

## Macquarie Core Equity Fund (Formerly Delaware Ivy Core Equity Fund)

Share class: Institutional: ICIEX A: WCEAX C: WTRCX R: IYCEX R6: ICEQX Y: WCEYX

Quarterly commentary | June 30, 2025

### Market Review

The large-cap equity market in the US rallied sharply in 2Q25 as the S&P 500® Index rose 10.94%. We believe the equity market's strength in the quarter reflected diminishing concern that President Trump would rapidly implement punishing tariffs. Indeed, within days of the Liberation Day announcement, the administration said it would delay most of the tariffs until July 9 or August 1. Additionally, the administration began working out a limited number of deals with the UK and Vietnam. It also reached a "truce" with China that significantly scaled back the threatened tariffs on that country.

Markets may also be somewhat encouraged by economic stimulus set to begin in 2026, courtesy of the One Big Beautiful Bill Act signed into law on July 4. The bill retains the lower tax rates on individuals and corporations that were initially enacted in 2017 and, additionally, provides increased tax breaks for certain individuals. Finally, investors' anticipation of interest rate cuts in the US continued to grow, potentially providing a boost to equity markets.

The US Federal Reserve (Fed) in its June 25 statement moderated its assessment of the risks to the US economy, noting that "uncertainty around the economic outlook has diminished but remains elevated," a noted change from previous language suggesting uncertainty had "increased further." The Fed said that "inflation remains somewhat elevated," meaning price growth remains above its 2% long-term target. Fed Chairman Jerome Powell suggested that if not for tariffs and the resulting uncertainty on prices, the Fed would likely be decreasing rates at this time. Following that news, financial markets priced in about five 0.25% interest rate cuts in 2025, up from four at the time of writing this letter last quarter.

At quarter end, the consensus still called for nearly 9% earnings growth for the S&P 500, a reduced but respectable assumption given last quarter's 11% growth estimate, which appeared aggressive given economic uncertainty about tariff implementation at that time. Future earnings estimates appear more achievable now than before given reduced assumptions for the rate of growth and weak-dollar effects likely to provide a boost to reported company earnings.

The overall market changed dramatically with respect to leadership in 2Q25 after a first quarter that benefited from the energy sector and more-defensive sectors like healthcare, consumer staples, and utilities. Technology, communication services (where many internet companies reside), and industrials outperformed the overall market during 2Q25 while energy, healthcare, and staples fared the worst. Growth stocks sharply outperformed value shares as evidenced by the nearly 18% return in the Russell 1000® Growth Index versus only a 3.2% increase for the Russell 1000 Value Index.

### Within the Fund

For 2Q25, Macquarie Core Equity Fund Institutional Class shares outperformed the Fund's benchmark, the S&P 500 Index. Sector selection drove approximately 80% of the relative outperformance compared with the Fund's benchmark, while individual security selection drove the remainder. Sector allocation decisions were positive in seven of 11 sectors. Our significant underweights of healthcare, energy, and staples, where stocks broadly declined, were beneficial. These decisions more than offset our overweight of financials, where stocks lagged, and underweight of the information technology sector, which saw robust gains. The Fund's cash position had a negligible impact on performance. Stock selection decisions were neutral or positive in five of 11 S&P 500 sectors led by strong results in industrials and information technology, which offset negative selection effects in financials, consumer discretionary, and communication services.

#### Leading Contributors

**Howmet Aerospace Inc.** is a supplier of critical engine and airframe components to the commercial and military aerospace complex. The company continued to benefit from robust demand and extended backlogs for new aircraft. Given the difficulty Boeing and Airbus have had ramping production of newer aircraft, old aircraft are flying longer, which aids aftermarket parts suppliers including Howmet.

**Taiwan Semiconductor Manufacturing Co. Ltd.** performed well during the quarter largely due to renewed optimism about artificial intelligence (AI), which was weaker in the first quarter. The company continued to be exceptionally well positioned in leading-edge semiconductor manufacturing used across AI and non-AI applications such as personal computers, smartphones, and handheld devices, all of which require the fastest and most power-efficient chips.

# Macquarie Core Equity Fund

---

**Apple Inc.** declined in the quarter and meaningfully underperformed the S&P 500. The security contributed to relative performance due to our underweighting, approximately 50% lower than the benchmark weight. While Apple continues to have laudable attributes and strong repurchase intent, the company is failing to grow at historical rates given the maturation of many key products.

Berkshire Hathaway Inc., which we did not own, declined during the quarter. We believe the recent death of legendary investor Charlie Munger and the impending retirement of Warren Buffett at the end of 2025 makes the company a different investment vehicle than past years when it benefited from steady and proven leadership.

**Eaton Corp. PLC** performed well during the quarter. The maker of electrical equipment for critical end markets including power generation, transmission, datacenters, and industrial and corporate applications rebounded on renewed AI optimism. The company also maintains a strong aerospace components business likely to benefit from growth in aircraft production and continued refurbishment of older aircraft.

## Leading Detractors

**Fiserv Inc.**'s shares declined in the quarter based on deceleration in the company's Clover business, which sells terminals and accepts payments for small, mid-sized, and large businesses. Though we believe the extent of the slowdown is largely temporary, we will watch further quarterly results to prove out our thesis that Fiserv remains one of the best and reasonably valued ways to capitalize on the growth of digital payments and software longer term.

**NVIDIA Corp.** performed strongly in the quarter on renewed AI optimism and reduced concern that an individual customer or two will moderate capital expenditures. Though the Fund's weight was among our largest positions at over 4.5% during the quarter, the relative underweight (the benchmark weight averaged 6.3%) negatively affected relative returns.

**Broadcom Inc.** also had an exceptional run of over 65% in the quarter on renewed AI optimism and continued broadening of its customer base for custom AI silicon (chips). Our slight underweight of the security was consequential given the company's strong return.

**AutoZone Inc.**'s shares declined slightly during the quarter and failed to keep up with impressive benchmark returns. As a defensive investment (cars consistently break and need repair), shares lagged as market participants migrated to more offensive securities.

**The Progressive Corp.** shares declined nearly 6% during the quarter. Like AutoZone, Progressive tends to be a defensive security balancing out more aggressive holdings within our diversified portfolio. Progressive continues to be the industry leader in direct sales of auto and home insurance with significant greenspace to grow market share in coming years.

## Outlook

Last quarter, we discussed rising risks for the equity market as President Trump had just announced a flurry of across-the-board tariffs. At the time of the initial salvo, we estimated the April 2 announcement could amount to \$600 billion to \$800 billion in additional levies, equating to 2% to 2.5% of US gross domestic product (GDP) of around \$30 trillion. Further analysis led us to believe that such tariffs could amount to 10% of Personal Consumption Expenditures on goods and 3% of overall Personal Consumption Expenditures (including services).

Since that time, the President has made several revisions and adjustments, including a 90-day pause to July 9 for many nations and an August 1 deadline for striking new trade deals. He has reached a trade "truce" with China and reached agreements with the UK and Vietnam, with the latter facing a 20% tariff, down from the initially proposed 46%. The administration has threatened additional 10% tariffs on countries aligning with anti-American policies. Moreover, the administration's authority to enact universal or reciprocal tariffs has been challenged in courts and will likely be decided by the Supreme Court. We are in a period of unprecedented territory as it relates to daily announcements and threats on trade that will undoubtedly impact countries, companies, and consumers. As such, making lasting predictions on outcomes remains extremely difficult. Equity markets largely shrugged off tariff bluster on the premise that the administration will relent on damaging measures, reaching new highs shortly after 2Q25 ended.

Meanwhile, the administration's signature One Big Beautiful Bill Act is now law. In addition to the tax provisions noted earlier, the bill also allows tax breaks for tipped workers, no tax on overtime, auto loan interest deductions, and retiree deductions, all up to various limits. It also allows for business-related tax cuts on research costs and expands business interest deductions. On the spending side, the bill makes significant cuts to Medicaid including new work requirements, more frequent eligibility checks, and reduces the amount states can raise for Medicaid through "provider taxes" or taxes on entities like hospitals. A litany of other measures are included in the bill. We believe the bill will provide economic stimulus beginning in early 2026 at a cost of further increases to the nation's deficit.

# Macquarie Core Equity Fund

---

With respect to portfolio positioning, we continue to be mindful of risks within the equity market following a post-pandemic surge in consumption of goods and services. That said, the effects of the budget bill are now known to a greater extent, such as the ultimate effect on the clean energy sector where development and purchase incentives were significantly rolled back from the Biden-era Inflation Reduction Act. Investors prefer the known to the unknown, even if what we know is damaging to particular industries or companies. Investors typically look well into the future in selecting winners and losers.

During the quarter, we increased our investment in the information technology sector through purchases of semiconductor firms tied to AI investment. These new investments came after a steep sell-off earlier in the year. Though individual company plans may differ, AI investment is alive and well with deeper commitments to investing in this critical technology of the future as noted in April/May 1Q25 earnings calls. We also increased our holdings within communication services via our purchase of Netflix (described below) and in materials (Vulcan Materials) while holding steady our overweights in financials, industrials, and materials. We reduced weightings in consumer staples and in healthcare following disappointing company earnings reports and anticipating more regulatory pressures. Our cash position moderated from last quarter, primarily a function of some buying opportunities described below, though our predicted risk level remains below that of the overall market.

## Position Eliminated

**The Procter & Gamble Co.** was sold at reasonable gains. The company and the consumer staples sector is forecast to show slowing organic sales growth – a function of strong pricing gains since the pandemic (making product increasingly unaffordable) and slowing employment and wage growth.

## Positions Added

**Advanced Micro Devices Inc.** (AMD) designs and manufactures semiconductors, including central processing units (CPUs), graphics processing units (GPUs), and other high-performance computing solutions for various markets like gaming, data centers, and AI. The company currently maintains a small market share for GPUs used for AI applications though by 2027, we believe the company will have product on par with the market leader, NVIDIA. Hyperscale customers with deep programming expertise may increasingly decide to dual-source high-end chips leading to much larger revenue and profit gains in coming years for AMD than investors currently expect.

**Netflix Inc.** offers a subscription-based streaming service. We expect the company's growth momentum will continue while investments in content and licensing grow at a slower rate, allowing for higher margins over the coming two to three years.

**Vulcan Materials Co.** is the largest producer of construction aggregates (crushed stone, sand, and gravel) and a major producer of asphalt and ready-mixed concrete in the US. We are attracted to Vulcan's oligopoly status across most major markets it serves, allowing for rational competition and the consistent ability to raise prices above the rate of cost inflation. This should allow for further gains in profitability in coming years.

# Macquarie Core Equity Fund

## Performance attribution (quarter ended June 30, 2025)

Leading contributors	Sector	Total effect	Leading detractors	Sector	Total effect
Howmet Aerospace Inc	Industrials	0.89	Fiserv Inc	Financials	-0.95
Taiwan Semiconductor Manufacturing	Information Technology	0.73	Nvidia Corp	Information Technology	-0.58
Apple Inc	Information Technology	0.53	Broadcom Inc	Information Technology	-0.52
Eaton Corp	Industrials	0.29	Autozone Inc	Consumer Discretionary	-0.32
Seagate Technology Holdings Plc	Information Technology	0.27	Progressive Corp	Financials	-0.29

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

Macquarie Core Equity Fund			S&P 500 Index		Attribution analysis		
Sector	Average weight (%)	Total return (%)	Average weight (%)	Total return (%)	Allocation effect	Selection + interaction	Total effect
Industrials	10.92	26.62	8.61	12.94	0.05	1.38	1.43
Health Care	6.41	-7.31	10.15	-7.18	0.78	0.06	0.84
Energy	0.50	-13.77	3.19	-8.56	0.60	-0.03	0.57
Consumer Staples	3.26	1.99	5.97	1.11	0.33	0.04	0.38
Real Estate	—	—	2.18	-0.07	0.25	—	0.25
Utilities	0.96	-2.20	2.52	4.26	0.13	-0.07	0.06
Communication Services	10.46	15.18	9.49	18.49	0.09	-0.33	-0.23
Materials	4.65	3.35	1.97	3.13	-0.22	-0.01	-0.24
Information Technology	26.86	24.14	31.13	23.71	-0.47	0.15	-0.33
Consumer Discretionary	8.64	6.74	10.48	11.52	0.01	-0.46	-0.45
Financials	23.18	3.51	14.31	5.52	-0.51	-0.50	-1.01

Source: FactSet. The data source is separate from the data source used for other data and marketing materials presented for this Fund on our website. List may exclude cash, cash equivalents, and exchange-traded funds (ETFs) that are used for cash management purposes. Please see the Fund’s complete list of holdings on our website for more information. **Past performance is not a guarantee of future results.** **Allocation Effect** represents the effect on the portfolio’s performance from over or under weight of the sector relative to the benchmark. **Selection + Interaction** represents the effects of the portfolio managers’ stock selection, showing the performance of the sector due to over or under weight of any particular stock with that sector relative to the benchmark. **Total Effect** is the sum of the Allocation and Selection + Interaction effects of that sector and displays outperformance or underperformance relative to the benchmark.

## Average annual total returns (%)

as of June 30, 2025

Share class								Inception date	Expense ratio (%)	
	2Q25 <sup>1</sup>	YTD <sup>1</sup>	1 year	3 year	5 year	10 year	Lifetime		Gross	Net <sup>2</sup>
Institutional	11.94	8.34	17.53	20.70	17.39	13.10	11.07	4/2/2007	0.75	0.74
A (at NAV)	11.90	8.22	17.23	20.40	17.13	12.83	7.72	7/3/2000	1.00	0.99
A (at offer) <sup>3</sup>	5.50	1.99	10.46	18.03	15.76	12.16	7.47			
R	11.82	8.08	16.99	20.11	16.75	12.44	13.10	12/19/2012	1.25	1.24
R6	11.95	8.41	17.63	20.77	17.49	13.22	12.73	7/31/2014	0.70	0.67
S&P 500 Index	10.94	6.20	15.16	19.71	16.64	13.65	—			

**1.** Returns for less than one year are not annualized. **2.** Net expense ratio reflects contractual waivers of certain fees and/or expense reimbursements from July 31, 2024 through July 30, 2025. Please see the fee table in the Fund’s prospectus for more information. Expenses are from the Fund’s prospectus that is effective as of the date of this commentary indicated above. **3.** Includes maximum 5.75% front-end sales charge. For Class A shares, a 1% contingent deferred sales charge (CDSC) is only imposed on certain Class A shares that are purchased at net asset value (NAV) for \$1 million or more that are subsequently redeemed within 18 months of purchase.

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

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

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

# Macquarie Core Equity Fund

---

In April 2025, Macquarie Group Limited and Nomura Holding America Inc. (Nomura) announced that they had entered into an agreement for Nomura to acquire Macquarie Asset Management's US and European public investments business. The transaction is subject to customary closing conditions, including the receipt of applicable regulatory, client, and shareholder approvals. Subject to such approvals and the satisfaction of these conditions, the transaction is expected to close by the end of 2025.

**Carefully consider the Fund's investment objectives, risk factors, charges, and expenses before investing. This and other information can be found in the Fund's prospectus and its summary prospectus, which may be obtained by visiting [macquarie.com/mam/literature](https://macquarie.com/mam/literature) or calling 800 523-1918. Investors should read the prospectus and the summary prospectus carefully before investing.**

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

As of June 30, 2025, the weightings of the top 10 holdings (by issuer) indicated as a percentage of the Fund's net assets were: MICROSOFT CORP 7.27%; NVIDIA CORP 5.54%; AMAZON COM INC 4.55%; HOWMET AEROSPACE INC 3.65%; TAIWAN SEMICONDUCTOR MANUFACTURING 3.42%; ALPHABET INC CLASS A 3.41%; APPLE INC 3.06%; META PLATFORMS INC CLASS A 2.91%; COSTCO WHOLESALE CORP 2.66%; ABBOTT LABORATORIES 2.37%. Holdings are as of the date indicated and subject to change. List may exclude cash and cash equivalents. Please see the Fund's complete list of holdings on our website for more information.

**Investing involves risk, including the possible loss of principal.**

Market risk is the risk that all or a majority of the securities in a certain market – like the stock market or bond market – will decline in value because of factors such as adverse political or economic conditions, future expectations, investor confidence, or heavy institutional selling. • Because large-capitalization companies tend to be less volatile than companies with smaller capitalizations, the value of a fund or strategy that invests in large-capitalization companies may not rise as much as a fund or strategy that invests in smaller-capitalization companies. • The prices of growth stocks may rise or fall dramatically and may be more volatile, particularly over the short term.

• A “value stock” is a stock that is believed to be undervalued. Investments in value stocks are subject to the risk that the stocks are appropriately valued or that the stocks may decline in value. • The value of securities in a particular industry or sector will decline because of changing expectations for the performance of that industry or sector. • Issuers in the information technology sector may be impacted by intense competition; dramatic and often unpredictable changes in growth rates and competition for qualified personnel; effects on profitability from being heavily dependent on patent and intellectual property rights and the loss or impairment of those rights; obsolescence of existing technology; general economic conditions; and government regulation. • Foreign securities (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. • A fund or strategy that holds a limited number of securities may be more sensitive to the price fluctuations of a single security in its portfolio and may be more volatile than a fund or strategy that holds a greater number of securities. • The fund or strategy is subject to liquidity risk, which is the risk that the fund or strategy's investments cannot be readily sold within seven calendar days at approximately the price at which the fund or strategy has valued them.

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

The **S&P 500 Index** measures the performance of 500 mostly large-cap stocks weighted by market value and is often used to represent performance of the US stock market. The **Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the US equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The **Russell 1000 Value Index** measures the performance of the large-cap value segment of the US equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Gross domestic product is a measure of all goods and services produced by a nation in a year. It is a measure of economic activity.

Institutional Class shares, Class R shares, Class R6 shares and Class Y shares are available only to certain investors. See the prospectus for more information.

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

Nothing presented should be construed as a recommendation to purchase or sell any security or follow any investment technique or strategy.

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

On December 31, 2024, Delaware Funds by Macquarie was renamed Macquarie Funds.

Macquarie Asset Management (MAM) is the asset management division of Macquarie Group. MAM is an integrated asset manager across public and private markets offering a diverse range of capabilities, including real assets, real estate, credit, equities and multi-asset solutions. Macquarie Group refers to Macquarie Group Limited and its subsidiaries and affiliates worldwide. Investment advisory services are provided to the Macquarie Funds by Delaware Management Company, a series of Macquarie Investment Management Business Trust (MIMBT), a Securities and Exchange Commission (SEC) registered investment adviser. The Macquarie Funds are distributed by Delaware Distributors, L.P., a registered broker/dealer and member of the Financial Industry Regulatory Authority (FINRA) and an affiliate of MIMBT.

**Other than Macquarie Bank Limited ABN 46 008 583 542 (“Macquarie Bank”), any Macquarie Group entity noted in this document is not an authorized deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these other Macquarie Group entities do not represent deposits or other liabilities of Macquarie Bank. Macquarie Bank does not guarantee or otherwise provide assurance in respect of the obligations of these other Macquarie Group entities. In addition, if this document relates to an investment, (a) the investor is subject to investment risk including possible delays in repayment and loss of income and principal invested and (b) none of Macquarie Bank or any other Macquarie Group entity guarantees any particular rate of return on or the performance of the investment, nor do they guarantee repayment of capital in respect of the investment.**

**Document must be used in its entirety.**

© 2025 Macquarie Management Holdings, Inc.