

**IVY DISTRIBUTORS, INC.**

## Statement of Cash Flows

Year ended December 31, 2017

(In thousands)

Cash flows from operating activities:	
Net loss	\$ (20,284)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	864
Amortization of deferred sales commissions	4,698
Gain on trading securities	(229)
Loss on retirement of property and equipment	1
Net purchases of trading securities	(26,411)
Deferred income taxes	610
Pension plan benefit	(850)
Other	100
Changes in assets and liabilities:	
Fund receivables	(468)
Due to affiliates	1,069
Income tax receivable from parent	(372)
Other receivables	(179)
Deferred sales commissions	(2,674)
Prepaid expenses and other current assets	(287)
Accounts payable and payable to third party brokers	(6,769)
Other accrued liabilities	1,070
Net cash used in operating activities	<u>(50,111)</u>
Cash flows from investing activity:	
Additions to property and equipment	<u>(2,086)</u>
Net cash used in investing activity	<u>(2,086)</u>
Cash flows from financing activities:	
Capital contribution from parent	<u>29,000</u>
Net cash provided by financing activities	<u>29,000</u>
Net decrease in cash and cash equivalents	(23,197)
Cash and cash equivalents at beginning of year	<u>42,565</u>
Cash and cash equivalents at end of year	<u>\$ 19,368</u>
Supplemental disclosure of cash flow information:	
Cash received during the year from parent for income tax benefit	\$ 11,652

See accompanying notes to financial statements.