

June 22, 2021

### **NAV Impact for Ivy High Income Fund and Ivy VIP High Income Portfolio**

On May 24, 2021, and again on June 1, 2021, the net asset values (NAVs) per share for Ivy High Income Fund and Ivy VIP High Income Portfolio were reduced as a result of changes in the methodology used to value a private equity holding (New Cotai) held by the Funds. 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. New Cotai was the only private equity security held in any of the Delaware Funds® by Macquarie (including the legacy Ivy Funds and Ivy Variable Insurance Portfolios) whose value was impacted by this change in valuation methodology.

#### **Why were there two separate impacts to each Fund's NAV per share?**

On May 24, 2021, the results of our fair valuation process utilizing the new valuation methodology led us to reduce the value of New Cotai securities held by the Funds, which, in turn, caused a reduction in each Fund's NAV per share. After taking into consideration new information obtained through our fair valuation process, we determined on June 1, 2021, that a further reduction in the value of New Cotai securities was warranted, which resulted in another reduction in each Fund's NAV per share.

#### **What do shareholders of Ivy High Income Fund and Ivy VIP High Income Portfolio need to do now? What happens next?**

There is no action that needs to be taken by advisors or shareholders of the Funds at this time.

We recognize that there may be fund and shareholder impacts from the change in valuation methodology applicable to New Cotai over a period of several months. We are working through a process to assess those impacts and to prepare an appropriate remediation plan. It will take some time to complete this process, and we will notify clients, financial advisors, and shareholders once we have more details and have established a more definitive timeline for our assessment.

#### **Did any other Delaware Funds by Macquarie (including the legacy Ivy Funds and Ivy VIP Portfolios) hold shares of New Cotai? If so, did those other Funds experience similar NAV impacts?**

Four other Funds in the complex also held shares of New Cotai and were impacted by the new pricing methodology for certain private equity securities. New Cotai was the only private equity security held in the four Funds whose value was impacted by this change in valuation methodology. We believe that those Funds did not experience NAV impacts that would require remedial measures under the applicable policy of the Funds beyond a potential reimbursement to the Funds by Delaware Management Company.

#### **Whom should advisors contact if they have questions about this issue?**

Advisors should contact a sales representative by calling [877 693-3546](tel:877-693-3546).