

Sales Charge Information – InvestEd Portfolios

The Ivy InvestEd 529 Plan (Ivy InvestEd Plan) was established under the Arizona Family College Savings Program (the Program). The Program was established by the State of Arizona as a qualified state tuition program in accordance with Section 529 of the Code. Waddell & Reed, the program manager for the Ivy InvestEd Plan, is offering the Ivy InvestEd Plan to Arizona residents as well as to residents of other states.

Contributions to the Ivy InvestEd Plan accounts may be invested in shares of the Portfolios, which are held in the name and for the benefit of the Arizona Commission for Postsecondary Education in its capacity as Trustee of the Program. Shares of the Portfolios purchased with contributions for a particular Ivy InvestEd Plan account are allocable to that account and will be redeemed to effect withdrawals requested by the Ivy InvestEd Plan account owner, as further described in the InvestEd Portfolios prospectus (the Prospectus). Accounts opened through the Ivy InvestEd Plan are not insured by the State of Arizona, and neither the principal invested nor the investment return is guaranteed by the State of Arizona. Ivy InvestEd Plan accounts are subject to applicable Federal, state and local tax laws and the laws, rules and regulations governing the Program. Any changes in such laws, rules or regulations may affect participation in, and the benefits of, the Ivy InvestEd Plan. The Ivy InvestEd Plan may be modified in response to any such changes.

Please read the Program Overview and Ivy InvestEd 529 Plan Account Application carefully before investing.

Choosing a Portfolio

When you establish an Ivy InvestEd Plan account, your initial investment will be made into one of the six Portfolios of InvestEd Portfolios — Aggressive, Growth, Balanced, Conservative, Income or Fixed Income — based on the age of your Designated Beneficiary (as defined in the Code) (Age-Based Plan), into any one of the Portfolios that you select or into another investment option available within the Ivy InvestEd Plan. These Portfolios have been developed to seek diversification and appropriate asset allocation based upon the approximate time horizon until the Ivy InvestEd Plan account funds are needed for the Designated Beneficiary's qualified higher education expenses.

If you utilize the Age-Based Plan, your investment will be made into one of the six Portfolios depending on the age of the Designated Beneficiary, as follows:

- Age 0-4: Aggressive Portfolio
- Age 5-8: Growth Portfolio
- Age 9-11: Balanced Portfolio
- Age 12-14: Conservative Portfolio
- Age 15-18: Income Portfolio
- Age 19+: Fixed Income Portfolio

The Portfolios are designed to invest in one or more of the funds within the Ivy Funds with the highest exposure to equity investments when the Designated Beneficiary is between the ages of 0 and 4, a majority exposure to equity investments when the Designated Beneficiary is between the ages of 5 and 8, a more balanced exposure to equity and fixed-income investments when the Designated Beneficiary is between the ages of 9 and 11, an increasing exposure to fixed-income securities when the Designated Beneficiary is between 12 and 14, a majority exposure to fixed-income securities and/or money market instruments when the Designated Beneficiary is between 15 and 18, and the highest exposure to fixed-income securities and/or money market instruments when the Designated Beneficiary reaches the age of 19.

If you elect to invest in the Age-Based Plan, the value of your account is automatically exchanged into the next Portfolio, according to the list above, within approximately 30 days after the Designated Beneficiary reaches the target age range for that Portfolio. This process is explained in the chart below:

Portfolio	Age Range	Account automatically exchanged within approximately 30 days after the Designated Beneficiary's birthday:
Aggressive	0-4	Exchanged from Aggressive to Growth Portfolio following 5th birthday
Growth	5-8	Exchanged from Growth to Balanced Portfolio following 9th birthday
Balanced	9-11	Exchanged from Balanced to Conservative Portfolio following 12th birthday
Conservative	12-14	Exchanged from Conservative to Income Portfolio following 15th birthday
Income	15-18	Exchanged from Income to Fixed Income Portfolio following 19th birthday
Fixed Income	19+	No exchange.

When you make a contribution, you may elect to invest in a Portfolio within a specific risk horizon that is outside the age range of the Designated Beneficiary. You may select among the six actively managed Portfolios listed above that allows you to stay in the Portfolio of your chosen risk horizon, whether it is aggressive, growth, balanced, conservative, income or fixed income, without automatically transferring to the next age-based Portfolio. However, by so doing, your account will not participate in the automatic

exchange feature. If you choose this option, you may forfeit some of the benefits of diversification and risk management sought by the Age-Based Plan.

Whether you invest through the Age-Based Plan, opt out of the Age-Based Plan and select a Portfolio or select another investment option available within the Ivy InvestEd Plan, you may only change your investment twice each calendar year or upon a change in the Designated Beneficiary on the account.

Each Portfolio has adopted a Distribution and Service Plan (Plan) pursuant to Rule 12b-1 under the 1940 Act (Rule 12b-1). Such Plans permit the Portfolios to pay marketing and other fees to support both the sale and distribution of the Portfolios, as well as the services provided to shareholders by their financial advisors or financial intermediaries. Under the Plan, each Portfolio may pay Waddell & Reed a fee of up to 0.25%, on an annual basis, of the Portfolio's average daily net assets. This fee is to compensate Waddell & Reed for, either directly or through third parties, distributing the Portfolio's shares, providing personal service to shareholders and/or maintaining shareholder accounts. The amounts shall be payable to Waddell & Reed daily or at such other intervals as the Board may determine.

Since these fees are paid out of a Portfolio's assets or income on an ongoing basis, over time, they will increase the cost and reduce the return of an investment. All or a portion of these fees may be paid to your financial advisor or a financial intermediary.

Underlying Fund Shares. Each Portfolio invests in shares of one or more underlying funds that have no initial sales charge or contingent deferred sales charge (CDSC) and are not subject to a Rule 12b-1 Plan.

Shares of a Portfolio are subject to an initial sales charge when purchased for your Ivy InvestEd Plan account, based on the amount of your investment, according to the tables below. As noted, under the Plan, each Portfolio pays an annual 12b-1 fee of up to 0.25% of its average net assets.

Calculation of Sales Charges on Portfolio Shares

Size of Purchase	Sales Charge as Percent of Offering Price ¹	Sales Charge as Approx. Percent of Amount Invested	Reallowance to Dealers as Percent of Offering Price
under \$250,000	2.50%	2.56%	2.00%
\$250,000 and over ²	0.00	0.00	see below

¹ Due to the rounding of the NAV and the offering price of a Portfolio's shares to two decimal places, the actual sales charge percentage calculated on a particular purchase may be higher or lower than the percentage stated above.

² No sales charge is payable at the time of purchase on investments of \$250,000 or more, although for such investments the Portfolio will impose a CDSC of 1.00% on certain redemptions made within 12 months of the purchase. (See *Sales Charge Reductions* below.) The CDSC is assessed on an amount equal to the lesser of the then-current market value or the cost of the shares being redeemed. Accordingly, no sales charge is imposed on increases in NAV above the initial purchase price.

Waddell & Reed may pay broker-dealers up to 1.00% on investments made in Portfolio shares with no initial sales charge.

Waddell & Reed or its affiliate(s) may pay additional compensation from its own resources to broker-dealers based upon the value of shares of a Portfolio owned by the broker-dealer for its own account or for its customers, including compensation for shares of the Portfolios purchased by customers of such broker-dealers for the customers' Ivy InvestEd Plan accounts without payment of a sales charge. Please see *Additional Compensation to Intermediaries* for more information.

Sales Charge Reductions

Lower sales charges on the purchase of shares are available by:

For purposes of the following disclosure regarding Rights of Accumulation, Letter of Intent and Account Grouping, shares of InvestEd Portfolios allocable to your Ivy InvestEd Plan account are treated as shares held by you directly.

- Rights of Accumulation:** combining the value of additional purchases of shares of any of the funds within the InvestEd Portfolios and/or the Ivy Funds with (i) the NAV of shares already allocable to your Ivy InvestEd Plan account or in an account eligible for grouping with your account (see *Account Grouping* below) and (ii) the NAV of any class of shares of any of the funds within the Ivy Funds held in any Managed Allocation Portfolio (MAP) or Strategic Portfolio Allocation (SPA) program through Waddell & Reed. To be entitled to rights of accumulation, you must inform Waddell & Reed Services Company, doing business as WI Services Company (WISC), the Portfolios' transfer agent, that you are entitled to a reduced sales charge and provide WISC with the name and number of the existing account(s) with which your purchase may be combined. The reduced sales charge is applicable only to the new purchase. It is not retroactive to shares already allocable to your account or in an account eligible for grouping with your account. Your accumulated holdings will be calculated as the higher of (a) the current value of your existing holdings or (b) the amount you invested (including reinvested dividends and other distributions, but excluding capital appreciation) less any withdrawals.

- **Letter of Intent:** grouping all purchases of the funds referenced above, made during a thirteen-month period pursuant to a Letter of Intent (LOI). By signing an LOI, which is available from WISC, you indicate an intention to invest, over a thirteen-month period, a dollar amount sufficient to qualify for a reduced sales charge. In determining the amount which you must invest in order to qualify for a reduced sales charge under the LOI, your shares already allocable to the same account in which the purchase is being made or in any account eligible for grouping with that account, as described in *Account Grouping* below, and your shares of any of the funds within the Ivy Funds held in any MAP or SPA program through Waddell & Reed, will be included. For purposes of fulfilling the dollar amount required to be invested pursuant to your LOI, all such investments must be initiated prior to the expiration of the thirteen-month period, and will qualify under your LOI, even if the assets are received after the expiration of the thirteen-month period (such as a rollover or transfer from another institution). You must notify WISC if a rollover or transfer from another institution is pending upon the termination of the thirteen-month LOI period. In any event, such assets must be received by WISC no later than ninety days after the initiation date of the rollover or transfer. It is the responsibility of the investor and/or the dealer of record to advise WISC about the LOI when placing purchase orders during the LOI period. You may need to provide appropriate documentation to WISC to evidence the initiation date of the rollover or transfer. Purchases made during the thirty (30) calendar days prior to receipt by WISC of a properly completed LOI will be considered for purposes of determining whether a shareholder has satisfied the LOI. If Waddell & Reed reimburses the sales charge for purchases prior to receipt by WISC of an LOI, the thirteen-month LOI period will be deemed to have commenced on the date of the earliest purchase within the 30 calendar days prior to receipt by WISC of the LOI.

When an LOI is established, shares valued at five percent (5%) of the intended investment are held in escrow. Escrowed shares will be released from escrow once the terms of the LOI are satisfied. If the amount invested during the thirteen-month LOI period is less than the amount specified by the LOI, the LOI will terminate and the applicable sales charge specified in the Prospectus will be charged as if the LOI had not been executed, and such sales charge will be collected by the redemption of escrowed shares equal in value to such sales charge. Any redemption you request during the thirteen-month LOI period will be taken first from non-escrowed shares. Any request you make that will require redemption of escrowed shares will result in termination of the LOI, and the applicable sales charge specified in the Prospectus will be collected by the redemption of escrowed shares. Any escrowed shares not needed to pay the applicable sales charge will be available for redemption by you.

Purchases of shares of any of the funds within the Ivy Funds and/or InvestEd Portfolios will be considered for purposes of meeting the terms of an LOI, except as set forth herein. Investments in mutual funds other than those described in the preceding sentence and in insurance products offered by Waddell & Reed will not be considered for purposes of meeting the terms of an LOI.

- **Account Grouping:** grouping purchases by certain related persons. For the purpose of taking advantage of the lower sales charges available for large purchases, a purchase of shares in your Ivy InvestEd Plan account may be grouped with the current account value of purchased Class A, Class B, Class C or Class E shares in any other account that you may own, with your shares of any of the funds within the Ivy Funds held in any MAP or SPA program through Waddell & Reed, or in accounts of household members of your immediate family (spouse and children under 21). Please note that grouping is allowed only for a) accounts of the owner that have the same address or Social Security or other taxpayer identification number, and b) accounts of immediate family members living (or maintaining a permanent address) in the same household as the owner, however, you also may group purchases made by you and your immediate family in: business accounts controlled by you or your immediate family (for example, you own the entire business); partnerships for which you or a member of your immediate family is the controlling partner; trust accounts established by you or your immediate family or trust accounts for which you or a member of your immediate family is a beneficiary; minor-owned accounts for which you serve as custodian or guardian; and/or accounts of endowments or foundations established and controlled by you or your immediate family. For purposes of account grouping, an individual's legally-recognized domestic partner who has the same address may be treated as his or her spouse.

In order for an eligible purchase to be grouped, you must advise WISC at the time the purchase is made that it is eligible for grouping and identify the accounts with which it may be grouped.

Shares of Ivy Cash Management Fund or Ivy Government Money Market Fund are not eligible for either Rights of Accumulation or Letter of Intent privileges, unless such shares have been acquired by exchange for Class A shares on which a sales charge was paid, or as a dividend or other distribution on such acquired shares.

If you are investing \$250,000 or more, either as a lump sum or through one of the sales charge reduction features described above, you may be eligible to buy shares allocable to your Ivy InvestEd Plan account without a sales charge. However, you may be charged a CDSC of 1.00% on any shares purchased without a sales charge that you sell within the first 12 months of owning them. The CDSC is assessed on an amount equal to the lesser of the then-current market value or the cost of the shares being redeemed. Accordingly, no CDSC will be imposed on increases in NAV above the initial purchase price. This CDSC may be waived under certain circumstances, as noted in the Prospectus. Your financial advisor or a Client Services representative can answer your questions and help you determine if you are eligible.

Sales Charge Waivers for Certain Investors

Shares may be purchased at NAV for Ivy InvestEd Plan accounts owned by:

- Current or retired Trustees of the Trust (or retired directors or trustees of any entity to which the Trust or a Portfolio is the successor), directors of affiliated companies of the Trust, or of any affiliated entity of Waddell & Reed, current and certain retired employees of Waddell & Reed and its affiliates, current and certain retired financial advisors of Waddell & Reed and its affiliates and the spouse, children, parents, children's spouses and spouse's parents of each (including purchases into certain retirement plans and certain trusts for these individuals), and the employees of financial advisors of Waddell & Reed
- Sales representatives, and their immediate family members (spouse, children, parents, children's spouses and spouse's parents) associated with unaffiliated third party broker-dealers with which Waddell & Reed has entered into selling agreements
- Certain clients investing through certain investment advisers and broker-dealers in fee-based brokerage or advisory accounts, wrap accounts and asset allocation programs that charge asset-based fees
- Clients who transferred their 529 Plan accounts (*i.e.*, accounts under a plan associated with a qualified state tuition program established in accordance with Section 529 of the Code) from the Arizona Family College Savings Program sponsored by Securities Management and Research, Inc. (SM&R) to the Ivy InvestEd Plan sponsored by Waddell & Reed due to the closing of the SM&R-sponsored 529 Plan, and who established their SM&R-sponsored 529 Plans directly through SM&R rather than through a financial intermediary and qualified for NAV pricing through SM&R
- Participants in an employer sponsored payroll deduction plan having 100 or more eligible employees, and the shares are purchased through payroll deduction
- Sales representatives and employees, and their immediate family members (spouse, children, parents, children's spouses and spouse's parents), associated with Legend Group Holdings LLC and its subsidiaries

For purposes of determining eligibility for sales at NAV, an individual's legally-recognized domestic partner who has the same address may be treated as his or her spouse. The Portfolios reserve the right to modify or waive the above policies at any time.

Sales Charge Waivers for Certain Transactions

Shares may be purchased at NAV through:

- **Exchange** of shares of InvestEd Portfolios and, for clients of Waddell & Reed, Legend Equities Corporation (Legend) and other non-affiliated third parties that have entered into selling agreements with Ivy Distributors, Inc. (IDI), the distributor of the Ivy Funds, Class A shares of any fund within the Ivy Funds if (i) a sales charge was previously paid on those shares, (ii) the shares were received in exchange for shares on which a sales charge was paid or (iii) the shares were acquired from reinvestment of dividends and other distributions paid on such shares
- **Reinvestment** once in a 12-month period (subject to applicable regulations) of all or part of the proceeds of redemptions of your shares into the same Portfolio and account from which the shares were redeemed, if the reinvestment is made within 60 calendar days of the Trust's receipt of your redemption request (minimum investment amounts will apply). Purchases made pursuant to the AIS, payroll deduction or regularly scheduled contributions made by employers on behalf of their employees are not eligible for purchases at NAV under this policy.
- **Direct rollover** initiated from an account in a qualified state tuition program, where (i) such account is under a plan associated with a qualified state tuition program established in accordance with Section 529 of the Code, (ii) the shares were purchased through a broker-dealer or financial advisor, and (iii) the selling agreement or any other agreement between Waddell & Reed and the broker-dealer or financial advisor does not prohibit direct rollovers at NAV into another qualified state tuition program. The sales charge waiver only applies to the shares purchased with the direct rollover proceeds and additional contributions made to your Ivy InvestEd Plan account will be assessed the applicable sales charge. If rolling over assets from an in-state to an out-of-state 529 Plan, you should be aware that some states require the recapture of prior state tax benefits and/or the rollover may be otherwise taxable by the state from whose 529 Plan you are exiting. You should also consider possible withdrawal charges by the 529 Plan which you are exiting and differences in ongoing fees. You should consult a qualified tax advisor for individualized advice before initiating the rollover.

You will find more information in the SAI about sales charge reductions and waivers.

The CDSC for Portfolio shares that are subject to a CDSC will not apply in the following circumstances:

- redemptions that result from the death or disability of the Account Owner. The death or disability must have occurred after the account was established with Waddell & Reed
- redemptions of shares purchased for Ivy InvestEd Plan accounts held by current or retired Trustees of the Trust, directors of affiliated companies, current or retired officers of the Trust, employees of Waddell & Reed and its affiliates, financial advisors of Waddell & Reed and its affiliates, and by the members of the immediate families of such persons

- redemptions of shares for the purpose of complying with the excess contribution limitations prescribed by the Program if the excess contributions are rolled over to another Ivy InvestEd Plan account for a different Designated Beneficiary
- redemptions the proceeds of which are (subject to applicable regulations) reinvested within 60 calendar days in shares of the same Portfolio as that redeemed
- redemptions made by shareholders that have purchased shares of the Trust through certain group plans that have selling agreements with Waddell & Reed and that are administered by a third party and/or for which brokers not affiliated with Waddell & Reed provide administrative or record keeping services
- the exercise of certain exchange privileges

These exceptions may be modified or eliminated by the Trust at any time without prior notice to shareholders, except with respect to redemptions effected pursuant to the Trust's right to liquidate a shareholder's shares, which may require certain notice.