

WADDELL & REED SCHEDULE OF FEES

| CATEGORY | FEES | DESCRIPTION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---------------------------|---|-------------|------------|----------------|-------|----------------------|-------|------------------------|-------|------------------------|-------|------------------------|-------|------------------------|-------|----------------------|-------|-------------|------------|----------------|-------|----------------------|-------|------------------------|-------|------------------------|-------|------------------------|-------|----------------------|-------|-------------|------------|-----------------|-------|--------------------|-------|
| Administrative Fees | None | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual Maintenance Fees | None | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Per-Participant Fee | \$18 | Annual Custodian Fee deducted from client account | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transfer Fees | None | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wrap Fees | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deferred Sales Charges | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annuity Fees | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mortality Charges | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Expense/Risk Charges | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Benefit Payment Fees | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Voice Response Unit Fees | None | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Charges for Asset Allocation Advice and Counseling | None or optional fee plan | No fee charged for normal account servicing, including investment counseling. The fee-based comprehensive FOCUSPlan is available to the employee, if desired. A 20% discount available for qualifying companies. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales Load- Class A Shares | Front-end load | <p>Class A shares charge a sales load (front-end load) on each investment. The maximum sales charge as a percentage of offering price is 5.75%, except for the Waddell & Reed Advisors Cash Management Fund and Ivy Money Market Fund, which do not charge a sales load for direct purchases.</p> <p>Lower sales charges are available by combining additional purchases of the fund with the net asset value of shares already held and by grouping all purchases made during a thirteen-month period under a "Statement of Intention." The lower sales charge breakpoints begin at \$50,000 and are as follows:</p> <table border="0"> <thead> <tr> <th>Investments</th> <th>Sales Load</th> </tr> </thead> <tbody> <tr> <td>Under \$50,000</td> <td>5.75%</td> </tr> <tr> <td>\$50,000 to \$99,999</td> <td>5.25%</td> </tr> <tr> <td>\$100,000 to \$199,999</td> <td>4.75%</td> </tr> <tr> <td>\$200,000 to \$299,999</td> <td>3.50%</td> </tr> <tr> <td>\$300,000 to \$499,999</td> <td>2.50%</td> </tr> <tr> <td>\$500,000 to \$999,999</td> <td>1.50%</td> </tr> <tr> <td>\$1,000,000 and over</td> <td>0.00%</td> </tr> </tbody> </table> <p>For the Government Securities Fund, the lower sales charge breakpoints begin at \$50,000 and are as follows:</p> <table border="0"> <thead> <tr> <th>Investments</th> <th>Sales Load</th> </tr> </thead> <tbody> <tr> <td>Under \$50,000</td> <td>4.25%</td> </tr> <tr> <td>\$50,000 to \$99,999</td> <td>3.75%</td> </tr> <tr> <td>\$100,000 to \$299,999</td> <td>3.25%</td> </tr> <tr> <td>\$300,000 to \$499,999</td> <td>2.50%</td> </tr> <tr> <td>\$500,000 to \$999,999</td> <td>1.50%</td> </tr> <tr> <td>\$1,000,000 and over</td> <td>0.00%</td> </tr> </tbody> </table> <p>For the Ivy Limited-Term Bond Fund, the lower sales charge breakpoints is as follows:</p> <table border="0"> <thead> <tr> <th>Investments</th> <th>Sales Load</th> </tr> </thead> <tbody> <tr> <td>Under \$250,000</td> <td>2.50%</td> </tr> <tr> <td>\$250,000 and over</td> <td>0.00%</td> </tr> </tbody> </table> | Investments | Sales Load | Under \$50,000 | 5.75% | \$50,000 to \$99,999 | 5.25% | \$100,000 to \$199,999 | 4.75% | \$200,000 to \$299,999 | 3.50% | \$300,000 to \$499,999 | 2.50% | \$500,000 to \$999,999 | 1.50% | \$1,000,000 and over | 0.00% | Investments | Sales Load | Under \$50,000 | 4.25% | \$50,000 to \$99,999 | 3.75% | \$100,000 to \$299,999 | 3.25% | \$300,000 to \$499,999 | 2.50% | \$500,000 to \$999,999 | 1.50% | \$1,000,000 and over | 0.00% | Investments | Sales Load | Under \$250,000 | 2.50% | \$250,000 and over | 0.00% |
| Investments | Sales Load | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Under \$50,000 | 5.75% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$50,000 to \$99,999 | 5.25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$100,000 to \$199,999 | 4.75% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$200,000 to \$299,999 | 3.50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$300,000 to \$499,999 | 2.50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$500,000 to \$999,999 | 1.50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$1,000,000 and over | 0.00% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investments | Sales Load | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Under \$50,000 | 4.25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$50,000 to \$99,999 | 3.75% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$100,000 to \$299,999 | 3.25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$300,000 to \$499,999 | 2.50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$500,000 to \$999,999 | 1.50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$1,000,000 and over | 0.00% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investments | Sales Load | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Under \$250,000 | 2.50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$250,000 and over | 0.00% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | |
|--|---|--|-------------|----|-------------------|----|------------------|----|-------------------|----|------------------|----|------------------|----|-------------|----|
| Sales Load- Class B Shares | No front –end load Contingent Deferred Sales Charge (CDSC) | Class B share CDSC normally applied to distributions processed, is based on the following schedule: Calendar year of investment and first full calendar year after the calendar year of investment- <table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">First year:</td> <td style="text-align: right;">5%</td> </tr> <tr> <td>Second full year:</td> <td style="text-align: right;">4%</td> </tr> <tr> <td>Third full year:</td> <td style="text-align: right;">3%</td> </tr> <tr> <td>Fourth full year:</td> <td style="text-align: right;">3%</td> </tr> <tr> <td>Fifth full year:</td> <td style="text-align: right;">2%</td> </tr> <tr> <td>Sixth full year:</td> <td style="text-align: right;">1%</td> </tr> <tr> <td>Thereafter:</td> <td style="text-align: right;">0%</td> </tr> </table> | First year: | 5% | Second full year: | 4% | Third full year: | 3% | Fourth full year: | 3% | Fifth full year: | 2% | Sixth full year: | 1% | Thereafter: | 0% |
| First year: | 5% | | | | | | | | | | | | | | | |
| Second full year: | 4% | | | | | | | | | | | | | | | |
| Third full year: | 3% | | | | | | | | | | | | | | | |
| Fourth full year: | 3% | | | | | | | | | | | | | | | |
| Fifth full year: | 2% | | | | | | | | | | | | | | | |
| Sixth full year: | 1% | | | | | | | | | | | | | | | |
| Thereafter: | 0% | | | | | | | | | | | | | | | |
| Sales Load Class C Shares | No front –end load Contingent Deferred Sales Charge (CDSC) | Class C share CDSC normally applied to distributions processed, is 1% if you sell the shares within 12 months after their purchase. | | | | | | | | | | | | | | |
| Contingent Deferred Sales Charge (CDSC) | Waiver | The CDSC for Class B and Class C shares is waived for the following plan distributions: <ul style="list-style-type: none"> - Required minimum mandatory distributions - Tax-free return of excess contributions - Death - Disability, if payments are set up using the Flexible Withdrawal Service | | | | | | | | | | | | | | |
| Commissions Paid to Financial Advisors | | Waddell & Reed financial advisors are paid commission, service fees based on assets under management, and a portion of the fee collected for a FOCUSPlan (Waddell & Reed’s financial plan). | | | | | | | | | | | | | | |
| Percent of 12b-1 Fee Paid To Administrator | 12b-1 fee paid to financial advisor | The Fund pays 12b-1 fees to Waddell & Reed. Waddell & Reed pays a percentage of the fee to the financial advisor assigned to the employee’s investment account. The amount the advisor receives depends upon their level of qualification. The minimum is 5 basis points and the maximum is 20 basis points. | | | | | | | | | | | | | | |
| Other Fees and Expenses of the Fund Issuer | See www.waddell.com for Waddell & Reed Advisors Funds and Ivy Funds Operating Expenses | Annual Fund Operating Expenses- expenses that are deducted from the Fund’s assets: Each fund is responsible for payment of certain expenses including; those described above, transfer agent fees, fees and expenses of certain directors, costs of materials sent to shareholders, audit and outside legal fees, taxes, brokerage commissions, interest, insurance premiums, custodian fees, fees payable by each fund under Federal or other securities laws and to the Investment Company Institute: and extraordinary expenses including litigation and indemnification relative to litigation. The out of pocket costs are paid when billed. | | | | | | | | | | | | | | |
| Short-Term Trading | | <i>The following information applies to each of the Funds</i> | | | | | | | | | | | | | | |

| | | |
|---------------------------------|--|--|
| <p>Redemption /Exchange Fee</p> | | <p><i>except Money Market Funds:</i></p> <p>To further discourage the use of the Funds as a vehicle for excessive short-term trading, for shares purchased on or after May 1, 2004, each of the Funds, except Money Market Funds, will deduct a redemption fee of 2.00% from any redemption or exchange proceeds if you sell or exchange your Class A shares of that Fund after holding the shares less than 5 days. If you bought your shares on different days, the "first-in, first out" (FIFO) method is used to determine the holding period. Under this method, the shares you held longest will be redeemed first for purposes of determining whether the redemption fee applies. These fees are paid directly to the Fund.</p> <p>International funds will continue to deduct a redemption fee of 2.00% from any redemption or exchange proceeds if you sell or exchange your Class A shares of that Fund after holding the shares less than 30 days.</p> <p>The following exclusions from redemption fee apply:</p> <ol style="list-style-type: none"> 1. certain omnibus accounts where the omnibus account holder does not have the capability to impose a redemption fee on its underlying customers' accounts; and certain intermediaries that do not have, or report to the Funds, sufficient information to impose a redemption fee on their customers' accounts 2. (i) premature distributions from retirement accounts due to the disability of the participant; (ii) minimum required distributions from retirement accounts; (iii) return of excess contributions in retirement accounts where the excess is reinvested into the Fund; (iv) redemptions resulting in the settlement of an estate due to the death of the shareholder; and (v) reinvested distributions (dividends and capital gains) 3. shareholder accounts participating in dynamic asset allocation programs comprised of multiple Funds within the Ivy Family of Funds and/or the Waddell & Reed Advisors Family of Funds that periodically rebalance mutual fund holdings in response to prevailing economic, political and/or financial conditions. <p>In addition to these waivers, each Fund reserves the right to waive the redemption fee at its discretion where it believes such waiver is in the best interests of the Fund, including but not limited to when it determines that imposition of the redemption fee is not necessary to protect the Fund from the effects of excessive short-term trading. In addition, each Fund will reserve the right to modify or eliminate the redemption fee or waivers at any time.</p> |
|---------------------------------|--|--|