

Ivy Funds Remediation Statement to Shareholder Recipients

INTRODUCTION

Remediation payments are being made to shareholders of the following Ivy Funds (the “Funds”) determined to be entitled to remediation as a result of a net asset value (“NAV”) error in the Funds during the remediation period from September 29, 2020, to May 28, 2021 (the “Remediation Period”): Delaware Ivy Strategic Income Fund; Delaware Ivy High Income Fund; and Delaware Ivy VIP High Income. Shareholders who held the funds during the Remediation Period and were determined to be eligible for remediation payments (the “Payment(s)”) are referred to as “Eligible Shareholders.”

On May 24, 2021, and again on June 1, 2021, the value of a private equity holding (New Cotai) held by certain Ivy Funds was reduced due to a change in the methodology used to value such private equity holding. The new valuation methodology was implemented to be consistent with US generally accepted accounting principles (US GAAP) and consider available observable inputs related to the fair valuation of New Cotai and certain other private equity securities. During the Remediation Period, the NAV of certain Funds that held New Cotai was overstated due to the above methodology change. As a result, management concluded that Eligible Shareholders may be entitled to remediation due to the determination that their accounts or transactions were negatively impacted by the NAV error by more than \$10.00 during the Remediation Period.

Waddell & Reed Services Company (“Waddell & Reed”), working in consultation with its external consultants and advisers, developed a remediation allocation methodology. Waddell & Reed’s third-party administrator (DST Asset Manager Solutions, Inc., now SS&C Global Investor Distribution Solutions, Inc.) calculated and determined remediation Payments in accordance with the approved remediation allocation methodology. Waddell & Reed and its external consultants jointly assessed and the company approved the remediation amounts prior to Payment issuance.

This Statement to Shareholder Recipients (the “Statement”) provides information to help you and your tax advisor determine the U.S. federal income tax consequences of the Payment if you are a citizen or a U.S. resident for U.S. federal income tax purposes. **This Statement does not provide legal or tax advice and does not address foreign, state or local tax issues.**

If you are entitled to a Payment, a check from Ivy Funds Remediation will be sent to your last-known address.

Your Payment has two (2) components, (i) an amount representing an estimate of what you would have received in additional distribution amounts had the NAV error not occurred (the “Base Payment”); and (ii) an amount representing an estimate of interest that would have been earned but for the NAV error (the “Interest Component”).

It is important to note that a Payment does not represent an actual Fund distribution for tax or other purposes – it is instead a separate payment being made to compensate shareholders for the noted NAV error.

The dividend record dates for the Payment are:

Trade Date	Historical Share Balance	Historical Dividend Accrual Rate	Historical Dividend Accrual	Adjusted Share Balance	Adjusted Dividend Accrual Rate	Adjusted Dividend Accrual	Dividend Impact	Distribution Rates (from production database)	
								Adjusted Dividend Accrual Rate	Dividend Rate Difference
4/20/2021	80.789	\$ 0.0010934	\$ 0.0883331	80.753	\$ 0.0010934	\$ 0.0882953	\$ (0.0000377)	\$ 0.00109193	\$ (0.0000015)
4/21/2021	86.555	\$ 0.0010945	\$ 0.0947336	86.633	\$ 0.0010945	\$ 0.0948198	\$ 0.0000862	\$ 0.00109301	\$ (0.0000015)
4/22/2021	86.555	\$ 0.0010968	\$ 0.0949335	86.633	\$ 0.0010968	\$ 0.0950191	\$ 0.0000856	\$ 0.00109531	\$ (0.0000015)
4/23/2021	86.555	\$ 0.0032978	\$ 0.2854385	86.633	\$ 0.0032978	\$ 0.2856983	\$ 0.0002598	\$ 0.00329327	\$ (0.0000045)
4/26/2021	86.555	\$ 0.0010974	\$ 0.0949863	86.633	\$ 0.0010974	\$ 0.0950711	\$ 0.0000847	\$ 0.00109590	\$ (0.0000015)
4/27/2021	86.875	\$ 0.0011077	\$ 0.0962288	86.96	\$ 0.0011077	\$ 0.0963256	\$ 0.0000968	\$ 0.00110613	\$ (0.0000016)
4/28/2021	113.030	\$ 0.0011020	\$ 0.1245579	113.741	\$ 0.0011020	\$ 0.1253426	\$ 0.0007847	\$ 0.00110038	\$ (0.0000016)
4/29/2021	113.030	\$ 0.0011020	\$ 0.1245579	113.741	\$ 0.0011020	\$ 0.1253426	\$ 0.0007847	\$ 0.00110039	\$ (0.0000016)
4/30/2021	113.030	\$ 0.0029925	\$ 0.3382468	113.741	\$ 0.0029925	\$ 0.3403699	\$ 0.0021231	\$ 0.00298821	\$ (0.0000043)
5/3/2021	113.030	\$ 0.0033384	\$ 0.3773394	113.741	\$ 0.0033384	\$ 0.3797130	\$ 0.0023736	\$ 0.00333358	\$ (0.0000048)
5/4/2021	118.739	\$ 0.0011620	\$ 0.1379771	119.569	\$ 0.0011620	\$ 0.1389392	\$ 0.0009621	\$ 0.00116032	\$ (0.0000017)
5/5/2021	118.739	\$ 0.0012317	\$ 0.1462473	119.569	\$ 0.0012317	\$ 0.1472731	\$ 0.0010259	\$ 0.00122987	\$ (0.0000018)
5/6/2021	118.739	\$ 0.0011133	\$ 0.1321886	119.569	\$ 0.0011133	\$ 0.1331162	\$ 0.0009276	\$ 0.00111171	\$ (0.0000016)
5/7/2021	118.739	\$ 0.0011061	\$ 0.1313336	119.569	\$ 0.0011061	\$ 0.1322553	\$ 0.0009216	\$ 0.00110452	\$ (0.0000016)
5/10/2021	118.739	\$ 0.0033282	\$ 0.3951812	119.569	\$ 0.0033282	\$ 0.3979495	\$ 0.0027683	\$ 0.00332361	\$ (0.0000046)
5/11/2021	124.473	\$ 0.0011239	\$ 0.1398915	125.432	\$ 0.0011239	\$ 0.1409730	\$ 0.0010816	\$ 0.00112231	\$ (0.0000016)
5/12/2021	124.473	\$ 0.0011102	\$ 0.1381837	125.432	\$ 0.0011102	\$ 0.1392546	\$ 0.0010709	\$ 0.00110861	\$ (0.0000016)
5/13/2021	124.473	\$ 0.0011165	\$ 0.1389716	125.432	\$ 0.0011165	\$ 0.1400448	\$ 0.0010732	\$ 0.00111506	\$ (0.0000014)
5/14/2021	124.473	\$ 0.0011640	\$ 0.1448841	125.432	\$ 0.0011640	\$ 0.1460028	\$ 0.0011188	\$ 0.00116251	\$ (0.0000015)
5/17/2021	124.473	\$ 0.0033735	\$ 0.4199122	125.432	\$ 0.0033735	\$ 0.4231449	\$ 0.0032327	\$ 0.00336928	\$ (0.0000042)
5/18/2021	124.473	\$ 0.0012335	\$ 0.1535387	125.432	\$ 0.0012335	\$ 0.1547204	\$ 0.0011817	\$ 0.00123196	\$ (0.0000015)
5/19/2021	130.237	\$ 0.0011127	\$ 0.1449199	131.309	\$ 0.0011127	\$ 0.1461075	\$ 0.0011876	\$ 0.00111135	\$ (0.0000014)
5/20/2021	130.237	\$ 0.0010927	\$ 0.1423035	131.309	\$ 0.0010927	\$ 0.1434813	\$ 0.0011779	\$ 0.00109129	\$ (0.0000014)
5/21/2021	130.237	\$ 0.0011029	\$ 0.1436332	131.309	\$ 0.0011029	\$ 0.1448207	\$ 0.0011875	\$ 0.00110148	\$ (0.0000014)
5/24/2021	130.237	\$ 0.0032541	\$ 0.4238068	131.309	\$ 0.0032541	\$ 0.4272926	\$ 0.0034858	\$ 0.00325006	\$ (0.0000040)
5/25/2021	136.049	\$ 0.0010683	\$ 0.1453425	137.178	\$ 0.0010683	\$ 0.1465473	\$ 0.0012048	\$ 0.00106698	\$ (0.0000013)
5/26/2021	136.049	\$ 0.0010858	\$ 0.1477234	137.178	\$ 0.0010858	\$ 0.1489479	\$ 0.0012245	\$ 0.00108446	\$ (0.0000013)
5/27/2021	136.049	\$ 0.0010761	\$ 0.1464037	137.178	\$ 0.0010761	\$ 0.1476172	\$ 0.0012136	\$ 0.00107479	\$ (0.0000013)
5/28/2021	136.600	\$ 0.0011836	\$ 0.1616852	137.734	\$ 0.0011836	\$ 0.1630220	\$ 0.0013367	\$ 0.00118215	\$ (0.0000014)

Your payment has been calculated based on information contained in the records of the Fund(s) or third-party intermediaries at which you held your shares.

Waddell & Reed retained Miller Kaplan Arase LLP (“MKA”) to consult and provide tax compliance with respect to the distribution of the Payments. MKA has participated in the preparation of this Statement but is not providing tax services or advice to you or any other Eligible Shareholders receiving a Payment. Some Eligible Shareholders may be subject to special tax rules, such as, without limitation, non-U.S. investors, investors who hold or held shares in a tax-qualified retirement plan (“QRP”) or an individual retirement account (“IRA”), or investors that are tax-qualified retirement plans.

COMPONENTS OF THE PAYMENT

**CAUTION: YOU SHOULD NOT RELY ON THIS STATEMENT
AS TAX ADVICE RELATED TO YOUR PERSONAL CIRCUMSTANCES.**

**CONSULT YOUR TAX ADVISOR WITH RESPECT TO THE TAX
CONSEQUENCES OF THE PAYMENT YOU RECEIVE.**

The Payment represents an additional amount being paid to you in connection with the noted NAV error. The Payment is not an additional dividend.

A. Base Payment

The Base Payment may constitute ordinary income to you depending on several factors. The Funds will not issue a Form 1099 or other tax reporting form to you with respect to the Base Payment portion of a Payment. This is not dispositive of the tax consequences to you with respect to the Base Payment, which may be impacted by whether (i) you continue to hold an investment in the Fund, (ii) you received a dividend payment taxable as ordinary income during the Remediation Period; and/or (iii) you no longer hold an investment in the Fund. We recommend that you consult your tax advisor regarding how you should treat the Base Payment for tax purposes based on your particular situation.

B. Interest Component.

As noted, each Payment includes an Interest Component. You will receive a Form 1099-INT for the Interest Component of a Payment to you only if the Interest Component is \$600 or more. If you are, or are presumed to be, a non-resident alien of the U.S., or a payee subject to withholding under the Foreign Account Tax Compliance Act, you may instead receive a form 1042-S with respect to the Interest Component.

SPECIAL ISSUES FOR INVESTMENTS HELD IN AN IRA OR A TAX QUALIFIED PLAN LIKE A 401(K) PLAN

THESE RULES ARE TECHNICAL, SO PLEASE READ THIS SECTION IF YOU HELD YOUR INVESTMENT IN AN IRA OR A TAX QUALIFIED PLAN LIKE A 401(K) PLAN.

If you held some or all your investment in an IRA or a Tax Qualified Retirement Plan, in most cases the distribution check will have been made payable to your IRA or Plan trustee/custodian but mailed directly to you. You may choose to forward the check to your custodian with a letter of instruction.

If your IRA custodian has changed, you may be able to transfer the payment to the new custodian or roll the payment over to another IRA or affected account. Please contact the Distribution Administrator at 866-511-6017 to review your options.

Caution: Please consult with your tax advisor because the rules related to transfers and rollovers are complicated and failure to comply with those rules could subject the payment to income tax and a 10% penalty.

If you no longer hold your IRA, you no longer participate in your Tax Qualified Retirement Plan, or you need a check payable to a new payee, please contact the Distribution Administrator at 866-511-6017 to review your options.

Where you held your investment in an IRA or a Tax Qualified Retirement Plan and the distribution check was made payable to you (as opposed to the custodian of your IRA or

Trustee of your Plan) do not deposit the check in your personal account before talking with the Distribution Administrator.

If you cash the check, or deposit it in any account other than an account affected to receive an asset of your IRA, it may be subject to a 10% penalty and be taxed as ordinary income in the year of receipt.

Caution: Consult your Tax Advisor if you have any questions about the tax treatment of a payment related to an investment you held in an IRA or other tax qualified plan.

Additional information on this topic is available on the IRS web site, www.irs.gov, Tax Topic 451, IRS Pub. 590.