

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Waddell & Reed Advisors Tax Managed Equity Fund		2 Issuer's employer identification number (EIN) 48-1222943	
3 Name of contact for additional information Waddell & Reed Shareholder Support	4 Telephone No. of contact (888) 923-3355	5 Email address of contact response@waddell.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact P.O. Box 29217		7 City, town, or post office, state, and Zip code of contact Shawnee Mission, KS 66201-9217	
8 Date of action 10-13-17		9 Classification and description Regulated Investment Company - Merger	
10 CUSIP number See Attached	11 Serial number(s)	12 Ticker symbol See Attached	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On October 13, 2017, The Waddell & Reed Advisors Tax Managed Equity Fund merged into the Ivy Tax Managed Equity Fund in a tax-free merger. As a result of the reorganization, the shareholders of all classes of the Waddell & Reed Advisors Tax Managed Equity Fund exchanged their shares to the Ivy Tax Managed Equity Fund equal in value to the aggregate net asset value of the shares surrendered.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **Each share of The Waddell & Reed Advisors Tax Managed Equity Fund (merging fund) is being replaced with shares of the Ivy Tax Managed Equity Fund (acquiring fund), at a ratio noted in the attachment for each share class. The basis of the shares received is the same as the aggregate of the shares exchanged. However, the cost basis per share of the Waddell & Reed Advisors Tax Managed Equity Fund has changed based upon the number of shares exchanged to the Ivy Tax Managed Equity Fund.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **For each tax lot you held in the merging fund:**

1) Multiply the number of shares held in the lot by the "Merger Ratio" in the attachment to calculate the number of shares that you now hold in the acquiring fund.

2) Multiply the per share cost basis by the "Basis Ratio" in the attachment to calculate the per share basis of the shares that you now hold in the acquiring fund.

Organizational Action: Fund Merger
Date of Action: 10/13/2017
Tax Year Ending 2017

<u>Issuer's Name and EIN</u>	<u>Class</u>	<u>CUSIP</u>	<u>Ticker Symbol</u>	<u>NAV</u>	<u>Acquiring Fund</u>	<u>Class</u>	<u>CUSIP</u>	<u>Ticker Symbol</u>	<u>NAV</u>	<u>Merger Ratio</u>	<u>Basis Ratio</u>
Waddell & Reed Tax Managed Equity (48-1222943)	A	930057369	WTEAX	\$18.967	Ivy Tax Managed Equity	A	466001831	IYEAX	\$23.369	0.8116308	1.2320873
Waddell & Reed Tax Managed Equity (48-1222943)	B	930057351	WBTMX	\$15.607	Ivy Tax Managed Equity	B	466001823	IYEBX	\$22.304	0.6997400	1.4291023
Waddell & Reed Tax Managed Equity (48-1222943)	C	930057344	WCTMX	\$15.671	Ivy Tax Managed Equity	C	466001815	IYECX	\$22.219	0.7052973	1.4178419
Waddell & Reed Tax Managed Equity (48-1222943)	Y	93005R209	WATMX	\$19.009	Ivy Tax Managed Equity	I	466001799	WYTMX	\$23.638	0.8041712	1.2435162