

IVY FUNDS DISTRIBUTOR, INC.

Statement of Cash Flows

Year ended December 31, 2015

(In thousands)

Cash flows from operating activities:	
Net loss	\$ (22,882)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	1,109
Amortization of deferred sales commissions	20,296
Excess tax benefits from share-based payment arrangements	(353)
Loss on trading securities	265
Loss on retirement of property and equipment	10
Sales of trading securities	302
Deferred income taxes	(2,487)
Changes in assets and liabilities:	
Fund receivables	135
Due to affiliates	244
Income tax receivable from parent	(829)
Other receivables	3
Deferred sales commissions	(10,755)
Prepaid expenses and other assets	262
Accounts payable and payable to third party brokers	(14,236)
Other accrued liabilities	781
Net cash used in operating activities	<u>(28,135)</u>
Cash flows from investing activity:	
Additions to property and equipment	<u>(161)</u>
Net cash used in investing activity	<u>(161)</u>
Cash flows from financing activities:	
Capital contribution from parent	10,000
Excess tax benefits from share-based payment arrangements	353
Net cash provided by financing activities	<u>10,353</u>
Net decrease in cash and cash equivalents	(17,943)
Cash and cash equivalents at beginning of year	<u>77,084</u>
Cash and cash equivalents at end of year	<u>\$ 59,141</u>
Supplemental disclosure of cash flow information:	
Cash received during the year from parent for income tax benefit	\$ 7,464

See accompanying notes to financial statements.