisor considers four primary factors when conducting the risk control and valuation screens. Those factors are: valuation, financial quality, stock volatility and corporate governance.

Stocks that pass the initial screens are then evaluated using a proprietary methodology that attempts to identify stocks with the highest probability of producing an earnings growth rate that exceeds investor expectations. In other words, the investment team seeks to identify stocks that are well positioned to benefit from a positive earnings surprise. The process incorporates the following considerations: changes in Wall Street opinions, individual analysts' historical accuracy, earnings quality analysis and corporate governance practices.

The screening steps produce a list of approximately 80-100 eligible companies that are subjected to traditional fundamental analysis to further understand each company's business prospects, earnings potential, strength of management and competitive positioning. The investment team uses the results of this analysis to construct a portfolio of approximately 40-45 stocks that are believed to have the best growth and risk characteristics.

Holdings in the portfolio become candidates for sale if the investment team identifies what they believe to be negative investment or performance characteristics. Reasons to sell a stock may include: a negative earnings forecast or report, valuation concerns, company officials' downward guidance on company performance or earnings or announcement of a buyout. When a stock is eliminated from the portfolio, it is generally replaced with the stock that the investment team considers to be the next best stock that has been identified by the sub-advisor's screening process. Additionally, from time to time, in pursuing its investment strategies, the Series may hold significant investments (25% or more of its assets) in a specific market sector, including the information technology sector.

The Series reserves the right to take temporary defensive positions that are inconsistent with the Series' principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objective. The Series may also choose not to take defensive positions.



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### **Delaware VIP Equity Income Series**

The Series invests, under normal circumstances, primarily in companies that the Series believes are undervalued in the market relative to their long term potential.

In selecting stocks, the Series typically begins by identifying companies that pay dividends. The Series then analyzes companies that appear to be undervalued. Under normal circumstances, the Series will invest at least 80% of its net assets (including any borrowings for investment purposes) in equities (80% policy). For purposes of this 80% policy, equities may include common stock, preferred stock, equity-based exchange-traded funds (ETFs) and instruments that are convertible into common stock, or other instruments that represent an equity position in an issuer. The 80% policy is nonfundamental and may be changed without shareholder approval, but the Series will provide shareholders with at least 60 days' notice before changing this 80% policy. The Series generally uses a "bottom-up" approach to selecting investments. This means that the Series generally identifies potential investments through fundamental research and analysis which includes, among other things, analyzing a company's balance sheet, cash flow statements and competition within a company's industry.

The Series assesses whether management is implementing a reasonable corporate strategy and is operating in the interests of shareholders. Other considerations include analysis of economic trends, interest rates and industry diversification.

The Series normally will diversify its assets.

The Series may sell a security if it becomes fully valued, its fundamentals have deteriorated or alternative investment opportunities become more attractive.

The Series reserves the right to take temporary defensive positions that are inconsistent with the Series' principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objective. The Series may also choose not to take defensive positions.

The Manager may permit its affiliates, Macquarie Investment Management Global Limited (MIMGL) and Macquarie Fund Management Hong Kong Limited, to execute Series' security trades on behalf of the Manager. The Manager may also seek quantitative support from MIMGL.

# How we manage the Series

The Statement of Additional Information also describes non-principal investment strategies that the Series may use, including investing in other types of investments that are not described in this prospectus.

## **Delaware VIP Government Cash Management Series**

The Series intends to operate as a “government money market fund” as such term is defined in Rule 2a-7 under the Investment Company Act of 1940, as amended (1940 Act). The Series will invest at least 99.5% of its total assets in (i) US Government securities; (ii) cash; and/or (iii) repurchase agreements that are collateralized fully by cash and/or US Government securities. In addition, under normal circumstances, the Series will invest at least 80% of its net assets, including any borrowings for investment purposes, in US Government securities and repurchase agreements collateralized fully by cash or US Government securities. The 80% policy is nonfundamental and may be changed without shareholder approval, but the Series will provide shareholders with at least 60 days’ notice before changing this 80% policy. US Government securities include: US Treasury bills and notes; other obligations that are issued by the US Government, its agencies or instrumentalities, including securities that are issued by entities chartered by Congress but whose securities are neither issued nor guaranteed by the US Treasury, including the Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Home Loan Banks and Federal Farm Credit Banks; and obligations that are issued by issuers that are guaranteed as to principal or interest by the US Government, its agencies or instrumentalities, including the Government National Mortgage Association. The Series may invest in fixed, variable and floating rate instruments.

The Series invests only in securities that comply with the quality, maturity, liquidity, diversification and other requirements applicable to a “government money market fund” under Rule 2a-7 under the 1940 Act. The Series will invest only in securities that have remaining maturities of 397 days or less or securities otherwise permitted to be purchased because of maturity shortening provisions under applicable regulations. The dollar-weighted average portfolio maturity and dollar-weighted average portfolio life of the Series will not exceed 60 and 120 days, respectively. The Series uses the amortized cost method of valuation to seek to maintain a stable \$1.00 net asset value per share price.

The Series will only purchase securities that have been determined to present minimal credit risk. In making such a determination, the Series may consider the credit ratings assigned to securities by ratings services. If, after purchase, the credit quality of an investment deteriorates, the Series’ Manager or, where required by applicable law and regulations, the Series’ Board of Trustees, will decide whether the investment should be held or sold. All portfolio instruments purchased by the Series will be denominated in US dollars.

“Government money market funds” are exempt from requirements that permit money market funds to impose a liquidity fee and/or temporary redemption gates. While the Series’ Board of Trustees may elect to subject the Series to liquidity fee and gate requirements in the future, it has not elected to do so at this time and currently has no intention of doing so.

Information concerning the Series’ policies and procedures with respect to disclosure of the Series’ portfolio holdings is available in the Series’ Statement of Additional Information.

The Statement of Additional Information also describes non-principal investment strategies that the Series may use, including investing in other types of investments that are not described in this prospectus. Information concerning the Series’ policies and procedures with respect to disclosure of the Series’ portfolio holdings is available in the Series’ Statement of Additional Information.

### **Delaware VIP Growth and Income Series**

The Series primarily invests in common stocks that offer the potential for capital growth, current income or both. The Series primarily invests in large-size companies and may invest in small- and mid- size companies as well. Some of the companies the Series invests in may pay dividends, however not all will.

The Series generally uses a “bottom-up” approach to selecting investments. This means that the Series generally identifies potential investments through fundamental research and analysis and also focuses on other issues, such as economic trends, interest rates, industry diversification and market capitalization. Economic trends relate to the overall direction in which the economy is moving which may provide insights into the future direction of companies. Factors may include consumer confidence, employment, interest rates and inflation. In deciding whether to buy or sell securities, the Series considers, among other things, the issuer’s financial strength, management, earnings growth or potential earnings growth and the issuer’s valuation relative to its fundamentals and peers.

The portfolio managers research individual companies and analyzes economic and market conditions, seeking to identify the securities that it believes are the best investments for the Fund. The Fund invests primarily in securities that the portfolio manager believes have long-term capital appreciation, or growth potential. The portfolio managers follow a value-oriented investment philosophy in selecting stocks for the Fund using a research-intensive approach that considers factors such as (i) a security price that reflects a market valuation that is judged to be below the estimated present or future value of the company; (ii) favorable earnings prospects and dividend yield potential; (iii) the financial condition of the issuer; and (iv) various qualitative factors.

# How we manage the Series

Stocks that the Fund invests in may pay dividends. Common or ordinary stocks are securities that represent shares of ownership in a corporation. Stockholders may participate in a corporation's profits through its distributions of dividends to stockholders, proportionate to the number of shares they own. The Fund may also own convertible securities. Convertible securities are usually preferred stocks or corporate bonds that can be exchanged for a set number of shares of common stock at a predetermined price. These securities offer higher appreciation potential than nonconvertible bonds and greater income potential than nonconvertible preferred stocks. The Fund may also invest in real estate investment trusts (REITs) and income-generating equity securities. REITs are pooled investment vehicles that invest primarily in income-producing real estate or real estate-related loans or interests.

The Series may sell a security if it becomes fully valued, is no longer attractively valued, its fundamentals have deteriorated or alternative investments become more attractive.

The Series reserves the right to take temporary defensive positions that are inconsistent with the Series' principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objectives. The Series may also choose not to take defensive positions.

The Manager may permit its affiliates, Macquarie Investment Management Global Limited (MIMGL) and Macquarie Fund Management Hong Kong Limited, to execute Series security trades on behalf of the Manager. The Manager may also seek quantitative support from MIMGL.

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## **Delaware VIP Opportunity Series**

The Series invests primarily in mid- and small-size companies that the Series' Manager believes offer attractive valuation and quality characteristics. Companies with attractive valuations are those that have a lower valuation than the company's historical average valuation and a lower valuation than the company's competitors. Companies with quality characteristics will make shareholder friendly use of its cash flow, which would include, but is not limited to: dividend payments or increases, share repurchases, and repayment of debt. The Series also may invest in exchange-traded funds (ETFs) to gain exposure to such securities and in real estate investment trusts (REITs). The Series may continue to hold stocks of mid- and small-size companies that grow into large companies and may also invest opportunistically in stocks of larger companies.

The Series uses a “bottom-up” approach to selecting investments. The Series uses fundamental research to search for companies that have one or more of the following: a strong balance sheet; experienced management; and stocks that are attractively priced. The Series attempts to stay broadly diversified, but it may emphasize certain industry sectors based upon economic and market conditions.

The Series may sell a stock if it becomes fully valued, its fundamentals have deteriorated or alternative investments become more attractive. The Series may also sell a stock if it grows into a large, well-established company, although it may also continue to hold such a stock irrespective of its size.

The Series reserves the right to take temporary defensive positions that are inconsistent with the Series’ principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objective. The Series may also choose not to take defensive positions.

The Manager may permit its affiliates, Macquarie Investment Management Global Limited (MIMGL) and Macquarie Fund Management Hong Kong Limited, to execute Series security trades on behalf of the Manager. The Manager may also seek quantitative support from MIMGL.

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### **Delaware VIP Limited Duration Bond Series**

Under normal circumstances, the Series will invest at least 80% of its net assets (plus any borrowings for investment purposes) in investment grade bonds (80% policy). For purposes of this 80% policy, investment grade bonds also include other investment grade fixed-income securities. The 80% policy is nonfundamental and may be changed without shareholder approval, but the Series will provide shareholders with at least 60 days’ notice before changing this 80% policy.

The Series defines investment grade debt securities as those that are rated within the four highest ratings categories by Moody’s or S&P or that are unrated but determined by the Series’ Manager to be of equivalent quality.

The Series may invest in a variety of different types of investment grade securities, including corporate bonds, securities issued or guaranteed by the US Government or US Government-sponsored enterprises (some of which are not backed by the full faith and credit of the US Government), and mortgage-backed and other asset-backed securities. The Manager

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attempts to stay broadly diversified, but it may emphasize certain industries based on the outlook for interest rates, economic forecasts and market conditions. In selecting investments, the Manager considers, among other things, the issuer's earnings and cash flow generating capabilities, asset quality, debt levels, industry characteristics and management strength. The Manager also considers ratings assigned by ratings services in addition to its own research and investment analysis. The Manager will not necessarily sell an investment if its rating is reduced. The Manager usually will sell a security when it shows deteriorating fundamentals, it falls short of the portfolio manager's expectations, or a more attractive investment is available.

To a lesser extent, the Series also invests in high yield, below investment grade corporate bonds (commonly known as "high yield" or "junk bonds"). High yield bonds include both bonds that are rated below Baa3 by Moody's or below BBB- by S&P as well as unrated bonds that are determined by the Manager to be of equivalent quality. The Series may also be exposed to high yield securities through the Manager's investments in exchange-traded funds (ETFs).

In addition, the 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 Series security trades on behalf of the Manager and exercise investment discretion for securities in certain markets where the Manager believes it will be beneficial to utilize an Affiliated Sub-Advisor's specialized market knowledge.

High yield bonds generally provide higher income than investment grade bonds to compensate investors for their higher risk of default (i.e., failure to make required interest or principal payments). High yield securities may be backed by receivables or other assets. The Manager attempts to invest in bonds that have stable to improving credit quality and potential for capital appreciation because of a credit rating upgrade or an improvement in the outlook for a particular company, industry or the economy as a whole. Although the Manager will consider ratings assigned by ratings agencies in selecting high yield bonds, it relies principally on its own research and investment analysis. The Manager may sell a bond when it shows deteriorating fundamentals or it falls short of the portfolio manager's expectations.

The Manager seeks for the Series to maintain an average weighted duration of between one and six years. Duration is a measure of a bond's or fixed income portfolio's sensitivity to changes in interest rates. For every 1% change in interest rates, a bond's price generally changes approximately 1% in the opposite direction for every year of duration. For example, if a portfolio of fixed income securities has an average weighted duration of six years, its value can be expected to fall about 6% if interest rates rise by 1%. Conversely, the portfolio's value can be expected to rise approximately 6% if interest rates fall by 1%. As a result, prices of securities with longer durations tend to be more sensitive to interest rate changes than prices

of securities with shorter durations. Unlike maturity, which considers only the date on which the final repayment of principal will be made, duration takes account of interim payments made during the life of the security. Duration is typically not equal to maturity. The Manager may adjust the average weighted duration based on its interest rate outlook. If it believes that interest rates are likely to fall, it may attempt to buy securities with longer maturities. By contrast, if it believes interest rates are likely to rise, it may attempt to buy securities with shorter maturities or sell securities with longer maturities.

The Series may invest in US Treasury futures and options on US Treasury futures to hedge against changes in interest rates.

Additionally, from time to time, in pursuing its investment strategies, the Series may hold significant investments (25% or more of its assets) in a specific market sector, including the financials sector.

The Series reserves the right to take temporary defensive positions that are inconsistent with the Series' principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objective. The Series may also choose not to take defensive positions.

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### **Delaware VIP Special Situations Series**

The Series invests primarily in common stocks of small sized companies that the investment manager, Delaware Management Company (Manager), believes appear low relative to their underlying value or long-term potential.

The Series seeks to achieve its investment objective by investing, under normal circumstances, at least 80% of the value of its total assets (net assets plus the amount of any borrowings for investment purposes) in securities of companies that are deemed by the Manager to be special situations which are defined as investments primarily in common stocks of small-size companies that in the Manager's opinion, appear low relative to their underlying value or future potential. The Series uses a "bottom-up" approach to selecting investments. The Series uses fundamental research to search for companies that have one or more of the following: a strong balance sheet, experienced management, and stocks that are attractively priced. Considerations used when determining a special situation include, among other factors, the financial strength of a company, its management, the prospects for its industry, and any anticipated changes within the company that might suggest a more

# How we manage the Series

favorable outlook going forward. The Manager focuses on free cash flow in its individual stock selection, seeking companies that it believes have a sustainable ability to buy back shares, lower debt, and/or increase or initiate dividends. The Series considers small-capitalization companies to be companies with a market capitalization generally less than 3.5 times the dollar-weighted, median market capitalization of the Russell 2000® Index at the time of purchase. The Series may invest in exchange-traded funds (ETFs) to gain exposure to stocks and up to 15% of its net assets in real estate investment trusts (REITs).

The Series may, at times, engage in short-term trading, which could produce higher portfolio turnover, transaction costs and may result in a lower total return for the Series.

The Series reserves the right to take temporary defensive positions that are inconsistent with the Series' principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objective. The Series may also choose not to take defensive positions.

The Manager may permit its affiliates, Macquarie Investment Management Global Limited (MIMGL) and Macquarie Fund Management Hong Kong Limited, to execute Series security trades on behalf of the Manager. The Manager may also seek quantitative support from MIMGL.

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## **Delaware VIP International Series**

The Series primarily invests in a portfolio of common stocks and other equity securities of companies that are located outside of the United States. To a limited degree, the Series may also invest in companies based in the United States. The Series may rely on the country where the issuer is incorporated, is headquartered or has its principal place of business in determining the location of an issuer. The Series may invest in emerging or developing markets, and the Series may focus its investments in companies located in or tied economically to particular countries or regions. Additionally, in pursuing its investment strategies, the Series may hold significant investments (25% or more of its assets) in a specific market sector, including the consumer staples sector. The Series is a nondiversified series.

A representative list of the countries where the Manager may invest includes: Australia, Brazil, Canada, China, Finland, France, Germany, Hong Kong, Italy, Japan, Luxembourg, the Netherlands, Singapore, Spain, Sweden, Switzerland, Taiwan, and the United Kingdom. While this is a representative list, the Series may also invest in other countries as well.



The investment process is bottom-up, research-driven. The aim is to produce attractive risk-adjusted long-term returns by investing in understandable, quality businesses with mispriced earnings power. Mispricings occur when shorter term market fluctuations lead to a discount between a stock's price and its fair value which is derived from such factors as the long term sales and future earnings potential of a business. Stock selection rests on an assessment of each company and its risk-return profile. Sustainability is defined as the Fund's ability to generate profits over the long term that also from time to time have the ability to redeploy part of earnings and reinvest into future advantageous areas of the business. Research is centered on understanding the nature and sustainability of how the company creates value, including the associated risks. Businesses identified as attractive are likely to display one or more of these favorable characteristics: solid earnings power and free cash flow generation, sustainable business models and competitive advantages, ability to reinvest at rates above the cost of capital, flexibility to restructure inefficiencies, potential to benefit from consolidation within their industries, and ability to gain market share from competitors. Sustainable businesses are businesses that have the ability to generate profits over the long term that also from time to time have the ability to redeploy earnings and reinvest into future advantageous areas of the business. An estimate for long-term earnings power is derived in order to calculate the fair value of a company. Fair value is defined as the estimated worth of a company based upon the company's earning potential and other variables. To compensate for unpredictable risks, the team aims to invest in companies that can be bought within an adequate safety margin to the estimated fair value. The portfolio managers strive to purchase stocks at a discount to what they deem to be fair value. The discount effectively provides a cushion to absorb potential stock price depreciation due to such factors as unexpected negative shifts in currency values and/or economic or political instability and negative shifts in company earnings.

Screening is a method used for idea generation. A typical screen may exclude stocks under a certain market cap and then applying numerous valuation, quality and growth metrics as hurdles that would effectively reduce the universe further. Survivors would become candidates for fundamental research whereas in-depth analysis occurs to ultimately determine the attractiveness of a stock for potential portfolio admission.

The Series reserves the right to take temporary defensive positions that are inconsistent with its principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objective. The Series may also choose not to take defensive positions.

The Manager may permit its affiliates, Macquarie Investment Management Global Limited (MIMGL) and Macquarie Fund Management Hong Kong Limited, to execute Series security trades on behalf of the Manager. The Manager may also seek quantitative support from MIMGL.

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The Statement of Additional Information also describes non-principal investment strategies that the Series may use, including investing in other types of investments that are not described in this prospectus.

## **Delaware VIP Total Return Series**

The Series allocates its assets among stocks (US and foreign companies), bonds and money market instruments. While the percentage of assets allocated to each asset class is flexible rather than fixed, the Series normally invests at least 50% of its net assets in stocks and convertible securities with the remainder in bonds, cash and money market instruments. The percentages may change due to, among other things, market fluctuations or reallocation decisions by the Series' Manager. Derivatives are included for the purpose of these allocations.

In connection with the determination of the Series' allocation ranges, the Manager considers various factors, including existing and projected market conditions for equity and fixed income securities. Once the asset allocation for bonds, stocks and money market instruments has been set, the Manager uses fundamental research and analysis to determine which particular investments to purchase or sell. The percentage allocations within the above ranges are actively monitored by the Series' Manager and may change due to, among other things, market fluctuations or reallocation decisions by the Manager. Reallocations outside of the above ranges are expected to occur infrequently.

The Manager selects investments in common stocks based on their potential for capital growth, current income or both. The Manager considers, among other things, the issuer's financial strength, management, earnings growth potential and history (if any) of paying dividends. The Manager will normally diversify the Series' stock holdings among stocks of large-, mid- and small-size companies.

In addition, the 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 Series security trades on behalf of the Manager and exercise investment discretion for securities in certain markets where the Manager believes it will be beneficial to utilize an Affiliated Sub-Advisor's specialized market knowledge.

The Manager selects individual investments in bonds by first considering the outlook for the economy and interest rates, and thereafter, a particular security's characteristics. The Manager will typically diversify its bond holdings among different types of bonds and other debt securities, including corporate bonds, US Government securities, US Government-sponsored enterprise securities, which may not be backed by the full faith and credit of the US Government, and mortgage-backed and other asset-backed securities.

The Manager may sell a security if it becomes fully valued, its fundamentals have deteriorated, alternative investments become more attractive or if it is necessary to rebalance the portfolio.

The Series may also invest in high yield, below investment grade corporate bonds (commonly known as “high yield” or “junk bonds”). High yield bonds include both bonds that are rated below Baa3 by Moody’s Investors Service, Inc. or below BBB- by Standard & Poor’s as well as unrated bonds that are determined by the Manager to be of equivalent quality. The Series may also be exposed to high yield securities through the Manager’s investments in exchange-traded funds (ETFs).

High yield bonds generally provide higher income than investment grade bonds to compensate investors for their higher risk of default (i.e., failure to make required interest or principal payments). High yield securities may be backed by receivables or other assets. The Manager primarily focus on investments they believe can generate attractive and consistent income. In addition, the manager may seek investments that have stable to improving credit quality and potential for capital appreciation because of a credit rating upgrade or an improvement in the outlook for a particular company, industry or the economy as a whole. Although the Manager will consider ratings assigned by ratings agencies in selecting high yield bonds, they rely principally on their own research and investment analysis. The Manager may sell a bond when it shows deteriorating fundamentals or it falls short of the portfolio manager’s expectations. They may also decide to continue to hold a bond (or related securities, such as stocks or warrants) after its issuer defaults or is subject to a bankruptcy.

The Series may also invest in real estate related companies and real estate investment trusts (REITs).

The Series may also invest in US Treasury futures and options on US Treasury futures to hedge against changes in interest rates.

The Series reserves the right to take temporary defensive positions that are inconsistent with the Series’ principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objective. The Series may also choose not to take defensive positions.

The Series may invest 20% of its net assets in derivatives, including but not limited to, options, futures, forwards, and swaps. The Manager will invest in derivatives for the purpose of gaining market exposure, hedging, generating income through option overwriting, and to facilitate foreign currency transactions. Under normal conditions, the Series will not invest more than 20% of its assets or the economic equivalent in derivatives instruments.

# How we manage the Series

The Statement of Additional Information also describes non-principal investment strategies that the Series may use, including investing in other types of investments that are not described in this prospectus.

## **Delaware VIP Investment Grade Series**

Under normal circumstances, the Series invests at least 80% of its net assets (plus any borrowings for investment purposes) in investment grade debt securities (80% policy). The 80% policy is nonfundamental and may be changed without shareholder approval, but the Series will provide shareholders with at least 60 days notice before changing this 80% policy. The Series defines investment grade debt securities as those that are rated within the four highest ratings categories by Moody's or S&P or that are unrated but determined by the Series' Manager to be of equivalent quality. The Series will not necessarily sell an investment if its rating is reduced.

The Series invests primarily in investment grade corporate bonds. The Series may also invest in other investment grade securities, including securities issued or guaranteed by the US Government or US Government-sponsored enterprises (some of which are not backed by the full faith and credit of the US Government) and investment grade mortgage-backed and other asset-backed securities. The Manager attempts to stay broadly diversified, but it may emphasize certain industries based on the outlook for interest rates, economic forecasts and market conditions. In selecting investments, the Manager considers, among other things, the issuer's earnings and cash flow generating capabilities, asset quality, debt levels, industry characteristics and management strength. The Manager also considers ratings assigned by ratings services in addition to its own research and investment analysis. The Manager usually will sell a security when it shows deteriorating fundamentals, it falls short of the Manager's expectations, or a more attractive investment is available.

In addition, the 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 Series security trades on behalf of the Manager and exercise investment discretion for securities in certain markets where the Manager believes it will be beneficial to utilize an Affiliated Sub-Advisor's specialized market knowledge.

The Manager may adjust the average weighted maturity of the securities in its portfolio based on its interest rate outlook. If it believes that interest rates are likely to fall, it may attempt to buy securities with longer maturities. By contrast, if it believes interest rates are likely to rise, it may attempt to buy securities with shorter maturities or sell securities with longer maturities.

To a lesser extent, the Series also invests in high yield, below investment grade corporate bonds (commonly known as “high yield” or “junk bonds”). High yield bonds include both bonds that are rated below Baa3 by Moody’s or below BBB- by S&P as well as unrated bonds that are determined by the Manager to be of equivalent quality. The Series may also be exposed to high yield securities through the Manager’s investments in exchange traded funds (ETFs). Additionally, from time to time, in pursuing its investment strategies, the Series may hold significant investments (25% or more of its assets) in a specific market sector, including the financials sector.

High yield bonds generally provide higher income than investment grade bonds to compensate investors for their higher risk of default (i.e., failure to make required interest or principal payments). High yield securities may be backed by receivables or other assets. The Manager attempts to invest in bonds that have stable to improving credit quality and potential for capital appreciation because of a credit rating upgrade or an improvement in the outlook for a particular company, industry or the economy as a whole.

Although the Manager will consider ratings assigned by ratings agencies in selecting high yield bonds, it relies principally on its own research and investment analysis. The Manager may sell a bond when it shows deteriorating fundamentals or it falls short of the Manager’s expectations. It may also decide to continue to hold a bond (or related securities, such as stocks or warrants) after its issuer defaults or is subject to a bankruptcy.

The Series may invest in securities of any maturity or duration, but may adjust its average portfolio weighted duration or maturity in anticipation of interest rate changes. For example, if the Series expects interest rates to increase, it may seek to reduce its average portfolio weighted duration and maturity. The Series may also invest in US Treasury futures and options on US Treasury futures to hedge against changes in interest rates.

The Series reserves the right to take temporary defensive positions that are inconsistent with the Series’ principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objective. The Series may also choose not to take defensive positions.

While the Series may use derivatives for defensive purposes, such as to protect gains or hedge against potential losses in the portfolio without actually selling a security, to neutralize the impact of interest rate changes, or to effect diversification, the Series will use derivatives to manage duration, to earn additional income, or to gain exposure to a market (or segment of a market). It will not use derivatives for reasons inconsistent with its investment objective. The Manager also researches and continually monitors the creditworthiness of current or potential counterparties to its derivatives transactions.

The Statement of Additional Information also describes non-principal investment strategies that the Series may use, including investing in other types of investments that are not described in this prospectus.

# How we manage the Series

## **The risks of investing in the Series**

Investing in any mutual fund involves risk, including the risk that you may receive little or no return on your investment, and the risk that you may lose part or all of the money you invest. Before you invest in the Series, you should carefully evaluate the risks. Because of the nature of the Series, you should consider your investment to be a long-term investment that typically provides the best results when held for a number of years. The information below describes the principal risks you assume when investing in the Series. Please see the SAI for a further discussion of these risks and other risks not discussed here.

## **Delaware VIP Covered Call Strategy Series**

### **American depositary receipts risk**

ADRs may involve many of the same risks as direct investments in foreign securities, including currency exchange fluctuations, less liquidity and more volatility, differences in accounting, auditing and financial reporting standards and governmental regulations, and the potential for political and economic instability. ADRs are depositary receipts for foreign securities denominated in US dollars and traded on US securities markets. These securities may not necessarily be denominated in the same currency as the securities for which they may be exchanged. Designed for use in US securities markets, ADRs are alternatives to the purchase of the underlying securities in their national markets and currencies. The securities underlying depositary receipts may trade on foreign exchanges at times when US markets are not open for trading and the value of depositary receipts may not track the price of the underlying securities.

### **Call options risk**

Writing call options to generate income involves risks, such as potential losses if equity markets or an individual equity security do not move as expected and the potential for greater losses than if these techniques had not been used. By writing covered call options, the Series will give up the opportunity to benefit from potential increases in the value of a Series asset above the exercise price, but will bear the risk of declines in the value of the asset. The income received from writing call options may not be sufficient to offset a decline in the value of a Series asset. In addition, the Series' ability to sell its equity securities typically will be limited during the term of an option, unless the Series unwinds or offsets the option, which may be difficult to do. The prices of options can be highly volatile and exchanges may suspend options trading, during which time the Series may be unable to write options. The Series' ability to write covered call options will be limited by the number of shares of equity securities it holds.

### **Dividend risk**

At times, the Series may not be able to identify dividend-paying stocks that are attractive investments. The income received by the Series will also fluctuate due to the amount of dividends that companies elect to pay, which could adversely affect the Series' ability to pay dividends and the value of its shares. Depending upon market conditions, the Series may not have sufficient income to pay its shareholders regular dividends.

### **Exchange-traded funds risk**

The risks of investing in securities of an ETF typically reflect the risks of the types of instruments in which the underlying ETF invests. Because ETFs are listed on an exchange, ETFs may be subject to trading halts and may trade at a discount or premium to their NAV. In addition, ETFs are investment companies, and the Series will bear its proportionate share of the fees and expenses of an investment in an ETF. As a result, the Series' expenses may be higher and performance may be lower.

### **High portfolio turnover and frequent trading risk**

Portfolio turnover is a measure of the Series' trading activity over a one-year period. High portfolio turnover could increase the Series' transaction costs and have a negative impact on performance.

### **Market risk**

Stock prices may decline over short or even extended periods due to general economic and market conditions, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment. Stock markets tend to run in cycles with periods when prices generally go up, known as "bull" markets, and periods when stock prices generally go down, referred to as "bear" markets. In addition, adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemption requests by shareholders. The risk of loss increases if the redemption requests are unusually large or frequent. The Series' covered call strategy may be expected to underperform the equity markets during times of rapidly rising equity security prices.

# How we manage the Series

## **Mid-size and small-size company risk**

The market risk associated with stocks of mid- and small-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of mid- and small-size companies tend to experience sharper price fluctuations. Mid- and small-size companies may have limited product lines, markets or financial resources, may lack the competitive strength of larger issuers, may depend on a few key employees and may have less predictable earnings. Stocks of mid- to small-size companies are not as broadly traded as stocks of larger issuers and less publicly available information may be available about them. At times, it may be difficult for the Series to sell mid- to small-size company stocks at reasonable prices.

## **Active management and selection risk**

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations, which may be a result of specific factors relating to an issuer's financial condition or operations, changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer. Declines in certain stocks could detract from the Series' returns even when the broad market is flat or increasing and the Series' call option writing strategy may make it difficult for the Series to dispose of underperforming securities.

## **Delaware VIP Fund for Income Series**

### **Credit risk**

This is the risk that an issuer of bonds and other debt securities, including syndicated loans, will be unable or unwilling to pay interest or principal when due. The prices of bonds and other debt securities are affected by the credit quality of the issuer. Changes in the financial condition of an issuer, general economic conditions and specific economic conditions that affect a particular type of issuer can impact the credit quality of an issuer. Such changes may weaken an issuer's ability to make payments of principal or interest or cause an issuer to fail to make timely payments of interest or principal. While credit ratings may be available to assist in evaluating an issuer's credit quality, they may not accurately predict an issuer's ability to make timely payment of principal and interest.



### **Floating rate loan risk**

The value of any collateral securing a floating rate loan may decline, be insufficient to meet the obligations of the borrower, or be difficult or costly to liquidate. In the event of a default, it may be difficult to collect on any collateral, it would not be possible to collect on any collateral for an uncollateralized loan, and the value of a floating rate loan can decline significantly. Access to collateral may also be limited by bankruptcy or other insolvency laws. If a floating rate loan is acquired through an assignment, the acquirer may not be able to unilaterally enforce all rights and remedies under the loan and with regard to the associated collateral.

Although senior loans may be senior to equity and debt securities in the borrower's capital structure, the loans may be subordinated to other obligations of the borrower or its subsidiaries. Difficulty in selling a floating rate loan can result in a loss. Loans trade in an over-the-counter market, and confirmation and settlement may take significantly longer than 7 days to complete. Extended trade settlement periods may present a risk regarding the Series' ability to timely honor redemptions. Due to the lack of a regular trading market for loans, loans are subject to irregular trading activity and wide bid/ask spreads and may be difficult to value.

High yield floating rate loans, like high-yield debt securities, or junk bonds, usually are more credit sensitive although the value of these instruments may be affected by interest rate swings in the overall fixed income market. Generally, there is less readily available, reliable public information about the loans. Therefore, the Series may be required to rely on its own evaluation and judgment of a borrower's credit quality in addition to any available independent sources to value loans. Floating rate loans may not be considered "securities" for certain purposes of the federal securities laws and purchasers therefore may not be entitled to rely on the anti-fraud protections of the federal securities laws.

### **High yield (junk bond) risk**

The risk that high yield securities, commonly known as "junk bonds," are subject to reduced creditworthiness of issuers, increased risk of default, and a more limited and less liquid secondary market. High yield securities may also be subject to greater price volatility and risk of loss of income and principal than are higher-rated securities. High yield bonds are sometimes issued by municipalities that have less financial strength and therefore have less ability to make projected debt payments on the bonds.

# How we manage the Series

## Interest rate risk

The market values of high yield bonds and other debt securities are affected by changes in interest rates. In general, when interest rates rise, the market value of a debt security declines, and when interest rates decline, the market value of a debt security increases. Generally, the longer the maturity and duration of a debt security, the greater its sensitivity to interest rates. Duration is a measure of a debt security's sensitivity to changes in interest rates. For every 1% change in interest rates, a debt security's price generally changes approximately 1% in the opposite direction for every year of duration. For example, if a portfolio of debt securities has an average weighted duration of three years, its value can be expected to fall about 3% if interest rates rise by 1%. Conversely, the portfolio's value can be expected to rise approximately 3% if interest rates fall by 1%.

Floating rate securities generally are less sensitive to short-term interest rate changes than fixed-rate instruments, but they could remain sensitive over the short-term to interest rate changes. The interest rates on floating rate securities adjust periodically and may not correlate to prevailing interest rates during the periods between rate adjustments. Floating rate securities with longer interest rate reset periods generally will experience greater fluctuations in value as a result of changes in market interest rates. The impact of interest rate changes on the Series' yield will also be affected by whether, and the extent to which, the floating rate loans in the Series' portfolio are subject to floors on the LIBOR base rate on which interest is calculated for such loans (a "LIBOR floor"). So long as the base rate for a loan remains under the LIBOR floor, changes in short-term interest rates generally will not affect the yield on such loans. The yields received by the Series on its investments will generally decline as interest rates decline.

## Liquidity risk

The Series is susceptible to the risk that certain investments may be difficult or impossible to sell at a time or price most favorable to the Series, which could decrease the overall level of the Series' liquidity and its ability to sell securities to meet redemptions. As a result, the Series may have to lower the price on certain investments that it is trying to sell, sell the investments at a loss, sell other investments instead or forego an investment opportunity, any of which could adversely affect the Series. The Series could lose money or face difficulty in meeting shareholder redemptions if it cannot sell an investment at the time and price that would be beneficial to the Series. Less liquid securities typically are harder to value. Market developments may cause the Series' investments to become less liquid and subject to erratic price movements, which may have an adverse effect on the Series.

Floating rate loans generally are subject to legal or contractual restrictions on resale, may trade infrequently and their value may be impaired when the Series needs to liquidate these loans. High yield securities tend to be less liquid than higher quality securities, particularly if there is a deterioration in the economy or in the financial prospects of their issuers. Assignments of bank loans and bonds also may be less liquid at times, because of potential delays in the settlement process or restrictions on resale.

### **Market risk**

The entire high yield bond market can experience sharp price swings due to a variety of factors, including changes in economic forecasts, stock market volatility, large sustained sales of high yield bonds by major investors, high-profile defaults or the market's psychology. This degree of volatility in the high yield market is usually associated more with stocks than bonds. The prices of high yield bonds and other high yield debt securities held by the Series could decline not only due to a deterioration in the financial condition of the issuers of such bonds, but also due to overall movements in the high yield market. Markets tend to run in cycles with periods when prices generally go up, known as "bull" markets, and periods when prices generally go down, referred to as "bear" markets. The ability of broker-dealers to make a market in debt securities has decreased in recent years, in part as a result of structural changes, including fewer proprietary trading desks at broker-dealers and increased regulatory capital requirements. Further, many broker-dealers have reduced their inventory of certain debt securities. This could negatively affect the Series' ability to buy or sell debt securities, and increase their volatility and trading costs. Adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or experience difficulty in selling securities to meet redemption requests by shareholders. The risk of loss increases if the redemption requests are unusually large or frequent.

### **Active management and selection risk**

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations. This may be a result of specific factors relating to an issuer's financial condition or operations, changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer. Declines in certain stocks could detract from the Series' returns even when the broad market is flat or increasing and the Series' call option writing strategy may make it difficult for the Series to dispose of underperforming securities.

# How we manage the Series

## Delaware VIP Growth Equity Series

### Focused portfolio risk

Because the Series generally invests in a limited portfolio of only 40 to 45 stocks, it may be more volatile and substantially impacted by the change in value of a single holding than other funds whose portfolios may contain a larger number of securities. The performance of any one of the Series' stocks could significantly impact the Series' performance.

### Growth stock risk

The Series' focus on growth stocks increases the potential volatility of its share price. Growth stocks are stocks of companies which are expected to increase their revenues or earnings at above average rates. If expectations are not met, the prices of these stocks may decline significantly.

### Market risk

Stock prices may decline over short or even extended periods due to general economic and market conditions, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment. Stock markets tend to run in cycles, with periods when prices generally go up, known as "bull" markets, and periods when stock prices generally go down, referred to as "bear" markets. In addition, adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemption requests by shareholders. The risk of loss increases if the redemption requests are unusually large or frequent.

### Mid-size and small-size company risk

The market risk associated with stocks of mid- and small-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of mid- and small-size companies tend to experience sharper price fluctuations. Mid- and small-size companies may have limited product lines, markets or financial resources, may lack the competitive strength of larger issuers, may depend on a few key employees and may have less predictable earnings. Stocks of mid- to small-size companies are not as broadly traded as stocks of larger issuers and less publicly available information may be available about them. At times, it may be difficult for the Series to sell mid- to small-size company stocks at reasonable prices.

## **Sector risk**

Issuers that are engaged in similar businesses may be similarly affected by particular economic or market events, which may, in certain circumstances, cause the value of the securities of issuers in a particular sector market to decline. To the extent the Series has substantial holdings within a particular sector, the risks associated with that sector increase. To the extent the Series invests significantly in the information technology sector, the value of the Series' shares may be particularly vulnerable to factors affecting that sector, intense competition, both domestically and internationally, which may have an adverse effect on their profit margins. Like other technology companies, information technology companies may have limited product lines, markets, financial resources or personnel. The products of information technology companies may face obsolescence due to rapid technological developments, frequent new product introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. Companies in the information technology sector are heavily dependent on patent and intellectual property rights. The loss or impairment of these rights may adversely affect the profitability of these companies.

## **Active management and selection risk**

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations. This may be a result of specific factors relating to an issuer's financial condition or operations, changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer. Declines in certain stocks could detract from the Series' returns even when the broad market is flat or increasing and the Series' call option writing strategy may make it difficult for the Series to dispose of underperforming securities.

## **Delaware VIP Equity Income Series**

### **Market risk**

Stock prices may decline over short or even extended periods due to general economic and market conditions, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment. Stock markets tend to run in cycles with periods when prices generally go up, known as "bull" markets, and periods when stock prices generally go down, referred to as "bear" markets.

While dividend-paying stocks are generally considered less volatile than other stocks, there can be no guarantee that the Series' overall portfolio will be less volatile than the general stock market. Depending upon market conditions, the income from dividend-paying stocks and other investments may not be sufficient to provide a cushion against general market downturns.

# How we manage the Series

In addition, adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemption requests by shareholders. The risk of loss increases if the redemption requests are unusually large or frequent.

## **Active management and selection risk**

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations. This may be a result of specific factors relating to an issuer's financial condition or operations, changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer. Declines in certain stocks could detract from the Series' returns even when the broad market is flat or increasing and the Series' call option writing strategy may make it difficult for the Series to dispose of underperforming securities.

## **Undervalued securities risk**

The Series seeks to invest in securities that are undervalued and that will rise in value due to anticipated events or changes in investor perceptions. If these events do not occur, are delayed or investor perceptions about the securities do not improve, the market price of these securities may not rise as expected or may fall. Moreover, value securities may fall out of favor with investors and decline in price as a class.

## **Delaware VIP Government Cash Management Series**

### **Credit risk**

This is the risk that an issuer of a security will be unable or unwilling to pay interest or principal when due. The value of a security will decline if there is a default by or a deterioration in the credit quality of the issuer or a provider of a credit enhancement or demand feature. This could cause the Series' NAV to decline below \$1.00 per share.

Credit risk also applies to securities issued or guaranteed by the US Government and by US Government-sponsored enterprises that are not backed by the full faith and credit of the US Government. The securities issued by US Government-sponsored enterprises are supported only by the credit of the issuing agency, instrumentality or corporation. For example, securities issued by the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) are not backed by the full faith and credit of the US Government. A security backed by the US Government or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity. The market prices for such securities are not guaranteed and will fluctuate.

Although the US Treasury has supported Fannie Mae and Freddie Mac in the past, there is no guarantee it would do so again. Congress may alter the activities or operations of Fannie Mae and Freddie Mac, which could negatively impact the credit risk associated with Fannie Mae and Freddie Mac securities.

### **Interest rate risk**

The Series' NAV could decline below \$1.00 per share because of a change in interest rates. Like the values of other debt instruments, the market values of US Government securities are affected by changes in interest rates. When interest rates rise, the market values of US Government securities generally decline; and when interest rates decline, the market values of US Government securities generally increase. The price volatility of US government securities also depends on their maturities and durations. Generally, the longer the maturity and duration of a US Government security, the greater its sensitivity to interest rates. Duration is a measure of a debt security's sensitivity to changes in interest rates. For every 1% change in interest rates, a debt security's price generally changes approximately 1% in the opposite direction for every year of duration. For example, if a portfolio of debt securities has an average weighted duration of three years, its value can be expected to fall about 3% if interest rates rise by 1%. Conversely, the portfolio's value can be expected to rise approximately 3% if interest rates fall by 1%.

### **Liquidity risk**

The Series is susceptible to the risk that certain investments may be difficult or impossible to sell at a time or price most favorable to the Series, which could decrease the overall level of the Series' liquidity and its ability to sell securities to meet redemptions. As a result, the Series may have to lower the price on certain investments that it is trying to sell, sell the investments at a loss, sell other investments instead or forego an investment opportunity, any of which could adversely affect the Series. The Series could lose money or face difficulty in meeting shareholder redemptions if it cannot sell an investment at the time and price that would be beneficial to the Series. Market developments may cause the Series' investments to become less liquid and subject to erratic price movements, which may have an adverse effect on the Series' ability to maintain a \$1.00 share price.

# How we manage the Series

## Market risk

The prices of securities held by the Series may decline in response to certain events, such as general economic and market conditions, adverse political regulatory developments, changes in investor sentiment, economic instability and interest rate fluctuations. These events may lead to periods of volatility, which may be exacerbated by changes in debt market size and structure. In addition, adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemption requests by shareholders or cause the Series' NAV to decline below \$1.00 per share. The risk of loss increases if the redemption requests are unusually large or frequent.

Supply issues within the US Treasury securities market could arise as demand increases for US Government securities.

## Repurchase agreement risk

A repurchase agreement is a transaction in which the Series purchases securities or other obligations from a bank or securities dealer (or its affiliate) and simultaneously commits to resell them to a counterparty at an agreed-upon date or upon demand and at a price reflecting a market rate of interest unrelated to the coupon rate or maturity of the purchased obligations. The difference between the original purchase price and the repurchase price is normally based on prevailing short-term interest rates. The use of repurchase agreements involves credit risk and counterparty risk. If the seller in a repurchase agreement transaction defaults on its obligation to repurchase a security at a mutually agreed-upon time and price under the agreement, the Series may suffer delays, incur costs and lose money in exercising its rights under the agreement.

In the event of default by a seller under a repurchase agreement collateralized loan, the underlying securities would not be owned by the Series, but would only constitute collateral for the seller's obligation to pay the repurchase price.

## Yield risk

The yields received by the Series on its investments will generally decline as interest rates decline. The Manager has voluntarily waived advisory fees and reimbursed expenses to maintain a minimum daily net yield for the Series. The Manager is under no obligation to continue doing so and the Series' yield may fall below zero.



## **Delaware VIP Growth and Income Series**

### **Dividend risk**

At times, the Series may not be able to identify dividend-paying stocks that are attractive investments. The income received by the Series will also fluctuate due to the amount of dividends that companies elect to pay, which could adversely affect the Series' ability to pay dividends and the value of its shares. Depending upon market conditions, the Series may not have sufficient income to pay its shareholders regular dividends. The inability of an issuer to pay dividends may adversely impact the Series' ability to achieve its investment objective.

### **Market risk**

Stock prices may decline over short or even extended periods due to general economic and market conditions, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment. Stock markets tend to run in cycles with periods when prices generally go up, known as "bull" markets, and periods when stock prices generally go down, referred to as "bear" markets. In addition, adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemption requests by shareholders. The risk of loss increases if the redemption requests are unusually large or frequent.

While dividend-paying stocks are generally considered less volatile than other stocks, there can be no guarantee that investments therein will be less volatile than the general stock market. Depending upon market conditions, the income from dividend-paying stocks and other investments may not be sufficient to provide a cushion against general market downturns. The Series' investments in potential growth opportunities may increase the potential volatility of its share price.

### **Mid-size and small-size company risk**

The market risk associated with stocks of mid- and small-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of mid- and small-size companies tend to experience sharper price fluctuations. Mid- and small-size companies may have limited product lines, markets or financial resources, may lack the competitive strength of larger issuers, may depend on a few key employees and may have less predictable earnings. Stocks of mid- to small-size companies are not as broadly traded as stocks of larger issuers and less publicly available information may be available about them. At times, it may be difficult for the Series to sell mid- to small-size company stocks at reasonable prices.

# How we manage the Series

## Active management and selection risk

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations. This may be a result of specific factors relating to an issuer's financial condition or operations, changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer. Declines in certain stocks could detract from the Series' returns even when the broad market is flat or increasing and the Series' call option writing strategy may make it difficult for the Series to dispose of underperforming securities.

## Undervalued securities risk

The Series seeks to invest in securities that are undervalued and that will rise in value due to anticipated events or changes in investor perceptions. If these events do not occur, are delayed or investor perceptions about the securities do not improve, the market price of these securities may not rise as expected or may fall. Moreover, value securities may fall out of favor with investors and decline in price as a class.

## REIT risk

In addition to the risks associated with the real estate industry, which include declines in the real estate market, decreases in property revenues, increases in interest rates, increases in property taxes and operating expenses, legal and regulatory changes, a lack of credit or capital, defaults by borrowers or tenants, environmental problems and natural disasters, REITs are subject to additional risks, including those related to adverse governmental actions, declines in property value, and the potential failure to qualify for federal tax-free pass through of net income and gains and exemption from registration as an investment company. The failure of a company in which the Series invests to qualify for treatment as a REIT under federal tax law may have an adverse impact on the Series. REITs also are subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. In the event of a default by a borrower or lessee, a REIT may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs to protect its investments. REITs are dependent upon specialized management skills and may invest in relatively few properties, a small geographic area or a small number of property types. Investments in REITs may be volatile. REITs are pooled investment vehicles with their own fees and expenses, and the Series will indirectly bear a proportionate share of those fees and expenses.

## **Delaware VIP Opportunity Series**

### **Exchange-traded funds risk**

The risks of investing in securities of an ETF typically reflect the risks of the types of instruments in which the underlying ETF invests. Because ETFs are listed on an exchange, ETFs may be subject to trading halts and may trade at a discount or premium to their NAV. In addition, ETFs are investment companies, and the Series will bear its proportionate share of the fees and expenses of an investment in an ETF. As a result, the Series' expenses may be higher and performance may be lower.

### **Market risk**

Stock prices may decline over short or even extended periods due to general economic and market conditions, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment. Stock markets tend to run in cycles with periods when prices generally go up, known as “bull” markets, and periods when stock prices generally go down, referred to as “bear” markets. In addition, adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemption requests by shareholders. The risk of loss increases if the redemption requests are unusually large or frequent.

### **REIT risk**

In addition to the risks associated with the real estate industry, which include declines in the real estate market, decreases in property revenues, increases in interest rates, increases in property taxes and operating expenses, legal and regulatory changes, a lack of credit or capital, defaults by borrowers or tenants, environmental problems and natural disasters, REITs are subject to additional risks, including those related to adverse governmental actions, declines in property value, and the potential failure to qualify for federal tax-free pass through of net income and gains and exemption from registration as an investment company. The failure of a company in which the Series invests to qualify for treatment as a REIT under federal tax law may have an adverse impact on the

Series. REITs also are subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. In the event of a default by a borrower or lessee, a REIT may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs to protect its investments. REITs are dependent upon specialized management skills and may invest in relatively few properties, a small geographic area or a small number of property types. Investments in REITs may be volatile. REITs are pooled investment vehicles with their own fees and expenses, and the Series will indirectly bear a proportionate share of those fees and expenses.

# How we manage the Series

## **Mid-size and small-size company risk**

The market risk associated with stocks of mid- and small-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of mid- and small-size companies tend to experience sharper price fluctuations. Mid- and small-size companies may have limited product lines, markets or financial resources, may lack the competitive strength of larger issuers, may depend on a few key employees and may have less predictable earnings. Stocks of mid- to small-size companies are not as broadly traded as stocks of larger issuers and less publicly available information may be available about them. At times, it may be difficult for the Series to sell mid- to small-size company stocks at reasonable prices.

## **Active management and selection risk**

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations. This may be a result of specific factors relating to an issuer's financial condition or operations, changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer. Declines in certain stocks could detract from the Series' returns even when the broad market is flat or increasing and the Series' call option writing strategy may make it difficult for the Series to dispose of underperforming securities.

## **Delaware VIP Limited Duration Bond Series**

### **Call risk**

During periods of falling interest rates, an issuer of a callable bond held by the Series may "call" or repay the security before its stated maturity. The Series would then lose any price appreciation above the bond's call price and the Series may have to reinvest the proceeds at lower interest rates, resulting in a decline in the Series' income.

### **Credit risk**

This is the risk that an issuer of bonds and other debt securities will be unable or unwilling to pay interest or principal when due. The prices of bonds and other debt securities are affected by the credit quality of the issuer and in the case of mortgage-backed and asset-backed securities, the credit quality of the underlying loans. Changes in the financial condition of an issuer, general economic conditions and specific economic conditions that affect a particular type of issuer can impact the credit quality of an issuer. Such changes may weaken an issuer's ability to make payments of principal or interest, or cause an issuer to fail to make timely payments of interest or principal. Lower quality debt securities generally tend to be

more sensitive to these changes than higher quality debt securities, but the lowest rated category of investment grade securities may have speculative characteristics as well. While credit ratings may be available to assist in evaluating an issuer's credit quality, they may not accurately predict an issuer's ability to make timely payment of principal and interest. During times of economic downturn, issuers of high yield debt securities may not have the ability to access the credit markets to refinance their bonds or meet other credit obligations.

Credit risk also applies to securities issued or guaranteed by the US Government and by US Government-sponsored enterprises that are not backed by the full faith and credit of the US Government. The securities issued by US Government-sponsored enterprises are supported only by the credit of the issuing agency, instrumentality or corporation. For example, securities issued by the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) are not backed by the full faith and credit of the US Government. A security backed by the US Government or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity. The market prices for such securities are not guaranteed and will fluctuate.

Although the US Treasury has supported Fannie Mae and Freddie Mac in the past, there is no guarantee it would do so again. Congress may alter the activities or operations of Fannie Mae and Freddie Mac, which could negatively impact the credit risk associated with Fannie Mae and Freddie Mac securities.

## **Derivatives Risk**

Investments in US Treasury futures and options on US Treasury futures to hedge against changes in interest rates involve risks, such as potential losses if interest rates do not move as expected and the potential for greater losses than if these techniques had not been used. There may be an imperfect correlation between the price of a derivative and the market value of the price of the assets hedged. The use of derivatives for hedging purposes may limit any potential gain that might result from an increase in the value of the hedged position. These investments can increase the Series' share price, magnify potential losses and expose the Series to significant additional costs. In connection with certain transactions that may give rise to future payment obligations, including investments in derivatives, the Series may be required to maintain a segregated amount of, or otherwise earmark, cash or liquid securities to cover the position or transaction, which cannot be sold while the position they are covering is outstanding, unless they are replaced with other assets of equal value. Moreover, derivatives may be difficult or impossible to sell, unwind, or value in the absence of a secondary trading market.

# How we manage the Series

## **Exchange-traded funds risk**

The risks of investing in securities of an ETF typically reflect the risks of the types of instruments in which the underlying ETF invests. Because ETFs are listed on an exchange, ETFs may be subject to trading halts and may trade at a discount or premium to their NAV. In addition, ETFs are investment companies, and the Series will bear its proportionate share of the fees and expenses of an investment in an ETF. As a result, the Series' expenses may be higher and performance may be lower.

## **Foreign securities risk**

There are special risk factors associated with investing in foreign securities, including the risks of fluctuations in exchange rates, potential political and economic instability, differing accounting and financial reporting standards or inability to obtain reliable financial information regarding an issuer's financial condition, less stringent regulation and supervision of foreign securities markets, custodians and securities depositories, and potential capital restrictions. Some securities issued by foreign governments or their subdivisions, agencies and instrumentalities may not be backed by the full faith and credit of the foreign government and some foreign governments may default on principal and interest payments. To the extent the Series significantly invests in securities of a single country or region, it is more likely to be affected by events or conditions of that area. As a result, it may be more volatile than a more geographically diversified fund.

## **High yield (junk bond) risk**

The risk that high yield securities, commonly known as "junk bonds," are subject to reduced creditworthiness of issuers, increased risk of default, and a more limited and less liquid secondary market. High yield securities may also be subject to greater price volatility and risk of loss of income and principal than are higher-rated securities. High yield bonds are sometimes issued by municipalities that have less financial strength and therefore have less ability to make projected debt payments on the bonds.

## **Interest rate risk**

The market values of bonds and other debt securities are affected by changes in interest rates. In general, when interest rates rise, the market value of a debt security declines, and when interest rates decline, the market value of a debt security increases. Generally, the longer the maturity and duration of a debt security, the greater its sensitivity to interest rates. The yields received by the Series on its investments will generally decline as interest rates decline.

## Liquidity risk

The Series is susceptible to the risk that certain investments may be difficult or impossible to sell at a time or price most favorable to the Series, which could decrease the overall level of the Series' liquidity and its ability to sell securities to meet redemptions. As a result, the Series may have to lower the price on certain investments that it is trying to sell, sell the investments at a loss, sell other investments instead or forego an investment opportunity, any of which could adversely affect the Series. The Series could lose money or face difficulty in meeting shareholder redemptions if it cannot sell an investment at the time and price that would be beneficial to the Series. Less liquid securities typically are harder to value. Market developments may cause the Series' investments to become less liquid and subject to erratic price movements, which may have an adverse effect on the Series.

High yield securities tend to be less liquid than higher quality securities, particularly if there is a deterioration in the economy or in the financial prospects of their issuers.

## Market risk

The prices of the securities held by the Series may decline in response to certain events, such as general economic and market conditions, adverse political or regulatory developments and interest rate fluctuations. These events may lead to periods of volatility, which may be exacerbated by changes in bond market size and structure. The ability of broker-dealers to make a market in debt securities has decreased in recent years, in part as a result of structural changes, including fewer proprietary trading desks at broker-dealers and increased regulatory capital requirements. Further, many broker-dealers have reduced their inventory of certain debt securities. This could negatively affect the Series' ability to buy or sell debt securities, and increase their volatility and trading costs.

There is also the possibility that the value of the Series' investments in high yield securities will decline due to drops in the overall high yield bond market. Changes in the economic climate, investor perceptions and stock market volatility can cause the prices of the Series' fixed-income and high yield investments to decline regardless of the conditions of the issuers held by the Series.

Adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemption requests by shareholders. The risk of loss increases if the redemption requests are unusually large or frequent. The Series is susceptible to the risk that certain investments may be difficult or impossible to sell at a time or price most favorable to the Series, which could decrease the overall level of the Series' liquidity and its ability to sell securities to meet redemptions. Market developments may cause the Series' investments to become less liquid and subject to erratic price movements.

# How we manage the Series

## **Prepayment and extension risk**

The Series is subject to prepayment and extension risk since it invests in mortgage-backed and other asset-backed securities. When interest rates decline, borrowers tend to refinance their loans and the loans that back these securities suffer a higher rate of prepayment. This could cause a decrease in the Series' income and share price. Extension risk is the flip side of prepayment risk. When interest rates rise, borrowers tend to repay their loans less quickly, which generally will increase the Series' sensitivity to interest rates and its potential for price declines. The impact of prepayments and extensions on the price of mortgage-backed or other asset-backed securities may be difficult to predict and may increase their price volatility.

## **Sector risk**

Issuers that are engaged in similar businesses may be similarly affected by particular economic or market events, which may, in certain circumstances, cause the value of the securities of issuers in a particular sector market to decline. To the extent the Series has substantial holdings within a particular sector, the risks associated with that sector increase. To the extent the Series invests significantly in the financials sector, the value of the Series' shares may be particularly vulnerable to factors affecting that sector, such as the availability and cost of capital funds, changes in interest rates, the rate of corporate and consumer debt defaults, credit ratings and quality, market liquidity, extensive government regulation and price competition. The impact of more stringent capital requirements and recent or future regulation of any individual financial company, or of the financials sector as a whole, cannot be predicted. In recent years, cyber attacks and technology malfunctions and failures have become increasingly frequent in this sector and have caused significant losses to companies in this sector, which may negatively impact the Series.

## **Active management and selection risk**

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations. This may be a result of specific factors relating to an issuer's financial condition or operations, changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer. Declines in certain stocks could detract from the Series' returns even when the broad market is flat or increasing and the Series' call option writing strategy may make it difficult for the Series to dispose of underperforming securities.



## **Delaware VIP Special Situations Series**

### **Exchange-traded funds risk**

The risks of investing in securities of an ETF typically reflect the risks of the types of instruments in which the underlying ETF invests. Because ETFs are listed on an exchange, ETFs may be subject to trading halts and may trade at a discount or premium to their NAV. In addition, ETFs are investment companies, and the Series will bear its proportionate share of the fees and expenses of an investment in an ETF. As a result, the Series' expenses may be higher and performance may be lower.

### **Market risk**

Stock prices may decline over short or even extended periods due to general economic and market conditions, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment. Stock markets tend to run in cycles with periods when prices generally go up, known as “bull” markets, and periods when stock prices generally go down, referred to as “bear” markets. In addition, adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemption requests by shareholders. The risk of loss increases if the redemption requests are unusually large or frequent.

### **REIT risk**

In addition to the risks associated with the real estate industry, which include declines in the real estate market, decreases in property revenues, increases in interest rates, increases in property taxes and operating expenses, legal and regulatory changes, a lack of credit or capital, defaults by borrowers or tenants, environmental problems and natural disasters, REITs are subject to additional risks, including those related to adverse governmental actions, declines in property value, and the potential failure to qualify for federal tax-free pass through of net income and gains and exemption from registration as an investment company. The failure of a company in which the Series invests to qualify for treatment as a REIT under federal tax law may have an adverse impact on the Series. REITs also are subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. In the event of a default by a borrower or lessee, a REIT may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs to protect its investments. REITs are dependent upon specialized management skills and may invest in relatively few properties, a small geographic area or a small number of property types. Investments in REITs may be volatile. REITs are pooled investment vehicles with their own fees and expenses, and the Series will indirectly bear a proportionate share of those fees and expenses.

# How we manage the Series

## **Active management and selection risk**

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations. This may be a result of specific factors relating to an issuer's financial condition or operations, changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer. Declines in certain stocks could detract from the Series' returns even when the broad market is flat or increasing and the Series' call option writing strategy may make it difficult for the Series to dispose of underperforming securities.

## **Small-size and mid-size company risk**

The market risk associated with stocks of small- and mid-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of small- and mid-size companies tend to experience sharper price fluctuations. Mid- and small-size companies may have limited product lines, markets or financial resources, may lack the competitive strength of larger issuers, may depend on a few key employees and may have less predictable earnings. Stocks of mid- to small-size companies are not as broadly traded as stocks of larger issuers and less publicly available information may be available about them. At times, it may be difficult for the Series to sell small-to-mid-size company stocks at reasonable prices.

## **Undervalued securities risk**

The Series seeks to invest in stocks that are undervalued and that will rise in value due to anticipated events or changes in investor perceptions. If these events do not occur, are delayed or investor perceptions about the securities do not improve, the market price of these securities may not rise as expected or may fall. Moreover, value stocks may fall out of favor with investors and decline in price as a class.

## **Delaware VIP International Series**

### **Emerging markets risk**

The risks of investing in foreign securities are heightened when investing in emerging or developing markets. The economies and political environments of emerging or developing countries tend to be more unstable than those of developed countries, resulting in more volatile rates of returns than the developed markets and substantially greater risk to investors. There are also risks of: an emerging country's dependence on revenues from particular commodities or on international aid or development assistance; currency transfer restrictions; a limited number of potential buyers for such securities; and delays and disruptions in securities settlement procedures. In addition, there may be less information available regarding emerging market securities to make investment decisions.

## **Foreign securities risk**

There are special risk factors associated with investing in foreign securities. Some of these factors are also present when investing in the United States but are heightened when investing in non-US markets, especially in smaller, less-developed or emerging markets. For example, fluctuations in the exchange rates between the US dollar and foreign currencies may have a negative impact on investments denominated in foreign currencies by eroding or reversing gains or widening losses from those investments. The risks of investing in foreign securities also include potential political and economic instability, differing accounting and financial reporting standards or inability to obtain reliable financial information regarding a company's balance sheet and operations and less stringent regulation and supervision of foreign securities markets, custodians and securities depositories. Funds that invest in foreign securities are also subject to higher commission rates on portfolio transactions, potentially adverse changes in tax and exchange control laws and/or regulations and potential restrictions on the flow of international capital. Many foreign countries impose withholding taxes on income and realized gains from investments in securities of issuers located in such countries, which the Series may not recover. To the extent the Series invests a significant portion of its assets in securities of a single country or region at any time, it is more likely to be affected by events or conditions of that country or region. As a result, it may be more volatile than a more geographically diversified fund.

## **Consumer staples sector securities**

Consumer staples sector securities include securities issued by companies that are involved in areas such as the production, manufacture, distribution, or sale of, consumer goods and services that have non-cyclical characteristics, such as tobacco, food and beverage, household goods, personal products, and non-discretionary retail.

## **Industry, sector, and security risks**

Industry and sector risk is the risk that the value of securities in a particular industry or sector (such as financial services or manufacturing) will decline because of changing expectations for the performance of that industry or sector.

Security risk is the risk that the value of an individual stock or bond will decline because of changing expectations for the performance of the individual company issuing the stock or bond (due to situations that could range from decreased sales to events such as a pending merger or actual or threatened bankruptcy).

# How we manage the Series

## Consumer staples sector risk

Consumer staples risk is the risk that companies in the consumer staples sector may be affected by changes in general economic conditions, worldwide economic conditions, political events, world events, government regulation, environmental factors, depletion of resources, consumer confidence, consumer spending, marketing, competition, demographics and consumer preferences, product trends, and production spending.

Companies in the consumer staples sector may also be subject to risks relating to the supply of, demand for, and prices of raw materials. Companies in this sector are also affected by natural and man-made disasters and political, social, or labor unrest that affect production and distribution of consumer staple products.

## Liquidity risk

The Series is susceptible to the risk that certain investments may be difficult or impossible to sell at a time or price most favorable to the Series, which could decrease the overall level of the Series' liquidity and its ability to sell securities to meet redemptions. As a result, the Series may have to lower the price on certain investments that it is trying to sell, sell the investments at a loss, sell other investments instead or forego an investment opportunity, any of which could adversely affect the Series. The Series could lose money or face difficulty in meeting shareholder redemptions if it cannot sell an investment at the time and price that would be beneficial to the Series. Market developments may cause the Series' investments to become less liquid and subject to erratic price movements, which may have an adverse effect on the Series.

Liquidity risk is particularly acute in the case of foreign investments that are traded in smaller, less-developed or emerging markets and securities issued by issuers with smaller market capitalizations.

## Market risk

Stock prices may decline over short or even extended periods due to general economic and market conditions, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment. Stock markets tend to run in cycles with periods when prices generally go up, known as "bull" markets, and periods when stock prices generally go down, referred to as "bear" markets. In addition, adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemption requests by shareholders. The risk of loss increases if the redemption requests are unusually large or frequent.

### **Nondiversification risk**

Nondiversified investment companies have the flexibility to invest as much as 50% of their assets in as few as two issuers, with no single issuer accounting for more than 25% of the series. The remaining 50% of the series must be diversified so that no more than 5% of a series' assets are invested in the securities of a single issuer. Because a nondiversified series may invest its assets in fewer issuers, the value of series shares may increase or decrease more rapidly than if the series were fully diversified.

### **Sector risk**

Companies that are engaged in similar businesses may be similarly affected by particular economic or market events, which may, in certain circumstances, cause the value of the equity and debt securities of companies in a particular sector of the market to decline. To the extent the Series has substantial holdings within a particular sector, the risks associated with that sector increase. To the extent the Series invests significantly in the consumer staples sector, the value of the Series' shares may be particularly vulnerable to factors affecting that sector, such as the regulation of various product components and production methods, litigation, marketing campaigns and changes in the overall economy, consumer spending and consumer demand. Companies in the consumer staples sector may also be adversely affected by changes or trends in commodity prices, which may be influenced by unpredictable factors. These companies may be subject to severe competition, which may have an adverse impact on their profitability.

### **Active management and selection risk**

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations. This may be a result of specific factors relating to an issuer's financial condition or operations, changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer. Declines in certain stocks could detract from the Series' returns even when the broad market is flat or increasing and the Series' call option writing strategy may make it difficult for the Series to dispose of underperforming securities.

# How we manage the Series

## Delaware VIP Total Return Series

### Allocation risk

The allocation of the Series' investments may have a significant effect on its performance. The Series may allocate assets to investment classes that underperform other classes. For example, the Series may be overweighted in stocks when the stock market is falling and the bond market is rising.

### Credit risk

This is the risk that an issuer of bonds and other debt securities will be unable or unwilling to pay interest or principal when due. The prices of bonds and other debt securities are affected by the credit quality of the issuer and, in the case of mortgage-backed and other asset-backed securities, the credit quality of the underlying loans. Changes in the financial condition of an issuer, general economic conditions and specific economic conditions that affect a particular type of issuer can impact the credit quality of an issuer. Such changes may weaken an issuer's ability to make payments of principal or interest, or cause an issuer to fail to make timely payments of interest or principal. Lower quality debt securities generally tend to be more sensitive to these changes than higher quality debt securities. The lowest rated category of investment grade debt securities may have speculative characteristics. While credit ratings may be available to assist in evaluating an issuer's credit quality, they may not accurately predict an issuer's ability to make timely payments of principal and interest.

Credit risk also applies to securities issued or guaranteed by the US Government and by US Government-sponsored enterprises that are not backed by the full faith and credit of the US Government. The securities issued by US Government-sponsored enterprises are supported only by the credit of the issuing agency, instrumentality or corporation. For example, securities issued by the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) are not backed by the full faith and credit of the US Government. A security backed by the US Government or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity. The market prices for such securities are not guaranteed and will fluctuate.

Although the US Treasury has supported Fannie Mae and Freddie Mac in the past, there is no guarantee it would do so again. Congress may alter the activities or operations of Fannie Mae and Freddie Mac, which could negatively impact the credit risk associated with Fannie Mae and Freddie Mac securities.

## **Derivatives risk**

Investments in US Treasury futures and options on US Treasury futures to hedge against changes in interest rates involve risks, such as potential losses if interest rates do not move as expected and the potential for greater losses than if these techniques had not been used. There may be an imperfect correlation between the price of a derivative and the market value of the assets hedged. The use of derivatives for hedging purposes may limit any potential gain that might result from an increase in the value of the hedged position. These investments can increase the Series' share price, magnify potential losses and expose the Series to significant additional costs. In connection with certain transactions that may give rise to future payment obligations, including investments in derivatives, the Series may be required to maintain a segregated amount of, or otherwise earmark, cash or liquid securities to cover the position or transaction, which cannot be sold while the position they are covering is outstanding, unless they are replaced with other assets of equal value. Moreover, derivatives may be difficult or impossible to sell, unwind, or value in the absence of a secondary trading market.

## **Exchange-traded funds risk**

The risks of investing in securities of an ETF typically reflect the risks of the types of instruments in which the underlying ETF invests. Because ETFs are listed on an exchange, ETFs may be subject to trading halts and may trade at a discount or premium to their NAV. In addition, ETFs are investment companies, and the Series will bear its proportionate share of the fees and expenses of an investment in an ETF. As a result, the Series' expenses may be higher and performance may be lower.

## **Foreign securities risk**

There are special risk factors associated with investing in foreign securities. Some of these factors are also present when investing in the United States but are heightened when investing in non-US markets, especially in smaller, less-developed or emerging markets. For example, fluctuations in the exchange rates between the US dollar and foreign currencies may have a negative impact on investments denominated in foreign currencies by eroding or reversing gains or widening losses from those investments. The risks of investing in foreign securities also include potential political and economic instability, differing accounting and financial reporting standards or inability to obtain reliable financial information regarding a company's balance sheet and operations and less stringent regulation and supervision of foreign securities markets, custodians and securities depositories. Funds that invest in foreign securities are also subject to higher commission rates on portfolio transactions,

# How we manage the Series

potentially adverse changes in tax and exchange control laws and/or regulations and potential restrictions on the flow of capital. Many foreign countries impose withholding taxes on income and realized gains from investments in securities of issuers located in such countries, which the Series may not recover. Some securities issued by foreign governments or their subdivisions, agencies and instrumentalities may not be backed by the full faith and credit of the foreign government. Some foreign governments may default on principal and interest payments. Even where a security is backed by the full faith and credit of a foreign government, it may be difficult for the Series to pursue its rights against a foreign government in that country's courts. To the extent the Series invests a significant portion of its assets in securities of a single country or region at any time, it is more likely to be affected by events or conditions of that country or region. As a result, it may be more volatile than a more geographically diversified fund.

## **High yield (junk bond) risk**

The risk that high yield securities, commonly known as “junk bonds,” are subject to reduced creditworthiness of issuers, increased risk of default, and a more limited and less liquid secondary market. High yield securities may also be subject to greater price volatility and risk of loss of income and principal than are higher-rated securities. High yield bonds are sometimes issued by municipalities that have less financial strength and therefore have less ability to make projected debt payments on the bonds.

## **Interest rate risk**

The market values of bonds and other debt securities are affected by changes in interest rates. In general, when interest rates rise, the market value of a debt security declines, and when interest rates decline, the market value of a debt security increases. Generally, the longer the maturity and duration of a debt security, the greater its sensitivity to interest rates. Duration is a measure of a debt security's sensitivity to changes in interest rates. For every 1% change in interest rates, a debt security's price generally changes approximately 1% in the opposite direction for every year of duration. For example, if a portfolio of debt securities has an average weighted duration of three years, its value can be expected to fall about 3% if interest rates rise by 1%. Conversely, the portfolio's value can be expected to rise approximately 3% if interest rates fall by 1%. The yields received by the Series on its investments will generally decline as interest rates decline.



## Liquidity risk

The Series is susceptible to the risk that certain securities may be difficult or impossible to sell at a time or price most favorable to the Series, which could decrease the overall level of the Series' liquidity and its ability to sell securities to meet redemptions. As a result, the Series may have to lower the price on certain securities that it is trying to sell, sell the securities at a loss, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on Series management or performance. The Series could lose money or face difficulty in meeting shareholder redemptions if it cannot sell an investment at the time and price that would be beneficial to the Series. Market developments may cause the Series' investments to become less liquid and subject to erratic price movements, which may have an adverse effect on the Series. This risk is particularly acute in the case of foreign securities that are traded in smaller, less-developed or emerging markets. High yield debt securities also tend to be less liquid than higher quality debt securities, meaning that it may be difficult to sell high yield debt securities at a time and price that would be beneficial to the Series, particularly if there is a deterioration in the economy or in the financial prospects of their issuers. As a result, the prices of high yield debt securities may be subject to wide price fluctuations due to liquidity concerns.

## Market risk

Stock prices may decline over short or even extended periods due to general economic and market conditions, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment. Stock markets tend to run in cycles with periods when prices generally go up, known as "bull" markets, and periods when stock prices generally go down, referred to as "bear" markets.

Similarly, bond prices fluctuate in value with changes in interest rates, the economy and the financial conditions of companies that issue them. In general, bonds decline in value when interest rates rise. While stocks and bonds may react differently to economic events, there are times when stocks and bonds both may decline in value simultaneously.

There is also the possibility that the value of the Series' investments in high yield securities will decline due to drops in the overall high yield bond market. Changes in the economic climate, investor perceptions and stock market volatility can cause the prices of the Series' fixed-income and high yield investments to decline regardless of the conditions of the issuers held by the Series.

# How we manage the Series

The ability of broker-dealers to make a market in debt securities has decreased in recent years, in part as a result of structural changes, including fewer proprietary trading desks at broker-dealers and increased regulatory capital requirements. Further, many broker-dealers have reduced their inventory of certain debt securities. This could negatively affect the Series' ability to buy or sell debt securities, and increase their volatility and trading costs.

Adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemption requests by shareholders. The risk of loss increases if the redemption requests are unusually large or frequent. The Series is susceptible to the risk that certain investments may be difficult or impossible to sell at a time or price most favorable to the Series, which could decrease the overall level of the Series' liquidity and its ability to sell securities to meet redemptions. Market developments may cause the Series' investments to become less liquid and subject to erratic price movements.

## **Mid-size and small-size company risk**

The market risk associated with stocks of mid- and small-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of mid- and small-size companies tend to experience sharper price fluctuations. Mid- and small-size companies may have limited product lines, markets or financial resources, may lack the competitive strength of larger issuers, may depend on a few key employees and may have less predictable earnings. Stocks of mid- to small-size companies are not as broadly traded as stocks of larger issuers and less publicly available information may be available about them. At times, it may be difficult for the Series to sell mid- to small-size company stocks at reasonable prices.

## **Prepayment and extension risk**

The Series is subject to prepayment and extension risk since it invests in mortgage-backed and other asset-backed securities. When interest rates decline, borrowers tend to refinance their loans and the loans that back these securities suffer a higher rate of prepayment. This could cause a decrease in the Series' income and share price. Extension risk is the flip side of prepayment risk. When interest rates rise, borrowers tend to repay their loans less quickly which will generally increase both the Series' sensitivity to rising interest rates and its potential for price declines. The impact of prepayments and extensions on the price of mortgage-backed and other asset-backed securities may be difficult to predict and may increase their price volatility.

## **Active management and selection risk**

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations. This may be a result of specific factors relating to an issuer's financial condition or operations, changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer. Declines in certain stocks could detract from the Series' returns even when the broad market is flat or increasing and the Series' call option writing strategy may make it difficult for the Series to dispose of underperforming securities.

## **Real estate industry risk**

Real estate industry risk includes, among others: possible declines in the value of real estate; risks related to general and local economic conditions; possible lack of availability of mortgage funds; overbuilding; extended vacancies of properties; increases in competition, property taxes, and operating expenses; changes in zoning laws; costs resulting from the cleanup of, and liability to third parties resulting from, environmental problems; casualty for condemnation losses; uninsured damages from floods, earthquakes, or other natural disasters; limitations on and variations in rents; and changes in interest rates. REITs are subject to substantial cash flow dependency, defaults by borrowers, self-liquidation, and the risk of failing to qualify for tax-free pass-through of income under the Internal Revenue Code of 1986, as amended (Internal Revenue Code), or other similar statutes in non-US countries and/or to maintain exemptions from the Investment Company Act of 1940, as amended (1940 Act).

## **REIT risk**

In addition to the risks associated with the real estate industry, which include declines in the real estate market, decreases in property revenues, increases in interest rates, increases in property taxes and operating expenses, legal and regulatory changes, a lack of credit or capital, defaults by borrowers or tenants, environmental problems and natural disasters, REITs are subject to additional risks, including those related to adverse governmental actions, declines in property value, and the potential failure to qualify for federal tax-free pass through of net income and gains and exemption from registration as an investment company. The failure of a company in which the Series invests to qualify for treatment as a REIT under federal tax law may have an adverse impact on the Series. REITs also are subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. In the event of a default by a borrower or lessee, a REIT may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs to protect its investments. REITs are dependent upon specialized management skills and may invest in relatively few properties, a small geographic area or a small number of property types. Investments in REITs may be volatile. REITs are pooled investment vehicles with their own fees and expenses, and the Series will indirectly bear a proportionate share of those fees and expenses.

# How we manage the Series

## Delaware VIP Investment Grade Series

### Credit risk

This is the risk that an issuer of bonds and other debt securities will be unable or unwilling to pay interest or principal when due. The prices of bonds and other debt securities are affected by the credit quality of the issuer and in the case of mortgage-backed and asset-backed securities, the credit quality of the underlying loans. Changes in the financial condition of an issuer, general economic conditions and specific economic conditions that affect a particular type of issuer can impact the credit quality of an issuer. Such changes may weaken an issuer's ability to make payments of principal or interest, or cause an issuer to fail to make timely payments of interest or principal. Lower quality debt securities generally tend to be more sensitive to these changes than higher quality debt securities, but the lowest rated category of investment grade securities may have speculative characteristics as well. While credit ratings may be available to assist in evaluating an issuer's credit quality, they may not accurately predict an issuer's ability to make timely payments of principal and interest. During times of economic downturn, issuers of high yield debt securities may not have the ability to access the credit markets to refinance their bonds or meet other credit obligations.

Credit risk also applies to securities issued or guaranteed by the US Government and by US Government-sponsored enterprises that are not backed by the full faith and credit of the US Government. The securities issued by US Government-sponsored enterprises are supported only by the credit of the issuing agency, instrumentality or corporation. For example, securities issued by the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) are not backed by the full faith and credit of the US Government. A security backed by the US Government or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity. The market prices for such securities are not guaranteed and will fluctuate.

Although the US Treasury has supported Fannie Mae and Freddie Mac in the past, there is no guarantee it would do so again. Congress may alter the activities or operations of Fannie Mae and Freddie Mac, which could negatively impact the credit risk associated with Fannie Mae and Freddie Mac securities.

### Derivatives risk

Investments in US Treasury futures and options on US Treasury futures involve risks, such as potential losses if interest rates do not move as expected and the potential for greater losses than if these techniques had not been used. There may be an imperfect correlation between the price of a derivative and the market value of the price of the assets hedged. The use of derivatives for hedging purposes may limit any potential gain that might result from

an increase in the value of the hedged position. These investments can increase the Series' share price, magnify potential losses and expose the Series to significant additional costs. In connection with certain transactions that may give rise to future payment obligations, including investments in derivatives, the Series may be required to maintain a segregated amount of, or otherwise earmark, cash or liquid securities to cover the position or transaction, which cannot be sold while the position they are covering is outstanding, unless they are replaced with other assets of equal value. Moreover, derivatives may be difficult or impossible to sell, unwind, or value in the absence of a secondary trading market.

### **Exchange-traded funds risk**

The risks of investing in securities of an ETF typically reflect the risks of the types of instruments in which the underlying ETF invests. Because ETFs are listed on an exchange, ETFs may be subject to trading halts and may trade at a discount or premium to their NAV. In addition, ETFs are investment companies, and the Series will bear its proportionate share of the fees and expenses of an investment in an ETF. As a result, the Series' expenses may be higher and performance may be lower.

### **High yield (junk bond) risk**

The risk that high yield securities, commonly known as "junk bonds," are subject to reduced creditworthiness of issuers, increased risk of default, and a more limited and less liquid secondary market. High yield securities may also be subject to greater price volatility and risk of loss of income and principal than are higher-rated securities. High yield bonds are sometimes issued by municipalities that have less financial strength and therefore have less ability to make projected debt payments on the bonds.

### **Interest rate risk**

The market values of bonds and other debt securities are affected by changes in interest rates. In general, when interest rates rise, the market value of a debt security declines, and when interest rates decline, the market value of a debt security increases. Generally, the longer the maturity and duration of a debt security, the greater its sensitivity to interest rates. Duration is a measure of a debt security's sensitivity to changes in interest rates. For every 1% change in interest rates, a bond's price generally changes approximately 1% in the opposite direction for every year of duration. For example, if a portfolio of fixed income securities has an average weighted duration of three years, its value can be expected to fall about 3% if interest rates rise by 1%. Conversely, the portfolio's value can be expected to rise approximately 3% if interest rates fall by 1%. The yields received by the Series on its investments will generally decline as interest rates decline.

# How we manage the Series

## Liquidity risk

The Series is susceptible to the risk that certain investments may be difficult or impossible to sell at a time or price most favorable to the Series, which could decrease the overall level of the Series' liquidity and its ability to sell securities to meet redemptions. As a result, the Series may have to lower the price on certain investments that it is trying to sell, sell the investments at a loss, sell other investments instead or forego an investment opportunity, any of which could adversely affect the Series. The Series could lose money or face difficulty in meeting shareholder redemptions if it cannot sell an investment at the time and price that would be beneficial to the Series. Market developments may cause the Series' investments to become less liquid and subject to erratic price movements, which may have an adverse effect on the Series.

High yield securities tend to be less liquid than higher quality securities, particularly if there is a deterioration in the economy or in the financial prospects of their issuers.

## Market risk

The prices of the securities held by the Series may decline in response to certain events, such as general economic and market conditions, adverse political or regulatory developments and interest rate fluctuations. These events may lead to periods of volatility, which may be exacerbated by changes in bond market size and structure. There is also the possibility that the value of the Series' investments in high yield securities will decline due to drops in the overall high yield bond market. Changes in the economic climate, investor perceptions and stock market volatility can cause the prices of the Series' fixed-income and high yield investments to decline regardless of the conditions of the issuers held by the Series. The ability of broker-dealers to make a market in debt securities has decreased in recent years, in part as a result of structural changes, including fewer proprietary trading desks at broker-dealers and increased regulatory capital requirements. Further, many broker-dealers have reduced their inventory of certain debt securities. This could negatively affect the Series' ability to buy or sell debt securities, and increase their volatility and trading costs. Adverse market events may lead to increased redemptions, which could cause the Series to experience a loss or difficulty in selling securities to meet redemption requests by shareholders. The risk of loss increases if the redemption requests are unusually large or frequent.

## **Prepayment and extension risk**

The Series is subject to prepayment and extension risk since it invests in mortgage-backed and other asset-backed securities. When interest rates decline, borrowers tend to refinance their loans and the loans that back these securities suffer a higher rate of prepayment. This could cause a decrease in the Series' income and share price. Extension risk is the flip side of prepayment risk. When interest rates rise, borrowers tend to repay their loans less quickly, which generally will increase the Series' sensitivity to interest rates and its potential for price declines. The impact of prepayments and extensions on the price of mortgage-backed or other asset-backed securities may be difficult to predict and may increase their price volatility.

## **Sector risk**

Issuers that are engaged in similar businesses may be similarly affected by particular economic or market events, which may, in certain circumstances, cause the value of the securities of issuers in a particular sector market to decline. To the extent the Series has substantial holdings within a particular sector, the risks associated with that sector increase. To the extent the Series invests significantly in the financials sector, the value of the Series' shares may be particularly vulnerable to factors affecting that sector, such as the availability and cost of capital funds, changes in interest rates, the rate of corporate and consumer debt defaults, credit ratings and quality, market liquidity, extensive government regulation and price competition. The impact of more stringent capital requirements and recent or future regulation of any individual financial company, or of the financials sector as a whole, cannot be predicted. In recent years, cyber attacks and technology malfunctions and failures have become increasingly frequent in this sector and have caused significant losses to companies in this sector, which may negatively impact the Series.

## **Active management and selection risk**

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations. This may be a result of specific factors relating to an issuer's financial condition or operations, changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer. Declines in certain stocks could detract from the Series' returns even when the broad market is flat or increasing and the Series' call option writing strategy may make it difficult for the Series to dispose of underperforming securities.

## **Disclosure of portfolio holdings information**

A description of the Series' policies and procedures with respect to the disclosure of their portfolio securities is available in the SAI.

# Who manages the Series

## **Investment manager**

The Manager, located at 2005 Market Street, Philadelphia, PA 19103, is the Series' investment manager. Together, the Manager and the other subsidiaries of Macquarie Management Holdings, Inc. (MMHI) manage, as of June 30, 2019, \$173.1 billion in assets, including mutual funds, separate accounts, and other investment vehicles. The Manager and its predecessors have been managing Delaware Funds since 1938. The Manager is a series of Macquarie Investment Management Business Trust (a Delaware statutory trust), which is a subsidiary of MMHI. MMHI is a wholly owned subsidiary of Macquarie Group Limited. The Manager makes investment decisions for the Series, manages the Series' business affairs, and provides daily administrative services. The Series are new and the Manager has not received a fee as of the date of this Prospectus.

A discussion of the basis for the Board's approval of the Series' investment advisory contract will be available in the Series' annual report to shareholders.

## **Sub-advisors**

Ziegler Capital Management, LLC (ZCM) serves as the investment sub-advisor for Delaware VIP Covered Call Strategy Series. ZCM has discretionary trading authority over all of the Series' assets, subject to continuing oversight and supervision by Manager and the Series' Board of Trustees. ZCM is a Wisconsin limited liability company with principal offices at 70 West Madison Street, 24th Floor, Chicago, IL 60602-4109. ZCM is an investment management firm that serves a wide range of clients including institutions, municipality, pension plans, foundations, endowments, senior living organizations, hospitals and high net worth individuals. ZCM is a wholly-owned subsidiary of Stifel Financial Corp. As of March 31, 2019, ZCM held investment management authority with respect to approximately \$13 billion in assets. The Manager has entered into a separate sub-advisory agreement with ZCM and compensates ZCM out of the investment advisory fees it receives from the Series.

Smith Asset Management Group, L.P. (Smith) serves as the investment sub-advisor of Delaware VIP Growth Equity Series. Smith has discretionary trading authority over all of the Series' assets, subject to continuing oversight and supervision by Manager and the Series' Board of Trustees. Smith is located at 100 Crescent Court, Suite 1150, Dallas, TX 75201. Smith is an investment management firm that provides investment services to a diverse list of clients including public funds, endowments, foundations, corporate pension and multi-employer plans. As of March 31, 2019, Smith held investment management authority with respect to approximately \$3.5 billion in assets. The Manager has entered into a separate sub-advisory agreement with Smith and compensates Smith out of the investment advisory fees it receives from the Series.



*Macquarie Investment Management Austria Kapitalanlage AG*

Macquarie Investment Management Austria Kapitalanlage AG (MIMAK) is located at Kaerntner Strasse 28, 1010 Vienna, Austria. MIMAK is an affiliate of the Manager and a part of Macquarie Investment Management (MIM). MIM is the marketing name for certain companies comprising the asset management division of Macquarie Group Limited. As of Dec. 31, 2018, MIM managed more than \$234.5 billion in assets for institutional and individual clients. Although the Manager has principal responsibility for the Manager's portion of the Series, the Manager may seek investment advice and recommendations from MIMAK and the Manager may also permit MIMAK to execute Series security trades on behalf of the Manager and exercise investment discretion for securities in certain markets where the Manager believes it will be beneficial to utilize MIMAK's specialized market knowledge.

*Macquarie Investment Management Global Limited*

Macquarie Investment Management Global Limited (MIMGL), is located at 50 Martin Place, Sydney, Australia. MIMGL is an affiliate of the Manager and a part of MIM. Although the Manager has principal responsibility for the Manager's portion of the Series, (i) in the case of Delaware VIP Fund for Income Series, Delaware VIP Limited Duration Bond Series, Delaware VIP Total Return Series and Delaware VIP Investment Grade Series, the Manager may seek investment advice and recommendations from MIMGL and the Manager may also permit MIMGL to execute Series security trades on behalf of the Manager and exercise investment discretion for securities in certain markets where the Manager believes it will be beneficial to utilize MIMGL's specialized market knowledge and (ii) in the case of Delaware VIP Equity Income Series, Delaware VIP Growth and Income Series, Delaware VIP Opportunity Series, Delaware VIP Special Situations Series, Delaware VIP International Series and Delaware VIP Total Return Series, the Manager may seek quantitative support from MIMGL and the Manager may permit MIMGL to execute Series security trades on behalf of the Manager.

*Macquarie Investment Management Europe Limited*

Macquarie Investment Management Europe Limited (MIMEL), is located at 28 Ropemaker Street, London, England. MIMEL is an affiliate of the Manager and a part of MIM. Although the Manager has principal responsibility for the Manager's portion of the Series, the Manager may seek investment advice and recommendations from MIMEL and the Manager may also permit MIMEL to execute Series security trades on behalf of the Manager and exercise investment discretion for securities in certain markets where the Manager believes it will be beneficial to utilize MIMEL's specialized market knowledge.

# Who manages the Series

## *Macquarie Funds Management Hong Kong Limited*

Macquarie Funds Management Hong Kong Limited (MFMHKL), located at Level 18, One International Finance Centre, One Harbour View Street, Central, Hong Kong. MFMHKL is an affiliate of the Manager and a part of MIM. Although the Manager has principal responsibility for the Manager's portion of the Series, the Manager may permit MFMHKL to execute Series security trades on behalf of the Manager.

A discussion of the basis for the Board's approval of the sub-advisory contracts will be available in the Series' annual report to shareholders.

## **Portfolio managers**

Below is a list of the portfolio managers who are primarily responsible for the day-to-day management of each Series and certain officers of the Series with whom the portfolio managers regularly consult. The SAI provides additional information about each portfolio manager's compensation, other accounts managed by each portfolio manager, and each portfolio manager's ownership of securities in the Series.

### **Delaware VIP Covered Call Strategy Series**

Wiley D. Angell and Sean C. Hughes have day-to-day responsibility for making investment decisions for Delaware VIP Covered Call Strategy Series.

### **Delaware VIP Fund for Income Series**

John P. McCarthy and Adam H. Brown have primary responsibility for making day-to-day investment decisions for Delaware VIP Fund for Income Series.

### **Delaware VIP Growth Equity Series**

Stephen S. Smith, John D. Brim and Eivind Olsen have day-to-day responsibility for making investment decisions for Delaware VIP Growth Equity Series.

### **Delaware VIP Equity Income Series and Delaware VIP Growth and Income Series**

Nikhil G. Lalvani, Robert A. Vogel, Jr. and Kristen E. Bartholdson have primary responsibility for making day-to-day investment decisions for Delaware VIP Equity Income Series and Delaware VIP Growth and Income Series.

### **Delaware VIP Opportunity Series**

Francis X. Morris, Christopher S. Adams, Michael S. Morris, Donald G. Padilla, and David E. Reidinger have primary responsibility for making day-to-day investment decisions for Delaware VIP Opportunity Series.

### **Delaware VIP Limited Duration Bond Series**

Roger A. Early, Brian C. McDonnell, Adam H. Brown, and John P. McCarthy have day-to-day responsibility for making investment decisions for Delaware VIP Limited Duration Bond Series.

### **Delaware VIP Special Situations Series**

Christopher S. Beck has primary responsibility for making day-to-day investment decisions for Delaware VIP Special Situations Series. In making investment decisions for the Series, Mr. Beck regularly consults with Kelley McKee Carabasi, Steven Catricks, Kent Madden, and Michael Foley.

### **Delaware VIP International Series**

Christopher Gowland, Jens Hansen, Klaus Petersen, Claus Juul, and Åsa Annerstedt have primary responsibility for making the day-to-day investment decisions for Delaware VIP International Series.

### **Delaware VIP Total Return Series**

Babak “Bob” Zenouzi and Damon Andres have primary responsibility for making the day-to-day investment decisions for Delaware VIP Total Return Series.

### **Delaware VIP Investment Grade Series**

Michael G. Wildstein has primary responsibility for making day-to-day investment decisions for Delaware VIP Investment Grade Series. When making investment decisions for the Series, Mr. Wildstein regularly consults with Roger A. Early, Paul A. Matlack, Craig C. Dembek, John P. McCarthy, Kashif Ishaq, J. David Hillmeyer, and Wayne A. Anglace.

**John P. McCarthy, CFA** *Senior Vice President, Co-Head of High Yield, Senior Portfolio Manager — Delaware VIP Fund For Income Series and Delaware VIP Investment Grade Series*  
John P. McCarthy is a senior portfolio manager and co-head for the firm’s high yield strategies, a role he assumed in July 2016. From December 2012 to June 2016, he was co-head of credit research on the firm’s taxable fixed income team. McCarthy rejoined Macquarie Investment Management (MIM) in March 2007 as a senior research analyst, after he worked in the firm’s fixed income area from 1990 to 2000 as a senior high yield analyst and high yield trader, and from 2001 to 2002 as a municipal bond trader. Prior to rejoining the firm, he was a senior high yield analyst/trader at Chartwell Investment Partners. McCarthy earned a bachelor’s degree in business administration from Babson College, and he is a member of the CFA Society of Philadelphia.

# Who manages the Series

**Adam H. Brown, CFA** *Senior Vice President, Co-Head of High Yield, Senior Portfolio Manager — Delaware VIP Fund For Income Series*

Adam H. Brown is a senior portfolio manager and co-head of the firm's high yield strategies. He manages the bank loan portfolios and is a co-portfolio manager for the high yield, fixed rate multisector, and core plus strategies. Brown joined Macquarie Investment Management (MIM) in April 2011 as part of the firm's integration of Macquarie Four Corners Capital Management, where he had worked since 2002. At Four Corners, he was a co-portfolio manager on the firm's collateralized loan obligations (CLOs) and a senior research analyst supporting noninvestment grade portfolios. Before that, Brown was with the predecessor of Wells Fargo Securities, where he worked in the leveraged finance group arranging senior secured bank loans and high yield bond financings for financial sponsors and corporate issuers. He earned a bachelor's degree in accounting from the University of Florida and an MBA from the A.B. Freeman School of Business at Tulane University.

**Craig C. Dembek, CFA** *Executive Director, Global Head of Credit Research — Delaware VIP Fund For Income Series and Delaware VIP Investment Grade Series*

Craig C. Dembek is global head of credit research and a senior research analyst on the firm's taxable fixed income team with primary responsibility for banks, brokers, and real estate investment trusts (REITs). He rejoined Macquarie Investment Management (MIM) in March 2007. During his previous time at the firm, from April 1999 to January 2001, he was a senior investment grade credit analyst. Most recently, he spent four years at Chartwell Investment Partners as a senior fixed income analyst and Turner Investment Partners as a senior fixed income analyst and portfolio manager. Dembek also spent two years at Stein, Roe & Farnham as a senior fixed income analyst. Earlier in his career, he worked for two years as a lead bank analyst at the Federal Reserve Bank of Boston. Dembek earned a bachelor's degree in finance from Michigan State University and an MBA with a concentration in finance from the University of Vermont.

**Paul A. Matlack, CFA** *Senior Vice President, Senior Portfolio Manager, Fixed Income Strategist — Delaware VIP Fund For Income Series and Delaware VIP Investment Grade Series*

Paul A. Matlack is a strategist and senior portfolio manager for the firm's fixed income team. Matlack rejoined the firm in May 2010. During his previous time at Macquarie Investment Management (MIM) from September 1989 to October 2000, he was senior credit analyst, senior portfolio manager, and left the firm as co-head of the high yield group. Most recently, he worked at Chartwell Investment Partners from September 2003 to April 2010 as senior portfolio manager in fixed income, where he managed core, core plus, and high yield strategies. Prior to that, Matlack held senior roles at Turner Investment Partners, PNC Bank, and Mellon Bank. He earned a bachelor's degree in international relations from the University of Pennsylvania and an MBA with a concentration in finance from George Washington University.

**Robert A. Vogel Jr., CFA** *Vice President, Senior Portfolio Manager — Delaware VIP Equity Income Series and Delaware VIP Growth and Income Series*

Robert A. Vogel Jr. is a senior portfolio manager for the firm's Large-Cap Value team. Prior to joining Macquarie Investment Management (MIM) in 2004 as vice president and senior portfolio manager, he worked at Merrill Lynch Investment Managers for more than seven years, where he rose to the position of director and portfolio manager within the US Active Large-Cap Value team. He began his career in 1992 as a financial consultant at Merrill Lynch. Vogel graduated from Loyola University Maryland, earning both bachelor's and master's degrees in finance. He also earned an MBA with a concentration in finance from The Wharton School of the University of Pennsylvania. Vogel is a member of the CFA Society New York, the CFA Institute, and the CFA Society of Philadelphia.

**Nikhil G. Lalvani, CFA** *Vice President, Senior Portfolio Manager, Team Leader — Delaware VIP Equity Income Series and Delaware VIP Growth and Income Series*

Nikhil G. Lalvani is a senior portfolio manager for the firm's Large-Cap Value team and assumed the role of team leader in October 2018. At Macquarie Investment Management (MIM), Lalvani has worked as both a fundamental and quantitative analyst. Prior to joining the firm in 1997 as an account analyst, he was a research associate with Bloomberg. Lalvani holds a bachelor's degree in finance from The Pennsylvania State University. He is a member of the CFA Institute and the CFA Society of Philadelphia.

**Kristen E. Bartholdson** *Vice President, Senior Portfolio Manager — Delaware VIP Equity Income Series and Delaware VIP Growth and Income Series*

Kristen E. Bartholdson is a senior portfolio manager for the firm's Large-Cap Value team. Prior to joining Macquarie Investment Management (MIM) in 2006 as an associate portfolio manager, she worked at Susquehanna International Group from 2004 to 2006, where she was an equity research salesperson. From 2000 to 2004, she worked in equity research at Credit Suisse, most recently as an associate analyst in investment strategy. Bartholdson earned her bachelor's degree in economics from Princeton University.

**Francis X. Morris** *Executive Director, Chief Investment Officer — US Core Equity — Delaware VIP Opportunity Series*

Francis X. Morris joined Macquarie Investment Management (MIM) in 1997 as a vice president and portfolio manager, and became the chief investment officer for Core Equity investments in 2004. He is also a member of the firm's asset allocation committee, which is responsible for building and managing multi-asset class portfolios. In addition, Morris serves as a Trustee for the Macquarie Management Holdings, Inc. 401(k) and Retirement Plan. Prior to joining the firm, Morris was vice president and director of equity research at PNC Asset Management. He received a bachelor's degree from Providence College and holds

# Who manages the Series

an MBA from Widener University. He is a former member of the Business Advisory Council of the Providence College School of Business. Morris is a past president of the CFA Society of Philadelphia and is a member of the CFA Institute. He is a former officer of the National Association of Petroleum Investment Analysts.

**Christopher S. Adams, CFA** *Vice President, Senior Portfolio Manager — Delaware VIP Opportunity Series*

Christopher S. Adams is a senior portfolio manager on the firm's Core Equity team and performs analysis and research to support the portfolio management function. He joined the team in 2000 and became a portfolio manager in November 2004. Prior to joining Macquarie Investment Management (MIM) in 1995 as assistant vice president of strategic planning, Adams had approximately 10 years of experience in the financial services industry in the United States and United Kingdom, including positions with Coopers & Lybrand, The Sumitomo Bank, Bank of America, and Lloyds Bank. Adams holds both bachelor's and master's degrees in history and economics from the University of Oxford, England, and received an MBA with dual concentrations in finance and insurance/risk management from The Wharton School of the University of Pennsylvania. He is a past president of the CFA Society of Philadelphia.

**Michael S. Morris, CFA** *Vice President, Senior Portfolio Manager — Delaware VIP Opportunity Series*

Michael S. Morris is a senior portfolio manager on the firm's Core Equity team and performs analysis and research to support the portfolio management function. He joined the team in July 2004 and became a portfolio manager in November 2004. Morris joined Macquarie Investment Management (MIM) in 1999 as assistant vice president and senior analyst. Prior to joining the firm, he worked as a senior equity analyst at Newbold's Asset Management, covering financial stocks. Morris began his investment career in 1993 at Ohio Casualty. He earned his bachelor's degree in finance from Indiana University and an MBA from The Wharton School of the University of Pennsylvania. He is a former member of the Bank and Financial Analysts Association.

**Donald G. Padilla, CFA** *Vice President, Senior Portfolio Manager — Delaware VIP Opportunity Series*

Donald G. Padilla is a senior portfolio manager on the firm's Core Equity team and performs analysis and research to support the portfolio management function. He joined the team in 2000 and became a portfolio manager in November 2004. Padilla joined Macquarie Investment Management (MIM) in 1994 as assistant controller in the firm's treasury function, responsible for managing corporate cash investments, developing financial models, and overseeing the financial operations of the Lincoln Life 401(k) annuities segment. Prior to joining the firm, he held various positions at The Vanguard Group. Padilla holds a bachelor's degree in accounting from Lehigh University, and he is a member of the CFA Society of Philadelphia.

**David E. Reidinger** *Vice President, Senior Portfolio Manager — Delaware VIP Opportunity Series*

David E. Reidinger joined Macquarie Investment Management (MIM) in October 2016 as a senior portfolio manager on the firm's Core Equity team. He also performs analysis and research to support the portfolio management function. From June 2004 to September 2016, Reidinger was a senior analyst and portfolio manager at Chartwell Investment Partners, where he worked on the firm's small- and mid-cap growth strategies. Before that, Reidinger was a portfolio manager with Morgan Stanley Investment Management from 2000 to 2003, and a senior equity analyst with Tiger Management from 1998 to 2000. Reidinger began his career in 1993 as an equity research analyst with Goldman Sachs. With more than 20 years of experience as an analyst, he has covered a broad range of industries within the information technology, consumer, and industrial sectors. Reidinger earned bachelor's degrees in both mathematics and economics from Fordham University, and an MBA from Columbia Business School.

**Roger A. Early, CPA, CFA** *Executive Director, Chief Investment Officer of US Fixed Income — Delaware VIP Limited Duration Bond Series and Delaware VIP Investment Grade Series*

Roger A. Early is an Executive Director and Chief Investment Officer of US Fixed Income. He rejoined Macquarie Investment Management (MIM) in March 2007 as a member of the firm's taxable fixed income portfolio management team, with primary responsibility for portfolio construction and strategic asset allocation. He became head of fixed income investments in the Americas in February 2015. During his previous time at the firm, from 1994 to 2001, he was a senior portfolio manager in the same area, and he left the firm as head of its US investment grade fixed income group. In recent years, Early was a senior portfolio manager at Chartwell Investment Partners and Rittenhouse Financial and was the chief investment officer for fixed income at Turner Investments. Prior to joining the firm in 1994, he worked for more than 10 years at Federated Investors where he managed more than \$25 billion in mutual fund and institutional portfolios in the short-term and investment grade markets. He left the firm as head of institutional fixed income management. Earlier in his career, he held management positions with the Federal Reserve Bank, PNC Financial, Touche Ross, and Rockwell International. Early earned his bachelor's degree in economics from The Wharton School of the University of Pennsylvania and an MBA with concentrations in finance and accounting from the University of Pittsburgh. He is a member of the CFA Society of Philadelphia.

**Brian C. McDonnell, CFA** *Executive Director, Head of US Fixed Income — Delaware VIP Limited Duration Bond Series*

Brian C. McDonnell is a member of the firm's taxable fixed income portfolio management team with primary responsibility for portfolio construction and strategic asset allocation. He joined Macquarie Investment Management (MIM) in March 2007 as a vice president and

# Who manages the Series

senior structured products analyst/trader, assuming portfolio management responsibilities in 2009. Prior to joining the firm, he was a managing director and head of fixed income trading at Sovereign Securities, where he was responsible for risk management and hedging of the firm's holdings. Earlier in his career, he spent more than 10 years in various fixed income capacities with Prudential Securities in New York. McDonnell has a bachelor's degree in finance from Boston College, and he is a member of the CFA Society of Philadelphia.

**Christopher S. Beck, CFA** *Executive Director, Chief Investment Officer — US Small-Mid Cap Value Equity — Delaware VIP Special Situations Series*

Christopher S. Beck leads the firm's US Small-Mid Cap Value Equity team. He is also a member of the Macquarie Investment Management (MIM) Global Management Committee. Prior to joining MIM in 1997 as a vice president and senior portfolio manager, he was vice president at Pitcairn Trust from 1995 to 1997, where he managed small-capitalization stocks and analyzed equity sectors. Before that he was chief investment officer of the University of Delaware from 1992 to 1995 and held management positions during his seven years at Cypress Capital Management and four years at Wilmington Trust. Beck earned a bachelor's degree at the University of Delaware and an MBA from Lehigh University, and he is a member of the CFA Society of Philadelphia and past president of the Wilmington Society of Securities Analysts.

**Steven G. Catricks, CFA** *Vice President, Senior Portfolio Manager — Delaware VIP Special Situations Series*

Steven G. Catricks is a senior portfolio manager for the US Small-Mid Cap Value Equity team, a role he assumed in July 2012. He joined the team in October 2010 as a senior equity analyst. He is responsible for the analysis, purchase, and sale recommendations of technology and business services securities for the firm's US Small-Mid Cap Value Equity portfolios. Prior to joining the US Small-Mid Cap Value Equity team, he was a portfolio manager for the firm's Strategic Small-Cap Value team, focusing on the technology, healthcare, and telecommunication services sectors. He joined Macquarie Investment Management (MIM) in 2001 as an equity analyst, performing research and analysis for the firm's Emerging Growth Equity team. Previously, Catricks was an equity analyst at BlackRock Financial from 1999 to 2001, where he specialized in small-capitalization growth stocks. He also worked as a systems engineer at Dow Jones/Factiva, and as a senior systems engineer at GE Aerospace/Lockheed Martin. He started his career as a systems engineer at the Naval Air Development Center, where he spent 15 years. Catricks holds a bachelor's degree in electrical engineering from Drexel University and a master's degree in engineering from the University of Pennsylvania, and has nearly 20 years of experience in the technology industry. Catricks is a member of the Institute of Electrical and Electronics Engineers.



**Michael Foley, CFA** *Vice President, Senior Portfolio Manager — Delaware VIP Special Situations Series*

Michael Foley is a senior portfolio manager for the US Small-Mid Cap Value Equity team, a role he assumed in July 2019. He joined Macquarie Investment Management (MIM) in February 2015 as a senior equity analyst for the US Small-Mid Cap Value Equity team. Foley is responsible for the analysis, purchase, and sale recommendations of financial services and real estate investment trust (REIT) securities for the firm's US Small-Mid Cap Value Equity portfolios. Prior to joining the firm, Foley was an associate at Patriot Financial Partners, a private equity firm, from August 2011 to February 2015, focusing on the analysis of companies in the financial services sector. He started his career with Janney Montgomery Scott where he worked as an investment banking analyst within the financial institutions group from August 2009 to August 2011. Foley earned a bachelor's degree in economics with dual concentrations in finance and accounting from The Wharton School of the University of Pennsylvania.

**Kent P. Madden, CFA** *Vice President, Senior Portfolio Manager — Delaware VIP Special Situations Series*

Kent P. Madden is a senior portfolio manager for the US Small-Mid Cap Value Equity team, a role he assumed in July 2012. He joined the team in December 2004 as an equity analyst and was promoted to senior equity analyst in October 2010. He is responsible for the analysis, purchase, and sale recommendations of consumer services, consumer cyclicals, consumer staples, healthcare, and transportation stocks for the firm's US Small-Mid Cap Value Equity portfolios. Prior to joining Macquarie Investment Management (MIM) he was an equity analyst at Gartmore Global Investments, where he specialized in technology and telecommunications. He has also worked as an equity analyst for Federated Investors, where he gained experience covering small-capitalization consumer stocks, and Lehman Brothers as a corporate finance analyst. Madden holds a bachelor's degree in economics from DePauw University and an MBA from the University of Chicago.

**Kelley McKee Carabasi, CFA** *Vice President, Senior Portfolio Manager — Delaware VIP Special Situations Series*

Kelley McKee Carabasi is a senior portfolio manager for the US Small-Mid Cap Value Equity team, a role she assumed in July 2012. She joined the team in July 2005 as an equity analyst. She is responsible for the analysis, purchase, and sale recommendations of basic industry, capital spending, and utilities securities for the firm's US Small-Mid Cap Value Equity portfolios. Prior to joining Macquarie Investment Management (MIM) she participated in Lincoln Financial Group's rotational Professional Development Program for three years. McKee earned a bachelor's degree in finance from Georgetown University and an MBA from The Wharton School of the University of Pennsylvania.

# Who manages the Series

**Babak “Bob” Zenouzi** *Senior Vice President, Chief Investment Officer — Real Estate Securities and Income Solutions (RESIS) — Delaware VIP Total Return Series*

Bob Zenouzi is the lead manager for the real estate securities and income solutions (RESIS) group at Macquarie Investment Management (MIM). Zenouzi created this team, including its process and its institutional and retail products, during his prior time with the firm. He also focuses on opportunities in Japan, Singapore, and Malaysia for the firm's global real estate securities strategy. He is also a member of the firm's asset allocation committee, which is responsible for building and managing multi-asset class portfolios. He rejoined the firm in May 2006 as senior portfolio manager and head of real estate securities. In his first term with the firm, he spent seven years as an analyst and portfolio manager, leaving in 1999 to work at Chartwell Investment Partners, where from 1999 to 2006 he was a partner and senior portfolio manager on Chartwell's Small-Cap Value portfolio. He began his career with The Boston Company, where he held several positions in accounting and financial analysis. Zenouzi earned a master's degree in finance from Boston College and a bachelor's degree in finance from Babson College. He is a member of the National Association of Real Estate Investment Trusts and the Urban Land Institute.

**Damon J. Andres, CFA** *Vice President, Senior Portfolio Manager — Delaware VIP Total Return Series*

Damon J. Andres joined Macquarie Investment Management (MIM) in 1994 as an analyst, and is currently a senior portfolio manager for the firm's real estate securities and income solutions (RESIS) group. From 1991 to 1994, he performed investment-consulting services as a consulting associate with Cambridge Associates. Andres earned a bachelor's degree in business administration with an emphasis in finance and accounting from the University of Richmond.

**Kashif Ishaq** *Senior Vice President, Global Head of Corporate Bond Trading — Delaware VIP Investment Grade Series*

Kashif Ishaq is global head of corporate bond trading. He plays an integral role in the investment process, managing investment grade corporate bond exposure within all the portfolios and performing relative value analysis across corporate curves and capital structures. He is also responsible for managing all corporate credit traders and maintaining key industry relationships. He started his fixed income career with Macquarie Investment Management (MIM) as a portfolio analyst on the firm's insurance portfolio management team before taking a position as an investment grade trader. For the three years prior to joining MIM in August 2005, he participated in Lincoln Financial Group's rotational Professional Development Program. He started the program as a financial analyst in the Hartford office, followed by a position in information technology, and lastly he spent a year in the client services department of Delaware Investments. Ishaq received his bachelor's degree in corporate finance and accounting from Bentley College.

**J. David Hillmeyer, CFA** *Executive Director, Head of Multisector/Global Fixed Income — Delaware VIP Investment Grade Series*

J. David Hillmeyer is head of multisector/global fixed income in the Americas. He is co-portfolio manager for the fixed rate diversified multisector, core plus, and investment grade corporate bond strategies. Prior to joining Macquarie Investment Management (MIM) in August 2007 as a vice president and corporate bond trader, he worked for more than 11 years in various roles at Hartford Investment Management Company, including senior corporate bond trader, high yield portfolio manager / trader, and quantitative analyst. He began his career as an investment advisor in January 1989 at Shawmut Bank, leaving the firm as an investment officer in November 1995. Hillmeyer earned his bachelor's degree from Colorado State University, and he is a member of the CFA Society of Philadelphia and the Philadelphia Council for Business Economics.

**Michael G. Wildstein, CFA** *Executive Director, Head of Credit and Insurance Asset Management — Delaware VIP Investment Grade Series*

Michael G. Wildstein is a member of the firm's fixed income portfolio management team. He manages corporate credit-related portfolios. Before joining the team, he was a senior corporate bond analyst focused on the telecommunications sector for high-grade and high yield portfolios. Prior to joining Macquarie Investment Management (MIM) in March 2007 as a senior research analyst, Wildstein spent five years at Merrill Lynch Investment Managers in various roles that included portfolio manager for the core bond team, corporate bond research analyst, and corporate bond trader. Before moving into investment management, Wildstein worked in finance, corporate strategy, and business development with several firms including RCN Corporation and AT&T Local Services. He earned a bachelor's degree from the University of Tampa and an MBA from Drexel University.

**Wayne A. Anglace, CFA** *Senior Vice President, Senior Portfolio Manager — Delaware VIP Investment Grade Series*

Wayne A. Anglace currently serves as a senior portfolio manager for the firm's corporate and convertible bond strategies. Prior to joining Macquarie Investment Management (MIM) in March 2007 as a research analyst for the firm's high grade, high yield, and convertible bond portfolios, he spent more than two years as a research analyst at Gartmore Global Investments for its convertible bond strategy. From 2000 to 2004, Anglace worked in private client research at Deutsche Bank Alex. Brown in Baltimore, where he focused on equity research, and he started his financial services career with Ashbridge Investment Management in 1999. Prior to moving to the financial industry, Anglace worked as a professional civil engineer. He earned his bachelor's degree in civil engineering from Villanova University and an MBA with a concentration in finance from Saint Joseph's University, and he is a member of the CFA Society of Philadelphia.

# Who manages the Series

**Stephen S. Smith, CFA** *Chief Executive Officer, Chief Investment Officer — Delaware VIP Growth Equity Series*

Stephen S. Smith founded Smith Asset Management Group in 1995 and serves as the company's chief investment officer. Previously, he held a number of senior investment positions at Bank of America until he departed in 1995 to found Smith Group. He joined Wachovia Bank as a computer systems analyst in the mid-1970s and transitioned to the bank's investment management division in order to help design and implement a portfolio management system. Smith left Wachovia and joined what is now known as Bank of America in 1983. He began his career in the late 1960s as an engineer with the National Aeronautics and Space Administration (NASA) in the lunar landing program. Smith has an engineering degree and an MBA, both from the University of Alabama. He is a member of the CFA Institute and the CFA Society of Dallas-Fort Worth.

**John D. Brim, CFA** *Chief Investment Officer — Delaware VIP Growth Equity Series*

John D. Brim joined Smith Asset Management Group in March 1998 and is chief investment officer. Prior to joining the firm, he was a manager within the institutional investment consulting group of Deloitte & Touche from 1997 to 1998. From 1990 to 1997, Brim held a variety of positions, including senior client manager with NationsBank Asset Management in Dallas. He earned his bachelor's degree in economics from Texas A&M University. Brim is a member of the CFA Institute and the CFA Society of Dallas-Fort Worth.

**Eivind Olsen, CFA** *Portfolio Manager — Delaware VIP Growth Equity Series*

Eivind Olsen joined Smith Asset Management Group in May 2008 and is a member of the portfolio management team. Prior to joining Smith Group, he was a portfolio manager with Brazos Capital Management/John McStay Investment Counsel from 1998 to 2008. From 1994 to 1996, he did equity research as an associate analyst with Rauscher Pierce Refsnes. He earned a bachelor's degree in accounting and finance from Texas Christian University and an MBA in finance from the University of Texas. Olsen is a member of the CFA Institute and the CFA Society of Dallas-Fort Worth.

**Wiley D. Angell** *Chief Investment Officer, Senior Portfolio Manager — Delaware VIP Covered Call Strategy Series*

Wiley D. Angell is the chief investment officer and senior portfolio manager for the Fiduciary Asset Management (FAMCO) Group at Ziegler Capital Management. Prior to joining the firm in May 2015, he was chief executive officer and chief investment officer for equities and fixed income for FAMCO since the firm's inception in 1994. Prior to that, Angell served as portfolio manager for General Dynamics. He was also treasurer of Franklin Savings Association where he managed a multi-billion-dollar mortgage portfolio and was responsible for the firm's hedging strategies and balance sheet risk control. He has managed institutional portfolios for more than 25 years, specializing in equity, covered call, fixed income, and liability-driven

investing (LDI). He received his bachelor's degree in business and economics from Ottawa University and has served on boards of university endowments and charitable organizations. Angell is currently a board member and board secretary for The Crossing, and he is chairman of the board for Aspenstand.

**Sean C. Hughes, CFA** *Senior Portfolio Manager — Delaware VIP Covered Call Strategy Series*

Sean C. Hughes is a senior portfolio manager for the Fiduciary Asset Management (FAMCO) Group at Ziegler Capital Management. Prior to joining the firm in May 2015, he was a research analyst for FAMCO since 2013. He joined FAMCO in 2005 as a research analyst. Prior to that, Hughes worked at Washington University, where he was involved in managing the Investment Praxis Fund, a portion of the Washington University endowment. He earned a bachelor's degree from Oberlin College and he is a graduate of the Tuck School of Business Bridge Program. Hughes received his MBA from Washington University in St. Louis. He is a member of CFA Institute and the CFA Society St. Louis.

**Chris Gowlland, CFA** *Vice President, Senior Quantitative Analyst*

Chris Gowlland is senior quantitative analyst for the firm's equity department. He also serves as portfolio manager for several different strategies in the firm's multi-asset class offerings, a role he assumed in July 2019. Gowlland joined Macquarie Investment Management (MIM) in May 2007 as vice president and senior quantitative analyst. Prior to joining the firm, he spent seven years working in fundamental equity research and corporate finance for Morgan Stanley and Commerzbank Securities, followed by two years as a quantitative strategist at Morgan Stanley and at State Street Global Markets. Gowlland holds a bachelor's degree in Chinese and Spanish from the University of Leeds (U.K.), a master's degree in development studies from Brown University, and another master's degree in international management from Thunderbird School of Global Management. He also spent several years in a Ph.D. program in political economy at Harvard University. Gowlland is a member of the CFA Institute, the CFA Society New York, the CFA Society of Philadelphia, and the Society of Quantitative Analysts.

**Jens Hansen** *Managing Director, Chief Investment Officer — Global Equity Team — Delaware VIP International Series*

Jens Hansen heads the firm's Global Equity team and is a portfolio manager for the team's strategies. He joined Macquarie Investment Management (MIM) in June 2018. Hansen has been a portfolio manager since 2001. Hansen started his career in 1982 with Spar Nord Bank, where he worked as an analyst and trader of bonds, equities, and derivatives. In 1994, he joined Nykredit Bank, where he worked as a bond trader. He attended the Aarhus School of Business where he gained a graduate diploma in business administration within finance and international trade.

# Who manages the Series

**Klaus Petersen, CFA** *Portfolio Manager — Global Equity Team — Delaware VIP International Series*

Klaus Petersen is a portfolio manager for the firm's Global Equity team. He joined Macquarie Investment Management (MIM) in June 2018. Petersen has been a portfolio manager since 2006. Previously, he worked for ATP, Denmark's largest pension fund, beginning in 1999 as a senior portfolio manager and later in the role as team leader of the technology, media, and telecommunications team. He joined Codan Bank in 1996, first as a senior sales analyst and later as a senior portfolio manager. Between 1988 and 1996, Petersen worked for various brokers as an equity sales analyst. He started his career in 1984 as an administrator of pension pools at Faellesbanken in Denmark. Petersen attended the Copenhagen Business School where he gained a graduate diploma in business administration (financial and management accounting).

**Claus Juul** *Portfolio Manager — Global Equity Team — Delaware VIP International Series*

Claus Juul is a portfolio manager for the firm's Global Equity team. He joined Macquarie Investment Management (MIM) in June 2018. Juul has been a portfolio manager since 2004. Prior to that, he was an equity analyst at Spar Nord Bank before becoming vice president of the research department in 2001. He started his career in 1998 with Sydbank as an equity analyst. He attended the Aarhus School of Business where he gained a master's degree in economics and business administration.

**Åsa Annerstedt** *Portfolio Manager — Global Equity Team — Delaware VIP International Series*

Åsa Annerstedt is a portfolio manager for the firm's Global Equity team. She joined Macquarie Investment Management (MIM) in June 2018. Annerstedt has been a portfolio manager since 2013. Prior to that, she was a member of the investment committee of a European Union fund dedicated to the financing of companies. Between 1999 and 2009, she managed award-winning European Small Cap and Global Equity portfolios at SEB Asset Management in Denmark. She started her career in 1996 as a business controller and consultant in Sweden. Annerstedt attended Ecole Supérieur de Commerce in Paris and Marseille and earned a master's degree in finance and international trade from Lund University in Sweden.

The SAI provides additional information about each portfolio manager's compensation, other accounts managed by each portfolio manager, and each portfolio manager's ownership of Series shares.

## Manager of managers structure

The Series and the Manager have received an exemptive order from the US Securities and Exchange Commission (SEC) to operate under a manager of managers structure that permits the Manager, with the approval of the Series' Board, to appoint and replace both affiliated and unaffiliated sub-advisors, and to enter into and make material amendments to the related

sub-advisory contracts on behalf of the Series without shareholder approval (Manager of Managers Structure). Under the Manager of Managers Structure, the Manager has ultimate responsibility, subject to oversight by the Board, for overseeing the Series' sub-advisors and recommending to the Board their hiring, termination, or replacement.

The Manager of Managers Structure enables the Series to operate with greater efficiency and without incurring the expense and delays associated with obtaining shareholder approvals for matters relating to sub-advisors or sub-advisory agreements. The Manager of Managers Structure does not permit an increase in the overall management and advisory fees payable by the Series without shareholder approval. Shareholders will be notified of the hiring of any new sub-advisor within 90 days of the hiring.

## Who's who

The following describes the various organizations involved in managing, administering, and servicing the Series.

**Board of trustees:** A mutual fund is governed by a board of trustees, which has oversight responsibility for the management of the fund's business affairs. Trustees establish procedures and oversee and review the performance of the fund's service providers.

**Investment manager and sub-advisor:** An investment manager is a company with overall responsibility for the management of a fund's assets. A sub-advisor is a company generally responsible for the day-to-day management of the fund's assets or some portion thereof. The sub-advisor is selected and supervised by the investment manager. The investment manager or the sub-advisor (as applicable), as the case may be, is responsible for selecting portfolio investments consistent with the objective and policies stated in the mutual fund's prospectus. A written contract between a mutual fund and its investment manager specifies the services the investment manager performs and the fee the manager is entitled to receive.

**Portfolio managers:** Portfolio managers make investment decisions for individual portfolios.

**Distributor:** Delaware Distributors, L.P., 2005 Market Street, Philadelphia, PA 19103-7094  
Shares of the Series are only sold to separate accounts of insurance companies used in connection with variable annuity or variable life products.

**Custodian/fund accountant:** The Bank of New York Mellon, 240 Greenwich Street, New York, NY 10286-0001  
Mutual funds are legally required to protect their portfolio securities and most funds place them with a qualified bank custodian that segregates fund securities from other bank assets. The fund accountant provides services such as calculating a series' net asset value (NAV) and providing financial reporting for the series.

# Important information about the Series

## **Share classes**

The Series offers two classes of shares, Service Class and Standard Class. The two classes of shares are identical, except that Service Class shares are subject to distribution and service fees, or “Rule 12b-1” fees, which are described in the prospectus offering Service Class shares.

In addition, you may have received Standard Class shares as the result of a merger or reorganization of a predecessor fund.

## **Salesperson and life insurance company compensation**

Your variable contract salesperson who sells your variable contract which invests in shares of the Series may be eligible to receive compensation for your investment in the Series. These amounts are paid by the Distributor to the life insurance companies with which your variable contract salesperson is associated.

## **Purchase and redemption of shares**

Shares are sold only to separate accounts of life insurance companies at NAV (see “Valuation of shares”). Redemptions will be effected by the separate accounts at the NAV next determined after receipt of the order to meet obligations under the variable contracts. Contract owners do not deal directly with the Series with respect to the acquisition or redemption of Series shares. The Series has reserved the right to pay for redemptions with portfolio securities under certain conditions. A subsequent sale by the insurance company receiving a distribution in-kind could result in the payment of brokerage commissions and expose a contract owner to market risk until the securities are sold. See the SAI for more information on redemptions-in-kind.

## **Payments to intermediaries**

The Distributor and/or its affiliates may pay additional compensation at their own expense and not as an expense of the Series to certain affiliated or unaffiliated participating insurance companies that sponsor your contract, brokers, dealers, or other financial intermediaries (Financial Intermediaries) in connection with the sale or retention of Series shares and/or insurance products that contain the Series and/or the servicing of current and prospective owners of variable contracts (distribution assistance). For example, the Distributor or its affiliates may pay additional compensation to participating insurance companies for providing information about Delaware VIP Trust (Trust) and its Series, the delivery of Trust documents and certain mailing and printing charges incurred by such insurance companies in connection with their services to variable contract owners. In addition, Financial Intermediaries may receive payments for various other purposes, including, but not limited to, promoting the sale of Series shares and the products that include Series shares; subaccounting, administrative,



or contract owner processing services; and for marketing and educational support data. Your salesperson may receive some or all of such payment. Such payments are in addition to any distribution fees, subaccounting fees, and/or service fees that may be payable by the Series. The additional payments may be based on factors, including level of sales (based on gross or net sales or some specified minimum sales or some other similar criteria related to sales of the Series and/or some or all other Delaware Funds), amount of assets invested by the Financial Intermediary's customers (which could include current or aged assets of the Series and/or some or all other Delaware Funds), the Series' advisory fees, some other agreed-upon amount, or other measures as determined from time to time by the Distributor or its affiliates. The level of payments made to a qualifying Financial Intermediary in any given year may vary. To the extent permitted by SEC and Financial Industry Regulatory Authority rules and other applicable laws and regulations, the Distributor may pay, or allow its affiliates to pay, other promotional incentives or payments to Financial Intermediaries.

Sub-transfer agent/recordkeeping payments may be made to third parties (including affiliates of the Manager) that provide sub-transfer agent, recordkeeping and/or shareholder services with respect to certain shareholder accounts, or to the shareholder account directly to offset the costs of these services, in lieu of the transfer agent providing such services.

If a mutual fund sponsor, distributor, or other party makes greater payments for distribution assistance to your Financial Intermediary with respect to distribution of Series shares than sponsors or distributors of other mutual funds make to your Financial Intermediary, your Financial Intermediary and its salespersons may have a financial incentive to favor sales of shares of the series making the higher payments (or the associated variable contract) over other investment options, including other variable contracts, shares of other mutual funds, or other investment options available under a particular variable contract. In addition, depending on the arrangements in place at any particular time, a Financial Intermediary may also have a financial incentive for recommending a particular share class over other share classes. You should consult with your Financial Intermediary and review carefully any disclosure provided by such Financial Intermediary as to compensation it receives in connection with investment products it recommends or sells to you and other investment options available. A significant purpose of these payments is to increase sales of the Series' shares and the products that include Series shares. The Manager or its affiliates may benefit from the Distributor's or an affiliate's payment of compensation to Financial Intermediaries through increased fees resulting from additional assets acquired through the sale of Series shares through such Financial Intermediaries. In certain instances, the payments could be significant and may cause a conflict of interest for your Financial Intermediary. Any such payments will not change the NAV or the price of the Series' shares.

# Important information about the Series

## Calculating share price

Delaware VIP Government Cash Management Series is offered for purchase, redemption, and exchange at a stable price of \$1.00 per share on each Business Day that the Series is open. Delaware VIP Government Cash Management Series is generally open on each Business Day that the New York Stock Exchange (NYSE) is open. We strive to manage the value of Delaware VIP Government Cash Management Series' securities to stabilize the Series' NAV at \$1.00 per share. Although we make every effort to maintain a stable price and NAV, there is no assurance that we will always be able to do so. We normally value Delaware VIP Government Cash Management Series' portfolio securities at amortized cost, which approximates market value.

With respect to all other Series, the price you pay for shares will depend on when we receive your purchase order. If your order is received by an authorized agent or us before the close of regular trading on the NYSE (normally 4:00pm Eastern time), you will pay that day's closing Series share price, which is based on the Series' NAV. If the NYSE has an unscheduled early close, we will continue to accept your order until that day's scheduled close of the NYSE and you will pay that day's closing Series share price. If your order is received after the scheduled close of regular trading on the NYSE, you will pay the next Business Day's closing Series share price. We reserve the right to reject any purchase order.

The Series determines the NAV per share at the close of regular trading on the NYSE on each Business Day (normally 4:00pm Eastern time). The Series does not calculate its NAV on days the NYSE is closed for trading. If the NYSE has an unscheduled early close, the Series' closing share price would still be determined as of that day's regularly scheduled close of the NYSE. The NAV per share for each Series is calculated by subtracting the liabilities of each Series from its total assets and dividing the resulting number by the number of shares outstanding for that Series. Foreign securities, currencies, and other assets denominated in foreign currencies are translated into US dollars at the exchange rate of these currencies against the US dollar, as provided by an independent pricing service. The Series generally prices securities and other assets for which market quotations are readily available at their market value. The value of foreign securities may change on days when a shareholder will not be able to purchase or redeem series shares because foreign markets are open at times and on days when US markets are not. The Series prices fixed income securities on the basis of valuations provided to it by an independent pricing service that uses methods approved by the Board. For all other securities, the Series uses methods approved by the Board that are designed to price securities at their fair market values.

## **Fair valuation**

When the Series, other than Delaware VIP Government Cash Management Series, use fair value pricing, they may take into account any factors they deem appropriate. The Series may determine fair value based upon developments related to a specific security, current valuations of foreign stock indices (as reflected in US futures markets), and/or US sector or broad stock market indices. In determining whether market quotations are readily available or fair valuation will be used, various factors will be taken into consideration, such as market closures or suspension of trading in a security. The prices of securities used by the Series to calculate their NAV may differ from quoted or published prices for the same securities. Fair value pricing may involve subjective judgments and it is possible that the fair value determined for a security could be materially different than the value that could be realized upon the sale of that security.

The Series anticipate using fair value pricing for securities primarily traded on US exchanges only under very limited circumstances, such as the early closing of the exchange on which a security is traded or suspension of trading in the security. The Series may use fair value pricing more frequently for securities traded primarily in non-US markets because, among other things, most foreign markets close well before the Series value their securities, normally at 4:00pm Eastern time or the close of the NYSE. The earlier close of these foreign markets gives rise to the possibility that significant events, including broad market moves, may have occurred in the interim. To account for this, the Series may frequently value many foreign equity securities using fair value prices based on third-party vendor modeling tools to the extent available.

The Board has delegated responsibility for valuing the Series' assets to a Pricing Committee of the Manager, which operates under the policies and procedures approved by the Board and is subject to the Board's oversight.

## **Frequent trading of Series shares (market timing and disruptive trading)**

The Series discourage purchases by market timers and purchase orders (including the purchase side of exchange orders) by contract owners identified as market timers may be rejected. The Board has adopted policies and procedures designed to detect, deter, and prevent trading activity detrimental to the Series and their contract owners, such as market timing and disruptive trading. The Series will consider anyone who follows a pattern of market timing in any Delaware Fund or the Optimum Fund Trust to be a market timer and may consider anyone who has followed a similar pattern of market timing at an unaffiliated fund family to be a market timer.

## Important information about the Series

Market timing of a series occurs when investors make consecutive, rapid, short-term “round trips” — that is, purchases into a series followed quickly by redemptions out of that series. A short-term round trip is considered any redemption of series shares within 20 Business Days of a purchase of that series’ shares. If you make a second such short-term round trip in a series within 90 rolling calendar days of a previous short-term round trip in that series, you may be considered a market timer. In determining whether market timing has occurred, the Series consider short-term round trips to include rapid purchases and sales of Series shares through the exchange privilege. The Series reserve the right to consider other trading patterns to be market timing.

Your ability to use the Series’ exchange privilege may be limited if you are identified as a market timer. If you are identified as a market timer, the Series will execute the redemption side of your exchange order but may refuse the purchase side of your exchange order. The Series reserve the right to restrict or reject, without prior notice, any purchase order or exchange order for any reason, including any purchase order or exchange order accepted by any contract owner’s financial intermediary or in any omnibus-type account. Transactions placed in violation of the Series’ market timing policy are not necessarily deemed accepted by the Series and may be rejected by a Series on the next Business Day following receipt by a Series.

Redemptions will continue to be permitted in accordance with the Series’ then-current Prospectus. A redemption of shares under these circumstances could be costly to a contract owner if, for example, the shares have declined in value, or the sale results in adverse tax consequences. To avoid this risk, a contract owner should carefully monitor the purchases, sales, and exchanges of Series shares and avoid frequent trading in Series shares.

Each Series reserves the right to modify this policy at any time without notice, including modifications to a Series’ monitoring procedures and the procedures to close accounts to new purchases. Although the implementation of this policy involves certain judgments that are inherently subjective and may be selectively applied, the Series seek to make judgments and applications that are consistent with the interests of each Series’ contract owners. While the Series will take actions designed to detect and prevent market timing, there can be no assurance that such trading activity will be completely eliminated. Moreover, a Series’ market timing policy does not require the Series to take action in response to frequent trading activity. If a Series elects not to take any action in response to frequent trading, such frequent trading activity could continue.

## **Risks of market timing**

By realizing profits through short-term trading, contract owners who engage in rapid purchases and sales or exchanges of the Series' shares dilute the value of shares held by long-term contract owners. Volatility resulting from excessive purchases and sales or exchanges of Series shares, especially involving large dollar amounts, may disrupt efficient portfolio management. In particular, a Series may have difficulty implementing its long-term investment strategies if it is forced to maintain a higher level of its assets in cash to accommodate significant short-term trading activity. Excessive purchases and sales or exchanges of a Series' shares may also force a Series to sell portfolio securities at inopportune times to raise cash to accommodate short-term trading activity. This could adversely affect a Series' performance, if, for example, a Series incurs increased brokerage costs and realization of capital gains without attaining any investment advantage.

Any series may be subject to disruptive trading activity. However, a series that invests significantly in foreign securities may be particularly susceptible to short-term trading strategies. This is because foreign securities are typically traded on markets that close well before the time a series calculates its NAV (normally 4:00pm Eastern time or the close of the NYSE). Developments that occur between the closing of the foreign market and a series' NAV calculation may affect the value of these foreign securities. The time-zone differences among international stock markets can allow a contract owner engaging in a short-term trading strategy to exploit differences in series share prices that are based on closing prices of foreign securities established some time before a series calculates its own share price.

Any series that invests in securities that are thinly traded, traded infrequently, or relatively illiquid has the risk that the securities prices used to calculate the series' NAV may not accurately reflect current market values. A contract owner may seek to engage in short-term trading to take advantage of these pricing differences. Series that may be adversely affected by such arbitrage include, in particular, series that significantly invest in small-cap securities, technology, and other specific industry sector securities, and in certain fixed income securities, such as high yield bonds, asset-backed securities, or municipal bonds.

## **Transaction monitoring procedures**

Each Series, through its transfer agent, maintains surveillance procedures designed to detect excessive or short-term trading in Series shares. This monitoring process involves several factors, which include scrutinizing transactions in Series shares for violations of the Series' market timing policy or other patterns of short-term or excessive trading. For purposes of these transaction monitoring procedures, the Series may consider trading activity by multiple accounts under common ownership, control, or influence to be trading by a single entity.

# Important information about the Series

Trading activity identified by these factors, or as a result of any other available information, will be evaluated to determine whether such activity might constitute market timing. These procedures may be modified from time to time to help improve the detection of excessive or short-term trading or to address other concerns. Such changes may be necessary or appropriate, for example, to deal with issues specific to certain retirement plans; plan exchange limits; US Department of Labor regulations; certain automated or pre-established exchange, asset-allocation, or dollar-cost-averaging programs; or omnibus account arrangements.

Omnibus account arrangements are common forms of holding shares of the Series, particularly among certain broker/dealers and other financial intermediaries, including sponsors of retirement plans and variable insurance products. The Series will attempt to have financial intermediaries apply the Series' monitoring procedures to these omnibus accounts and to the individual participants in such accounts. However, to the extent that a financial intermediary is not able or willing to monitor or enforce the Series' frequent trading policy with respect to an omnibus account, the Series' transfer agent may work with certain intermediaries (such as investment dealers holding shareholder accounts in street name, retirement plan recordkeepers, insurance company separate accounts, and bank trust companies) to apply their own procedures, provided that the Series' transfer agent believes the intermediary's procedures are reasonably designed to enforce the Series' frequent trading policies. You should refer to disclosures provided by the intermediaries with which you have an account to determine the specific trading restrictions that apply to you. If the Series' transfer agent identifies any activity that may constitute frequent trading, it reserves the right to contact the intermediary and request that the intermediary either provide information regarding an account owner's transactions or restrict the account owner's trading. If the Series' transfer agent is not satisfied that the intermediary has taken appropriate action, the transfer agent may terminate the intermediary's ability to transact in Series shares.

## **Limitations on ability to detect and curtail market timing**

Contract owners seeking to engage in market timing may employ a variety of strategies to avoid detection and, despite the efforts of the Series and their agents to detect market timing in Series shares, there is no guarantee that the Series will be able to identify these contract owners or curtail their trading practices. In particular, the Series may not be able to detect market timing attributable to a particular investor who effects purchase, redemption, and/or exchange activity in Series shares through omnibus accounts. The difficulty of detecting market timing may be further compounded if these entities utilize multiple tiers or omnibus accounts.

## **Dividends, distributions, and taxes**

*Dividends and distributions.* The Series intends to qualify each year as a regulated investment company under the Internal Revenue Code of 1986, as amended. As a regulated investment company, the Series generally pays no federal income tax on the income and gains it distributes to the insurance company separate accounts. The Series expects to declare and distribute all of its net investment income, if any, as dividends daily for Delaware VIP Government Cash Management Series (distribute monthly) and annually for Delaware VIP Covered Call Strategy Series, Delaware VIP Fund for Income Series, Delaware VIP Growth Equity Series, Delaware VIP Equity Income Series, Delaware VIP Growth and Income Series, Delaware VIP Opportunity Series, Delaware VIP Limited Duration Bond Series, Delaware VIP Special Situations Series, Delaware VIP International Series, Delaware VIP Total Return Series and Delaware VIP Investment Grade Series. The Series will distribute net realized capital gains, if any, annually following the close of its fiscal year. The Series may distribute such income dividends and capital gains more frequently, if necessary, in order to reduce or eliminate federal excise or income taxes on the Series. The amount of any distribution will vary, and there is no guarantee the Series will pay either an income dividend or a capital gains distribution. At the election of the insurance companies issuing the variable contracts, dividends and distributions are automatically reinvested at NAV in additional shares of the Series.

*Tax considerations.* Shares of the Series must be purchased through separate accounts used to fund variable contracts. As a result, it is anticipated that any income dividends or capital gains distributed by the Series will be exempt from current taxation by contract holders if left to accumulate within a separate account. Withdrawals from such contracts may be subject to ordinary income tax and, if such withdrawal is made before age 59½, a 10% penalty tax. Investors should ask their own tax advisors for more information on their tax situation, including possible state or local taxes. For more information on taxes, please refer to the accompanying prospectus of the annuity or life insurance program through which shares of the Series are offered.

Please refer to the SAI for more information regarding the tax treatment of the Series.

**This discussion of “Dividends, distributions, and taxes” is not intended or written to be used as tax advice. Contract owners should consult their own tax professional about their tax situation.**

## **Certain management considerations**

### **Investments by fund of funds and similar investment vehicles**

Certain fund of funds and pooled vehicles, whose shareholders are limited to insurance companies' investment accounts, may invest in the Series. From time to time, they may place large purchase or redemption orders with the Series due to their allocation or rebalancing requirements. While it is impossible to predict the overall impact of these transactions over time, there could be adverse effects on portfolio management. For example, the Series may be required to sell securities or invest cash at times when it would not otherwise do so. These transactions could also have tax consequences if sales of securities result in gains, and could also increase transaction costs or portfolio turnover.

# Financial highlights

## Delaware VIP® Covered Call Strategy Series

The Series commenced operations after the close of business on Oct. 4, 2019. The financial highlights information presented for each Series is the financial history of the corresponding Predecessor Series which was reorganized into the corresponding Series after the close of business on Oct. 4, 2019. The financial highlights tables are intended to help you understand each Predecessor Series' financial performance for the past five years or, if shorter, the period of operations of the Predecessor Series or any of its share Classes and the six month period ended June 30, 2019. Certain information reflects financial results for a single Predecessor Series share.

Standard Class shares

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**Net asset value, beginning of period** . . . . .

**Income (loss) from investment operations:**

Net investment income . . . . .  
Net realized and unrealized gain (loss) . . . . .  
Total from investment operations . . . . .

**Less dividends and distributions from:**

Net investment income . . . . .  
Net realized gains . . . . .  
Total distributions . . . . .

**Net asset value, end of period** . . . . .

**Total return\*** . . . . .

**Ratios and supplemental data:**

Net assets, end of period (000 omitted) . . . . .  
Ratio of expenses to average net assets prior to fee credits\*\*\* . . . . .  
Ratio of net investment income to average net assets . . . . .  
Ratio of expenses to average net assets prior to fees waived\*\*\* . . . . .  
Ratio of net investment income (loss) to average net assets prior to fees waived . . . . .  
Portfolio turnover . . . . .

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\* The effect of fees and charges incurred at the separate account level are not reflected in these performance figures.

\*\* Net of expenses waived or assumed by the investment adviser (Note 4).

\*\*\*The ratios do not include a reduction of expenses from cash balances maintained with the Bank of New York Mellon or from brokerage service arrangements (Note 1G).

† Annualized



The total returns in the table represent the rate that an investor would have earned or lost on an investment in the Predecessor Series (assuming reinvestment of all dividends and distributions). The information has been audited by Tait, Weller & Baker LLP, the Predecessor Series' independent registered public accounting firm, whose report, along with the Series' financial statements, are included in the Predecessor Series' annual report. Any Note referenced in the footnotes to the financial highlights tables can be found in the Predecessor Funds' most recent annual or semi-annual report.

Six months ended 6/30/19 <sup>(c)</sup>	Year ended		
	12/31/18	12/31/17	5/2/16 <sup>(b)</sup> to 12/31/16
\$10.37	\$11.65	\$10.53	\$10.00
0.08 <sup>(a)</sup>	0.16 <sup>(a)</sup>	0.14 <sup>(a)</sup>	0.07 <sup>(a)</sup>
<u>1.35</u>	<u>(1.31)</u>	<u>1.02</u>	<u>0.46</u>
<u>1.43</u>	<u>(1.15)</u>	<u>1.16</u>	<u>0.53</u>
0.12	0.13	0.04	—
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>0.12</u>	<u>0.13</u>	<u>0.04</u>	<u>—</u>
<u>\$11.68</u>	<u>\$10.37</u>	<u>\$11.65</u>	<u>\$10.53</u>
13.86% <sup>††</sup>	(9.99%)	11.07%	5.30% <sup>††</sup>
\$22	\$17	\$11	\$10
0.93% <sup>†</sup>	0.98%	1.06%	1.73% <sup>†</sup>
1.41% <sup>†</sup>	1.44%	1.26%	0.97% <sup>†</sup>
—	—	—	—
—	—	—	—
30% <sup>††</sup>	87%	143%	96% <sup>††</sup>

†† Not annualized

<sup>(a)</sup> Based on average shares during the period.

<sup>(b)</sup> For the period May 2, 2016 (commencement of operations) to Dec. 31, 2016.

<sup>(c)</sup> For the period Jan. 1, 2019 to June 30, 2019.

# Financial highlights

## Delaware VIP® Fund for Income Series

Standard Class shares

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**Net asset value, beginning of period** . . . . .

**Income (loss) from investment operations:**

Net investment income . . . . .

Net realized and unrealized gain (loss) . . . . .

Total from investment operations . . . . .

**Less dividends and distributions from:**

Net investment income . . . . .

Net realized gains . . . . .

Total distributions . . . . .

**Net asset value, end of period** . . . . .

**Total return\*** . . . . .

**Ratios and supplemental data:**

Net assets, end of period (000 omitted) . . . . .

Ratio of expenses to average net assets prior to fee credits\*\*\* . . . . .

Ratio of net investment income to average net assets . . . . .

Ratio of expenses to average net assets prior to fees waived\*\*\* . . . . .

Ratio of net investment income (loss) to average net assets prior to fees waived . . . . .

Portfolio turnover . . . . .

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\* The effect of fees and charges incurred at the separate account level are not reflected in these performance figures.

\*\* Net of expenses waived or assumed by the investment adviser (Note 4).

\*\*\*The ratios do not include a reduction of expenses from cash balances maintained with the Bank of New York Mellon or from brokerage service arrangements (Note 1G).

† Annualized

†† Not annualized

(a) Based on average shares during the period.

(b) For the period Jan. 1, 2019 to June 30, 2019.

	Year ended				
Six months ended 6/30/19 <sup>(b)</sup>	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
\$5.96	\$6.45	\$6.36	\$6.07	\$6.53	\$6.84
0.16 <sup>(a)</sup>	0.30 <sup>(a)</sup>	0.30 <sup>(a)</sup>	0.30 <sup>(a)</sup>	0.30 <sup>(a)</sup>	0.34
0.37	(0.46)	0.12	0.34	(0.40)	(0.28)
<u>0.53</u>	<u>(0.16)</u>	<u>0.42</u>	<u>0.64</u>	<u>(0.10)</u>	<u>0.06</u>
0.34	0.33	0.33	0.35	0.36	0.37
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>0.34</u>	<u>0.33</u>	<u>0.33</u>	<u>0.35</u>	<u>0.36</u>	<u>0.37</u>
<u>\$6.15</u>	<u>\$5.96</u>	<u>\$6.45</u>	<u>\$6.36</u>	<u>\$6.07</u>	<u>\$6.53</u>
9.05% <sup>††</sup>	(2.58%)	6.82%	11.12%	(1.85%)	0.79%
\$108	\$100	\$106	\$101	\$95	\$99
0.82% <sup>†</sup>	0.91%	0.89%	0.89%	0.86%	0.85%
5.21% <sup>†</sup>	4.93%	4.70%	4.85%	4.86%	4.88%
—	—	—	—	—	—
—	—	—	—	—	—
36% <sup>††</sup>	73%	66%	56%	45%	41%

# Financial highlights

## Delaware VIP® Growth Equity Series

Standard Class shares

**Net asset value, beginning of period** . . . . .

**Income (loss) from investment operations:**

Net investment income (loss) . . . . .

Net realized and unrealized gain (loss) . . . . .

Total from investment operations . . . . .

**Less dividends and distributions from:**

Net investment income . . . . .

Net realized gains . . . . .

Total distributions . . . . .

**Net asset value, end of period** . . . . .

**Total return\*** . . . . .

**Ratios and supplemental data:**

Net assets, end of period (000 omitted) . . . . .

Ratio of expenses to average net assets prior to fee credits\*\*\* . . . . .

Ratio of net investment income (loss) to average net assets . . . . .

Ratio of expenses to average net assets prior to fees waived\*\*\* . . . . .

Ratio of net investment income (loss) to average net assets prior to fees waived . . . . .

Portfolio turnover . . . . .

\* The effect of fees and charges incurred at the separate account level are not reflected in these performance figures.

\*\* Net of expenses waived or assumed by the investment adviser (Note 4).

\*\*\*The ratios do not include a reduction of expenses from cash balances maintained with the Bank of New York Mellon or from brokerage service arrangements (Note 1G).

† Annualized

†† Not annualized

(a) Based on average shares during the period.

(b) For the period Jan. 1, 2019 to June 30, 2019.

Six months ended 6/30/19 <sup>(b)</sup>	Year ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
\$14.14	\$15.87	\$13.37	\$13.98	\$14.34	\$12.69
0.05 <sup>(a)</sup>	0.05 <sup>(a)</sup>	0.06 <sup>(a)</sup>	0.08 <sup>(a)</sup>	0.09 <sup>(a)</sup>	0.05
1.91	(0.57)	3.97	0.36	0.38	1.66
<u>1.96</u>	<u>(0.52)</u>	<u>4.03</u>	<u>0.44</u>	<u>0.47</u>	<u>1.71</u>
0.05	0.06	0.08	0.09	0.05	0.05
0.91	1.15	1.45	0.96	0.78	0.01
<u>0.96</u>	<u>1.21</u>	<u>1.53</u>	<u>1.05</u>	<u>0.83</u>	<u>0.06</u>
<u>\$15.14</u>	<u>\$14.14</u>	<u>\$15.87</u>	<u>\$13.37</u>	<u>\$13.98</u>	<u>\$14.34</u>
13.89% <sup>††</sup>	(3.79%)	32.80%	4.04%	3.21%	13.53%
\$87	\$74	\$70	\$52	\$48	\$44
0.81% <sup>†</sup>	0.81%	0.81%	0.83%	0.83%	0.83%
0.63% <sup>†</sup>	0.34%	0.40%	0.61%	0.65%	0.43%
—	—	—	—	—	—
—	—	—	—	—	—
23% <sup>††</sup>	31%	52%	64%	43%	37%

# Financial highlights

## Delaware VIP® Equity Income Series

Standard Class shares

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**Net asset value, beginning of period** . . . . .

**Income (loss) from investment operations:**

Net investment income . . . . .

Net realized and unrealized gain (loss) . . . . .

Total from investment operations . . . . .

**Less dividends and distributions from:**

Net investment income . . . . .

Net realized gains . . . . .

Total distributions . . . . .

**Net asset value, end of period** . . . . .

**Total return\*** . . . . .

**Ratios and supplemental data:**

Net assets, end of period (000 omitted) . . . . .

Ratio of expenses to average net assets prior to fee credits\*\*\* . . . . .

Ratio of net investment income to average net assets . . . . .

Ratio of expenses to average net assets prior to fees waived\*\*\* . . . . .

Ratio of net investment income (loss) to average net assets prior to fees waived . . . . .

Portfolio turnover . . . . .

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\* The effect of fees and charges incurred at the separate account level are not reflected in these performance figures.

\*\* Net of expenses waived or assumed by the investment adviser (Note 4).

\*\*\*The ratios do not include a reduction of expenses from cash balances maintained with the Bank of New York Mellon or from brokerage service arrangements (Note 1G).

† Annualized

†† Not annualized

(a) Based on average shares during the period.

(b) For the period Jan. 1, 2019 to June 30, 2019.

Six months ended 6/30/19 <sup>(b)</sup>	Year ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
\$20.61	\$23.64	\$21.36	\$20.01	\$21.29	\$20.89
0.21 <sup>(a)</sup>	0.66 <sup>(a)</sup>	0.40 <sup>(a)</sup>	0.42 <sup>(a)</sup>	0.40 <sup>(a)</sup>	0.35
<u>2.41</u>	<u>(2.57)</u>	<u>2.81</u>	<u>2.03</u>	<u>(0.58)</u>	<u>1.28</u>
<u>2.62</u>	<u>(1.91)</u>	<u>3.21</u>	<u>2.45</u>	<u>(0.18)</u>	<u>1.63</u>
0.68	0.43	0.42	0.40	0.35	0.36
<u>1.91</u>	<u>0.69</u>	<u>0.51</u>	<u>0.70</u>	<u>0.75</u>	<u>0.87</u>
<u>2.59</u>	<u>1.12</u>	<u>0.93</u>	<u>1.10</u>	<u>1.10</u>	<u>1.23</u>
<u>\$20.64</u>	<u>\$20.61</u>	<u>\$23.64</u>	<u>\$21.36</u>	<u>\$20.01</u>	<u>\$21.29</u>
(13.22%) <sup>††</sup>	(8.42%)	15.52%	13.28%	(1.03%)	8.26%
\$126	\$114	\$130	\$117	\$107	\$110
0.81% <sup>†</sup>	0.81%	0.80%	0.81%	0.81%	0.81%
2.03% <sup>†</sup>	2.92%	1.81%	2.09%	1.97%	1.76%
—	—	—	—	—	—
—	—	—	—	—	—
26% <sup>††</sup>	50%	18%	20%	24%	25%

# Financial highlights

## Delaware VIP<sup>®</sup> Government Cash Management Series<sup>(d)</sup>

Standard Class shares

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**Net asset value, beginning of period** . . . . .

**Income (loss) from investment operations:**

Net investment income . . . . .

Net realized and unrealized gain (loss) . . . . .

Total from investment operations . . . . .

**Less dividends and distributions from:**

Net investment income . . . . .

Net realized gains . . . . .

Total distributions . . . . .

**Net asset value, end of period** . . . . .

**Total return\*** . . . . .

**Ratios and supplemental data:**

Net assets, end of period (000 omitted) . . . . .

Ratio of expenses to average net assets prior to fee credits<sup>\*\*\*</sup> . . . . .

Ratio of net investment income to average net assets . . . . .

Ratio of expenses to average net assets prior to fees waived<sup>\*\*\*</sup> . . . . .

Ratio of net investment income (loss) to average net assets prior to fees waived . . . . .

Portfolio turnover . . . . .

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\* The effect of fees and charges incurred at the separate account level are not reflected in these performance figures.

\*\* Net of expenses waived or assumed by the investment adviser (Note 4).

\*\*\*The ratios do not include a reduction of expenses from cash balances maintained with the Bank of New York Mellon or from brokerage service arrangements (Note 1G).

† Annualized

†† Not annualized

<sup>(a)</sup> Based on average shares during the period.

<sup>(b)</sup> For each of the periods shown, FIMCO voluntarily waived advisory fees to limit the Series' overall expense ratio to .60% and waived additional advisory fees and assumed other expenses to prevent a negative yield on the Series' shares (Note 4).



Six months ended 6/30/19 <sup>(e)</sup>	Year ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
0.01 <sup>(a)</sup>	0.01 <sup>(a)</sup>	— <sup>(a)</sup>	— <sup>(a)</sup>	— <sup>(a)</sup>	—
—	—	—	—	—	—
<u>0.01</u>	<u>0.01</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
0.01	0.01	0.00 <sup>(c)</sup>	—	—	—
—	—	—	—	—	—
<u>0.01</u>	<u>0.01</u>	<u>0.00<sup>(c)</sup></u>	<u>—</u>	<u>—</u>	<u>—</u>
\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
0.83% <sup>††</sup>	1.24%	0.26%	0.00%	0.00%	0.00%
\$10	\$12	\$9	\$10	\$14	\$10
0.77% <sup>(b)†</sup>	0.60% <sup>(b)</sup>	0.60% <sup>(b)</sup>	0.38% <sup>(b)</sup>	0.13% <sup>(b)</sup>	0.08% <sup>(b)</sup>
1.66% <sup>†</sup>	1.26%	0.25%	0.00%	0.00%	0.00%
0.88% <sup>†</sup>	1.06%	1.19%	1.15%	1.09%	0.99%
1.55% <sup>†</sup>	0.80%	(0.34%)	(0.78%)	(0.96%)	(0.91%)
—	—	—	—	—	—

<sup>(c)</sup> Due to rounding, amount is less than .005 per share.

<sup>(d)</sup> Prior to Oct. 3, 2016, known as Cash Management Fund.

<sup>(e)</sup> For the period Jan. 1, 2019 to June 30, 2019.

# Financial highlights

## Delaware VIP® Growth and Income Series

Standard Class shares

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**Net asset value, beginning of period** . . . . .

**Income (loss) from investment operations:**

Net investment income . . . . .

Net realized and unrealized gain (loss) . . . . .

Total from investment operations . . . . .

**Less dividends and distributions from:**

Net investment income . . . . .

Net realized gains . . . . .

Total distributions . . . . .

**Net asset value, end of period** . . . . .

**Total return\*** . . . . .

**Ratios and supplemental data:**

Net assets, end of period (000 omitted) . . . . .

Ratio of expenses to average net assets prior to fee credits\*\*\* . . . . .

Ratio of net investment income to average net assets . . . . .

Ratio of expenses to average net assets prior to fees waived\*\*\* . . . . .

Ratio of net investment income (loss) to average net assets prior to fees waived . . . . .

Portfolio turnover . . . . .

---

\* The effect of fees and charges incurred at the separate account level are not reflected in these performance figures.

\*\* Net of expenses waived or assumed by the investment adviser (Note 4).

\*\*\*The ratios do not include a reduction of expenses from cash balances maintained with the Bank of New York Mellon or from brokerage service arrangements (Note 1G).

† Annualized

†† Not annualized

(a) Based on average shares during the period.

(b) For the period Jan. 1, 2019 to June 30, 2019.

Six months ended 6/30/19 <sup>(b)</sup>	Year ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
\$41.84	\$49.45	\$44.18	\$43.11	\$47.43	\$44.89
0.34 <sup>(a)</sup>	0.72 <sup>(a)</sup>	0.66 <sup>(a)</sup>	0.69 <sup>(a)</sup>	0.60 <sup>(a)</sup>	0.54
<u>5.68</u>	<u>(5.48)</u>	<u>7.09</u>	<u>3.08</u>	<u>(1.87)</u>	<u>2.82</u>
<u>6.02</u>	<u>(4.76)</u>	<u>7.75</u>	<u>3.77</u>	<u>(1.27)</u>	<u>3.36</u>
0.74	0.68	0.71	0.61	0.55	0.53
<u>7.53</u>	<u>2.17</u>	<u>1.77</u>	<u>2.09</u>	<u>2.50</u>	<u>0.29</u>
<u>8.27</u>	<u>2.85</u>	<u>2.48</u>	<u>2.70</u>	<u>3.05</u>	<u>0.82</u>
<u>\$39.59</u>	<u>\$41.84</u>	<u>\$49.45</u>	<u>\$44.18</u>	<u>\$43.11</u>	<u>\$47.43</u>
15.37% <sup>††</sup>	(10.17%)	18.28%	9.88%	(3.12%)	7.65%
\$503	\$449	\$532	\$475	\$457	\$493
0.78% <sup>†</sup>	0.77%	0.78%	0.79%	0.78%	0.78%
1.70% <sup>†</sup>	1.54%	1.45%	1.67%	1.33%	1.18%
—	—	—	—	—	—
—	—	—	—	—	—
30% <sup>††</sup>	58%	17%	21%	23%	21%

# Financial highlights

## Delaware VIP® Opportunity Series

Standard Class shares

**Net asset value, beginning of period** . . . . .

**Income (loss) from investment operations:**

Net investment income (loss) . . . . .

Net realized and unrealized gain (loss) . . . . .

Total from investment operations . . . . .

**Less dividends and distributions from:**

Net investment income . . . . .

Net realized gains . . . . .

Total distributions . . . . .

**Net asset value, end of period** . . . . .

**Total return\*** . . . . .

**Ratios and supplemental data:**

Net assets, end of period (000 omitted) . . . . .

Ratio of expenses to average net assets prior to fee credits\*\*\* . . . . .

Ratio of net investment income (loss) to average net assets . . . . .

Ratio of expenses to average net assets prior to fees waived\*\*\* . . . . .

Ratio of net investment income (loss) to average net assets prior to fees waived . . . . .

Portfolio turnover . . . . .

\* The effect of fees and charges incurred at the separate account level are not reflected in these performance figures.

\*\* Net of expenses waived or assumed by the investment adviser (Note 4).

\*\*\* The ratios do not include a reduction of expenses from cash balances maintained with the Bank of New York Mellon or from brokerage service arrangements (Note 1G).

† Annualized

†† Not annualized

(a) Based on average shares during the period.

(b) For the period Jan. 1, 2019 to June 30, 2019.

Six months ended 6/30/19 <sup>(b)</sup>	Year ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
\$15.58	\$18.76	\$15.87	\$14.73	\$14.88	\$14.08
0.06 <sup>(a)</sup>	0.24 <sup>(a)</sup>	0.10 <sup>(a)</sup>	0.12 <sup>(a)</sup>	0.08 <sup>(a)</sup>	0.03
<u>2.94</u>	<u>(3.08)</u>	<u>2.90</u>	<u>1.09</u>	<u>(0.20)</u>	<u>0.78</u>
<u>3.00</u>	<u>(2.84)</u>	<u>3.00</u>	<u>1.21</u>	<u>(0.12)</u>	<u>0.81</u>
0.23	0.10	0.11	0.07	0.03	—
<u>0.45</u>	<u>0.24</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>0.01</u>
<u>0.68</u>	<u>0.34</u>	<u>0.11</u>	<u>0.07</u>	<u>0.03</u>	<u>0.01</u>
<u>\$17.90</u>	<u>\$15.58</u>	<u>\$18.76</u>	<u>\$15.87</u>	<u>\$14.73</u>	<u>\$14.88</u>
19.43% <sup>††</sup>	(15.38%)	19.00%	8.26%	(0.81%)	5.73%
\$78	\$64	\$70	\$53	\$40	\$27
0.83% <sup>†</sup>	0.83%	0.84%	0.87%	0.89%	1.01%
0.68% <sup>†</sup>	1.34%	0.59%	0.83%	0.53%	0.31%
—	—	—	—	—	—
—	—	—	—	—	—
21% <sup>††</sup>	59%	30%	31%	45%	31%

# Financial highlights

## Delaware VIP® Limited Duration Bond Series<sup>(c)</sup>

Standard Class shares

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**Net asset value, beginning of period** . . . . .

**Income (loss) from investment operations:**

Net investment income (loss) . . . . .

Net realized and unrealized gain (loss) . . . . .

Total from investment operations . . . . .

**Less dividends and distributions from:**

Net investment income . . . . .

Net realized gains . . . . .

Total distributions . . . . .

**Net asset value, end of period** . . . . .

**Total return\*** . . . . .

**Ratios and supplemental data:**

Net assets, end of period (000 omitted) . . . . .

Ratio of expenses to average net assets prior to fee credits<sup>\*\*\*</sup> . . . . .

Ratio of net investment income (loss) to average net assets . . . . .

Ratio of expenses to average net assets prior to fees waived<sup>\*\*\*</sup> . . . . .

Ratio of net investment income (loss) to average net assets prior to fees waived . . . . .

Portfolio turnover . . . . .

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\* The effect of fees and charges incurred at the separate account level are not reflected in these performance figures.

\*\* Net of expenses waived or assumed by the investment adviser (Note 4).

\*\*\* The ratios do not include a reduction of expenses from cash balances maintained with the Bank of New York Mellon or from brokerage service arrangements (Note 1G).

† Annualized

†† Not annualized

Six months ended 6/30/19 <sup>(d)</sup>	12/31/18	12/31/17	12/31/16	Year ended 12/31/15	Six months ended 12/31/14 <sup>(b)</sup>
\$9.34	\$9.61	\$9.66	\$9.69	\$9.74	\$10.00
0.12 <sup>(a)</sup>	0.05 <sup>(a)</sup>	0.10 <sup>(a)</sup>	(0.03) <sup>(a)</sup>	0.01 <sup>(a)</sup>	(0.13)
<u>0.18</u>	<u>(0.07)</u>	<u>0.02</u>	<u>0.09</u>	<u>(0.06)</u>	<u>(0.13)</u>
<u>0.30</u>	<u>(0.02)</u>	<u>0.12</u>	<u>0.06</u>	<u>(0.05)</u>	<u>(0.26)</u>
0.06	0.25	0.17	0.09	—	—
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>0.06</u>	<u>0.25</u>	<u>0.17</u>	<u>0.09</u>	<u>—</u>	<u>—</u>
\$9.58	\$9.34	\$9.61	\$9.66	\$9.69	\$9.74
3.23% <sup>††</sup>	(0.22%)	1.26%	0.64%	(0.51%)	(2.60%) <sup>††</sup>
\$34	\$34	\$7	\$8	\$6	\$3
0.75% <sup>†</sup>	1.15%	1.01%	1.06%	1.44%	5.82% <sup>†</sup>
2.46% <sup>†</sup>	0.49%	1.09%	(0.34%)	0.11%	(4.25%) <sup>†</sup>
0.90% <sup>†</sup>	1.30%	1.16%	1.21%	1.59%	5.97% <sup>†</sup>
2.31% <sup>†</sup>	0.34%	0.94%	(0.49%)	(0.04%)	(4.40%) <sup>†</sup>
13% <sup>††</sup>	268%	82%	78%	94%	11% <sup>††</sup>

<sup>(a)</sup> Based on average shares during the period.

<sup>(b)</sup> For the period July 1, 2014 (commencement of operations) to Dec. 31, 2014.

<sup>(c)</sup> Prior to Jan. 31, 2018, known as Limited Duration High Quality Bond Fund.

<sup>(d)</sup> For the period Jan. 1, 2019 to June 30, 2019.

# Financial highlights

## Delaware VIP® Special Situations Series

Standard Class shares

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**Net asset value, beginning of period** . . . . .

**Income (loss) from investment operations:**

Net investment income (loss) . . . . .

Net realized and unrealized gain (loss) . . . . .

Total from investment operations . . . . .

**Less dividends and distributions from:**

Net investment income . . . . .

Net realized gains . . . . .

Total distributions . . . . .

**Net asset value, end of period** . . . . .

**Total return\*** . . . . .

**Ratios and supplemental data:**

Net assets, end of period (000 omitted) . . . . .

Ratio of expenses to average net assets prior to fee credits\*\*\* . . . . .

Ratio of net investment income (loss) to average net assets . . . . .

Ratio of expenses to average net assets prior to fees waived\*\*\* . . . . .

Ratio of net investment income (loss) to average net assets prior to fees waived . . . . .

Portfolio turnover . . . . .

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\* The effect of fees and charges incurred at the separate account level are not reflected in these performance figures.

\*\* Net of expenses waived or assumed by the investment adviser (Note 4).

\*\*\* The ratios do not include a reduction of expenses from cash balances maintained with the Bank of New York Mellon or from brokerage service arrangements (Note 1G).

† Annualized

†† Not annualized

(a) Based on average shares during the period.

(b) For the period Jan. 1, 2019 to June 30, 2019.



Six months ended 6/30/19 <sup>(b)</sup>	Year ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
\$28.86	\$40.08	\$34.64	\$32.40	\$34.22	\$38.97
0.14 <sup>(a)</sup>	0.23 <sup>(a)</sup>	0.15 <sup>(a)</sup>	0.33 <sup>(a)</sup>	0.18 <sup>(a)</sup>	0.22
<u>3.41</u>	<u>(6.17)</u>	<u>6.06</u>	<u>4.28</u>	<u>(0.27)</u>	<u>1.82</u>
<u>3.55</u>	<u>(5.94)</u>	<u>6.21</u>	<u>4.61</u>	<u>(0.09)</u>	<u>2.04</u>
0.22	0.18	0.33	0.18	0.22	0.18
<u>2.15</u>	<u>5.10</u>	<u>0.44</u>	<u>2.19</u>	<u>1.51</u>	<u>6.61</u>
<u>2.37</u>	<u>5.28</u>	<u>0.77</u>	<u>2.37</u>	<u>1.73</u>	<u>6.79</u>
<u>\$30.04</u>	<u>\$28.86</u>	<u>\$40.08</u>	<u>\$34.64</u>	<u>\$32.40</u>	<u>\$34.22</u>
12.25% <sup>††</sup>	(16.60%)	18.26%	16.10%	(0.52%)	6.30%
\$234	\$210	\$256	\$224	\$202	\$209
0.81% <sup>†</sup>	0.80%	0.80%	0.81%	0.80%	0.80%
0.94% <sup>†</sup>	0.65%	0.40%	1.06%	0.52%	0.66%
—	—	—	—	—	—
—	—	—	—	—	—
27% <sup>††</sup>	54%	38%	31%	46%	41%

# Financial highlights

## Delaware VIP® International Series

Standard Class shares

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**Net asset value, beginning of period** . . . . .

**Income (loss) from investment operations:**

Net investment income . . . . .

Net realized and unrealized gain (loss) . . . . .

Total from investment operations . . . . .

**Less dividends and distributions from:**

Net investment income . . . . .

Net realized gains . . . . .

Total distributions . . . . .

**Net asset value, end of period** . . . . .

**Total return\*** . . . . .

**Ratios and supplemental data:**

Net assets, end of period (000 omitted) . . . . .

Ratio of expenses to average net assets prior to fee credits\*\*\* . . . . .

Ratio of net investment income to average net assets . . . . .

Ratio of expenses to average net assets prior to fees waived\*\*\* . . . . .

Ratio of net investment income (loss) to average net assets prior to fees waived . . . . .

Portfolio turnover . . . . .

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\* The effect of fees and charges incurred at the separate account level are not reflected in these performance figures.

\*\* Net of expenses waived or assumed by the investment adviser (Note 4).

\*\*\* The ratios do not include a reduction of expenses from cash balances maintained with the Bank of New York Mellon or from brokerage service arrangements (Note 1G).

† Annualized

†† Not annualized

(a) Based on average shares during the period.

(b) For the period Jan. 1, 2019 to June 30, 2019.

Six months ended 6/30/19 <sup>(b)</sup>	Year ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
\$22.08	\$26.57	\$20.22	\$21.38	\$20.88	\$20.62
0.16 <sup>(a)</sup>	0.21 <sup>(a)</sup>	0.22 <sup>(a)</sup>	0.27 <sup>(a)</sup>	0.26 <sup>(a)</sup>	0.23
<u>3.79</u>	<u>(3.29)</u>	<u>6.38</u>	<u>(1.17)</u>	<u>0.47</u>	<u>0.26</u>
<u>3.95</u>	<u>(3.08)</u>	<u>6.60</u>	<u>(0.90)</u>	<u>0.73</u>	<u>0.49</u>
0.19	0.21	0.25	0.26	0.23	0.23
<u>2.04</u>	<u>1.20</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>2.23</u>	<u>1.41</u>	<u>0.25</u>	<u>0.26</u>	<u>0.23</u>	<u>0.23</u>
<u>\$23.80</u>	<u>\$22.08</u>	<u>\$26.57</u>	<u>\$20.22</u>	<u>\$21.38</u>	<u>\$20.88</u>
18.91% <sup>††</sup>	(12.16%)	32.96%	(4.20%)	3.49%	2.39%
\$166	\$142	\$160	\$124	\$134	\$131
0.86% <sup>†</sup>	0.86%	0.84%	0.87%	0.87%	0.92%
1.41% <sup>†</sup>	0.84%	0.90%	1.28%	1.22%	1.10%
—	—	—	—	—	—
—	—	—	—	—	—
36% <sup>††</sup>	50%	29%	37%	27%	28%

# Financial highlights

## Delaware VIP® Total Return Series

Standard Class shares

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**Net asset value, beginning of period** . . . . .

**Income (loss) from investment operations:**

Net investment income . . . . .

Net realized and unrealized gain (loss) . . . . .

Total from investment operations . . . . .

**Less dividends and distributions from:**

Net investment income . . . . .

Net realized gains . . . . .

Total distributions . . . . .

**Net asset value, end of period** . . . . .

**Total return\*** . . . . .

**Ratios and supplemental data:**

Net assets, end of period (000 omitted) . . . . .

Ratio of expenses to average net assets prior to fee credits\*\*\* . . . . .

Ratio of net investment income to average net assets . . . . .

Ratio of expenses to average net assets prior to fees waived\*\*\* . . . . .

Ratio of net investment income to average net assets prior to fees waived . . . . .

Portfolio turnover . . . . .

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\* The effect of fees and charges incurred at the separate account level are not reflected in these performance figures.

\*\* Net of expenses waived or assumed by the investment adviser (Note 4).

\*\*\* The ratios do not include a reduction of expenses from cash balances maintained with the Bank of New York Mellon or from brokerage service arrangements (Note 1G).

† Annualized

†† Not annualized

(a) Based on average shares during the period.

(b) For the period Jan. 1, 2019 to June 30, 2019.

Six months ended 6/30/19 <sup>(b)</sup>	Year ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
\$12.50	\$13.83	\$12.58	\$11.98	\$12.30	\$11.62
0.11 <sup>(a)</sup>	0.24 <sup>(a)</sup>	0.18 <sup>(a)</sup>	0.18 <sup>(a)</sup>	0.15 <sup>(a)</sup>	0.09
<u>1.47</u>	<u>(1.28)</u>	<u>1.28</u>	<u>0.59</u>	<u>(0.34)</u>	<u>0.60</u>
<u>1.58</u>	<u>(1.04)</u>	<u>1.46</u>	<u>0.77</u>	<u>(0.19)</u>	<u>0.69</u>
0.26	0.22	0.21	0.17	0.13	0.01
<u>0.25</u>	<u>0.07</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>0.51</u>	<u>0.29</u>	<u>0.21</u>	<u>0.17</u>	<u>0.13</u>	<u>0.01</u>
<u>\$13.57</u>	<u>\$12.50</u>	<u>\$13.83</u>	<u>\$12.58</u>	<u>\$11.98</u>	<u>\$12.30</u>
12.89% <sup>††</sup>	(7.65%)	11.75%	6.62%	(1.61%)	5.97%
\$58	\$52	\$48	\$40	\$37	\$29
0.87% <sup>†</sup>	0.90%	0.86%	0.89%	0.89%	0.96%
1.66% <sup>†</sup>	1.80%	1.39%	1.45%	1.20%	0.96%
—	—	—	—	—	—
—	—	—	—	—	—
42% <sup>††</sup>	68%	48%	67%	39%	53%

# Financial highlights

## Delaware VIP® Investment Grade Series

Standard Class shares

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**Net asset value, beginning of period** . . . . .

**Income (loss) from investment operations:**

Net investment income (loss) . . . . .

Net realized and unrealized gain (loss) . . . . .

Total from investment operations . . . . .

**Less dividends and distributions from:**

Net investment income . . . . .

Net realized gains . . . . .

Total distributions . . . . .

**Net asset value, end of period** . . . . .

**Total return\*** . . . . .

**Ratios and supplemental data:**

Net assets, end of period (000 omitted) . . . . .

Ratio of expenses to average net assets prior to fee credits\*\*\* . . . . .

Ratio of net investment income (loss) to average net assets . . . . .

Ratio of expenses to average net assets prior to fees waived\*\*\* . . . . .

Ratio of net investment income (loss) to average net assets prior to fees waived . . . . .

Portfolio turnover . . . . .

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\* The effect of fees and charges incurred at the separate account level are not reflected in these performance figures.

\*\* Net of expenses waived or assumed by the investment adviser (Note 4).

\*\*\* The ratios do not include a reduction of expenses from cash balances maintained with the Bank of New York Mellon or from brokerage service arrangements (Note 1G).

† Annualized

†† Not annualized

(a) Based on average shares during the period.

(b) For the period Jan. 1, 2019 to June 30, 2019.

Six months ended 6/30/19 <sup>(b)</sup>	Year ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
\$10.18	\$10.80	\$10.73	\$10.70	\$11.20	\$11.03
0.17 <sup>(a)</sup>	0.31 <sup>(a)</sup>	0.31 <sup>(a)</sup>	0.33 <sup>(a)</sup>	0.34 <sup>(a)</sup>	0.42
<u>0.73</u>	<u>(0.53)</u>	<u>0.18</u>	<u>0.15</u>	<u>(0.37)</u>	<u>0.21</u>
<u>0.90</u>	<u>(0.22)</u>	<u>0.49</u>	<u>0.48</u>	<u>(0.03)</u>	<u>0.63</u>
0.40	0.40	0.42	0.45	0.47	0.46
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>0.40</u>	<u>0.40</u>	<u>0.42</u>	<u>0.45</u>	<u>0.47</u>	<u>0.46</u>
<u>\$10.68</u>	<u>\$10.18</u>	<u>\$10.80</u>	<u>\$10.73</u>	<u>\$10.70</u>	<u>\$11.20</u>
9.15% <sup>††</sup>	(2.03%)	4.72%	4.65%	(0.35%)	5.86%
\$66	\$62	\$66	\$64	\$62	\$63
0.70% <sup>†</sup>	0.70%	0.68%	0.68%	0.68%	0.69%
3.21% <sup>†</sup>	3.05%	2.93%	3.02%	3.12%	2.78%
0.85% <sup>†</sup>	0.85%	0.83%	0.83%	0.83%	0.84%
3.06% <sup>†</sup>	2.90%	2.78%	2.87%	2.97%	2.63%
29% <sup>††</sup>	53%	60%	40%	37%	45%

# Financial highlights

## How to read the financial highlights

### Net investment income (loss)

Net investment income (loss) includes dividend and interest income earned from a fund's investments; it is calculated after expenses have been deducted.

### Net realized and unrealized gain (loss) on investments

A realized gain occurs when we sell an investment at a profit, while a realized loss occurs when we sell an investment at a loss. When an investment increases or decreases in value but we do not sell it, we record an unrealized gain or loss. The amount of realized gain per share, if any, that we pay to shareholders would be listed under "Less dividends and distributions from: Net realized gain."

### Net asset value (NAV)

This is the value of a mutual fund share, calculated by dividing the net assets by the number of shares outstanding.

### Total return

This represents the rate that an investor would have earned or lost on an investment in a fund. In calculating this figure for the financial highlights table, we include applicable fee waivers, exclude front-end sales charges and contingent deferred sales charges, and assume the shareholder has reinvested all dividends and realized gains.

### Net assets

Net assets represent the total value of all the assets in a fund's portfolio, less any liabilities, that are attributable to that class of the fund.

### Ratio of expenses to average net assets

The expense ratio is the percentage of net assets that a fund pays annually for operating expenses and management fees. These expenses include accounting and administration expenses, services for shareholders, and similar expenses.

### Ratio of net investment income (loss) to average net assets

We determine this ratio by dividing net investment income (loss) by average net assets.

### Portfolio turnover

This figure tells you the amount of trading activity in a fund's portfolio. A turnover rate of 100% would occur if, for example, a fund bought and sold all of the securities in its portfolio once in the course of a year or frequently traded a single security. A high rate of portfolio turnover in any year may increase brokerage commissions paid and could generate taxes for shareholders on realized investment gains.



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Additional information about the Series' investments is available in their annual and semiannual shareholder reports. In the Series' annual shareholder report, you will find a discussion of the market conditions and investment strategies that significantly affected the Series' performance during the period covered by the report. You can find more information about the Series in their current SAI, which is filed electronically with the SEC, and which is legally a part of this Prospectus (it is incorporated by reference). To receive a free copy of the SAI, or the annual or semiannual reports, or if you have any questions about investing in the Series, write to us at P.O. Box 9876, Providence, RI 02940-8076 by regular mail or 4400 Computer Drive, Westborough, MA 01581-1722 by overnight courier service, or call toll-free 800 523-1918. The SAI and shareholder reports are available, free of charge, through the Series' website at [delawarefunds.com/dcio/literature](http://delawarefunds.com/dcio/literature). The insurance company that issued your contract may make the SAI and shareholder reports available to shareholders on the insurance company's website.

You can find reports and other information about the Series on the EDGAR database on the SEC website at [sec.gov](http://sec.gov). You may obtain copies of this information, after paying a duplication fee, by emailing the SEC at [publicinfo@sec.gov](mailto:publicinfo@sec.gov).

Investment Company Act number: 811-04413



# Foresters

Financial

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