



NEWS RELEASE

Ivy Distributors, Inc.

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Ivy launches five index funds in partnership with ProShares®

Overland Park, KS, April 26, 2017 – Broadening its mutual fund product line while adapting to the evolving needs of investors, Ivy Investment Management Company (IICO) has introduced five new index funds, the first passively managed funds offered by the firm. Ivy, long recognized for its inventive, actively managed strategies, partnered with ProShare Advisors LLC to create the index funds.

Managed by IICO and sub-advised by ProShares, the advisor to the ProShares ETF lineup, the funds became effective April 20, 2017. They are offered by Ivy Distributors, Inc. and will be available through an advisory platform offered by Waddell & Reed, Inc., as well as through unaffiliated distribution.

“Offering active and passive investment styles helps financial advisors bring strategic flexibility to the planning process when building client portfolios. These new products allow us to pair a highly experienced index fund manager with our skilled in-house Ivy investment management team, whose focus of course is on active management,” said Thomas W. Butch, CEO of Ivy Distributors, Inc. “ProShares has long been known as a leader within the ETF space and we are pleased to partner with them.”

Three of the five funds share their strategies with existing ProShares ETFs. While it has become common to see mutual funds migrated to the ETF wrapper, it is far more unusual to see the reverse—successful ETF strategies made available as mutual funds. For investors in retirement plans or advisory platforms that typically are limited to mutual funds, these Ivy ProShares Funds offer access to innovative index strategies from one of the industry’s premier providers of ETFs.

“With their strong reputation and substantial distribution network, Ivy Investments is a natural partner to help us introduce these innovative strategies to mutual fund investors for the first time,” said Michael L. Sapir, co-founder and CEO of ProShare Advisors LLC, the advisor to ProShares.

“We chose these five categories precisely because they complement our active product lineup, and they are differentiated styles, outside of what we believe are more commoditized passive asset classes commonly available elsewhere,” Butch added. “For example, the Ivy ProShares S&P 500 Bond Index Fund, tracking bonds of its index’s companies, will be the first mutual fund with this strategy to this point.”



Following is a snapshot of the lineup:

PRODUCT	INVESTMENT FOCUS	BENCHMARK
Ivy ProShares S&P 500 Dividend Aristocrats Index Fund	Invests in S&P 500 companies with at least 25 years of consecutive dividend growth	S&P 500® Dividend Aristocrats® Index
Ivy ProShares Russell 2000 Dividend Growers Index Fund	Invests in small cap companies that have increased dividend payments for at least 10 consecutive years	Russell 2000® Dividend Growth Index
Ivy ProShares MSCI ACWI Index Fund	Seeking to track MSCI ACWI performance	MSCI All Country World Index
Ivy ProShares S&P 500 Bond Index Fund	Designed to track index of corporate bonds issued by S&P 500 companies	S&P 500®/MarketAxess® Investment Grade Corporate Bond Index
Ivy ProShares Interest Rate Hedged High Yield Index Fund	Invests in a diversified portfolio of high yield bonds with an interest-rate hedge using short Treasury futures to minimize the effects of rising rates.	Citi High Yield (Treasury Rate-Hedged) Index

Index funds typically are a cost-effective way for investors to track a benchmark index, meaning returns to index funds, over time, generally should mirror returns of their tracking index, minus any fund expenses. The divergence between the net returns of an index fund and its tracking index is referred to as “tracking error.” IICO and ProShares intend to monitor continually the performance and tracking error of the Ivy ProShares Funds to seek to ensure investors' expectations are properly addressed, according to Ivy executives.

About ProShares

ProShares has been at the forefront of the ETF revolution since 2006. ProShares now offers one of the largest lineups of ETFs, with more than \$27 billion in assets. The company is the leader in strategies such as dividend growth, alternative and geared (leveraged and inverse). ProShares continues to innovate with products that provide strategic and tactical opportunities for investors to manage risk and enhance returns.



About Ivy Investments

Ivy Investments® is a global organization recognized for inventive, actively-managed investing strategies that help investors best meet their long-term goals. It is part of an organization dating to 1937, with a time-tested investment process and an authentic and demanding culture – one that values preparedness, collaboration and accountability. These values extend from a broad internal investing capability, which reaches all major asset classes, to subadvisor partners, to the distribution team that supports advisors and clients.

Ivy Investment Management Company and Ivy Distributors, Inc. are affiliates of Waddell & Reed Financial, Inc. (NYSE: WDR). Through its subsidiaries, Waddell & Reed Financial, Inc. provides investment management and financial planning services to clients throughout the U.S. The firm had approximately \$80.5 billion in total assets under management at Dec. 31, 2016.

IVY INVESTMENTS® refers to the investment management and investment advisory services offered by Ivy Investment Management Company, the financial services offered by Ivy Distributors, Inc., a FINRA member broker dealer and the distributor of IVY FUNDS® mutual funds and IVY VARIABLE INSURANCE PORTFOLIOSSM, and the financial services offered by their affiliates.

ProShares is a registered mark of ProShare Advisors LLC and has been licensed by Ivy Investment Management Company and Ivy Distributors, Inc. solely for use in connection with the Ivy ProShares funds.

Risk Factors: The value of the Funds' shares will change, and you could lose money on your investment. While the Funds attempt to track the performance of their stated indexes, there is no guarantee or assurance that the methodology used to create the index will result in the Funds achieving high, or even positive, returns. The Index may underperform, and the Funds could lose value, while other indexes or measures of market performance increase in value. Funds that have an emphasis on dividend-paying stocks involve the risk that such stocks may fall out of favor with investors and underperform non-dividend paying stocks and the market as a whole over any period of time. In addition, there is no guarantee that the companies in which the Funds invest will declare dividends in the future or that dividends, if declared, will remain at current levels or increase over time. The amount of any dividends the companies may pay may fluctuate significantly. In addition, the value of dividend-paying common stocks can decline when interest rates rise as fixed-income investments become more attractive to investors. This risk may be greater due to the current period of historically low interest rates. International investing involves additional risks, including currency fluctuations, political or economic conditions affecting the foreign country, and differences in accounting standards and foreign regulations. These risks are magnified in emerging markets. Fixed-income securities are subject to interest-rate risk and, as such, the net asset value of the Fund may fall as interest rates rise. Investing in high-income securities may carry a greater risk of nonpayment of interest or principal than higher-rated bonds. These and other risks are more fully described in the Funds' prospectus. Not all funds or fund classes may be offered at all broker/ dealers.

Before investing, investors should consider carefully the investment objectives, risks, charges and expenses of a mutual fund. This and other important information is



contained in the prospectus and summary prospectus, which may be obtained at www.ivyinvestments.com or from a financial advisor. Read it carefully before investing.

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