

Ivy High Income Opportunities Fund
Form N-Q
February 27, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-22800

Ivy High Income Opportunities Fund

(Exact name of registrant as specified in charter)

6300 Lamar Avenue, Overland Park, Kansas 66202

(Address of principal executive offices) (Zip code)

Mara D. Herrington

6300 Lamar Avenue

Overland Park, Kansas 66202

(Name and address of agent for service)

Registrant's telephone number, including area code: 913-236-2000

Date of fiscal year end: September 30

Date of reporting period: December 31, 2013

ITEM 1. SCHEDULE OF INVESTMENTS.

SCHEDULE OF INVESTMENTS

Ivy High Income Opportunities Fund *(in thousands)*

DECEMBER 31, 2013 (UNAUDITED)

| CORPORATE DEBT SECURITIES | Principal | Value |
|--|-----------------------------|-----------------------|
| Aerospace & Defense 4.9% Silver II Borrower SCA and Silver II US Holdings, 7.750%, 12 15 20 (A)(F) | \$ 15,000 | \$ 15,900 |
| Agricultural Products 2.5% American Seafoods Group LLC, 10.750%, 5 15 16 (A)(F) | 7,750 | 8,021 |
| Air Freight & Logistics 4.1% TRAC Intermodal LLC and TRAC Intermodal Corp., 11.000%, 8 15 19 (F) | 11,711 | 13,380 |
| Airlines 0.6% United Continental Holdings, Inc. (GTD by United Air Lines, Inc.): 8.000%, 7 15 24 6.000%, 7 15 26 6.000%, 7 15 28 | 1,136 482 482 | 1,139 415 406 |
| | | 1,960 |
| Aluminum 0.4% Wise Metals Group LLC, 8.750%, 12 15 18 (A) | 1,221 | 1,285 |
| Application Software 0.3% ACI Worldwide, Inc., 6.375%, 8 15 20 (A) | 971 | 1,015 |
| Auto Parts & Equipment 3.2% IDQ Holdings, Inc., 11.500%, 4 1 17 (A) Schaeffler Holding Finance B.V.: 6.875%, 8 15 18 (A)(B)(C) 6.875%, 8 15 18 (A)(C)(F) | 132 EUR5,471 \$ 2,132 | 137 8,054 2,260 |
| | | 10,451 |
| Automotive Retail 0.2% Sonic Automotive, Inc., 5.000%, 5 15 23 | 819 | 768 |
| Banking 0.2% Barclays plc, 8.250%, 12 29 49 | 753 | 777 |

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Broadcasting 3.3%

| | | |
|--|--------|--------|
| Clear Channel Worldwide Holdings, Inc., Series B, 7.625%, 3 15 20 (F) | 10,000 | 10,513 |
| Spanish Broadcasting System, Inc., 12.500%, 4 15 17 (A) | 160 | 174 |
| | | 10,687 |

Building Products 3.0%

| | | |
|--|-------|-------|
| CPG Merger Sub LLC, 8.000%, 10 1 21 (A) | 1,061 | 1,103 |
| HD Supply, Inc., 7.500%, 7 15 20 | 8,100 | 8,728 |
| | | 9,831 |

Cable & Satellite 8.9%

| | | |
|--|--------|--------|
| Cablevision Systems Corporation, 5.875%, 9 15 22 (F) | 10,000 | 9,575 |
| DISH DBS Corporation: 6.750%, 6 1 21 (F) | 10,500 | 11,129 |
| 5.875%, 7 15 22 | 2,000 | 2,000 |
| Univision Communications Inc., 6.750%, 9 15 22 (A)(F) | 5,926 | 6,489 |
| | | 29,193 |

Casinos & Gaming 0.7%

| | | |
|---|-------|-------|
| MCE Finance Limited, 5.000%, 2 15 21 (A) | 2,390 | 2,330 |
|---|-------|-------|

Communications Equipment 3.8%

| | | |
|---|--------|--------|
| Eagle Midco, Inc., 9.000%, 6 15 18 (A)(C)(F) | 12,000 | 12,510 |
|---|--------|--------|

Construction Materials 0.5%

| | | |
|---|-------|-------|
| Hillman Group, Inc. (The), 10.875%, 6 1 18 | 1,500 | 1,620 |
|---|-------|-------|

Consumer Finance 2.3%

| | | |
|--|-------|-------|
| Creditcorp, 12.000%, 7 15 18 (A)(F) | 5,000 | 4,950 |
| MISA Investments Limited, 8.625%, 8 15 18 (A) | 2,552 | 2,641 |
| | | 7,591 |

Data Processing & Outsourced Services 0.4%

| | | |
|--|-------|-------|
| Bankrate, Inc., 6.125%, 8 15 18 (A) | 1,360 | 1,414 |
|--|-------|-------|

Diversified Capital Markets 1.2%

| | | |
|---|-------|-------|
| Patriot Merger Corp., 9.000%, 7 15 21 (A)(F) | 3,827 | 4,018 |
|---|-------|-------|

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Diversified Metals & Mining 5.7%

| | | |
|--|--------|--------|
| Crystal Merger Sub, Inc., 7.625%, 10 15 21 (A) | 391 | 415 |
| FMG Resources Pty Ltd.: 8.250%, 11 1 19 (A)(F) | 2,500 | 2,806 |
| 6.875%, 4 1 22 (A)(F) | 12,000 | 13,080 |
| Magnetation LLC and Mag Finance Corp., 11.000%, 5 15 18 (A) | 2,000 | 2,180 |
| | | 18,481 |

Diversified Support Services 4.6%

| | | |
|--|--------|--------|
| Algeco Scotsman Global Finance plc, 8.500%, 10 15 18 (A)(F) | 10,575 | 11,447 |
| Nexeo Solutions, LLC, 8.375%, 3 1 18 (F) | 3,600 | 3,573 |
| | | 15,020 |

Electronic Components 4.9%

| | | |
|--|--------|--------|
| WireCo WorldGroup Inc., 9.500%, 5 15 17 (F) | 15,139 | 15,688 |
|--|--------|--------|

Electronic Manufacturing Services 0.6%

| | | |
|---|-------|-------|
| KEMET Corporation, 10.500%, 5 1 18 (F) | 2,000 | 1,975 |
|---|-------|-------|

Finance 4.5%

| | | |
|---|----------|--------|
| Mobile Challenger Intermediate Group S.A.: 8.750%, 3 15 19 (A)(B)(C) | EUR2,000 | 2,861 |
| 8.750%, 3 15 19 (A)(B)(C) | CHF2,000 | 2,326 |
| Stearns Holdings Inc., 9.375%, 8 15 20 (A) | \$ 3,571 | 3,643 |
| TMX Finance LLC and TitleMax Finance Corporation, 8.500%, 9 15 18 (A)(F) | 5,293 | 5,638 |
| | | 14,468 |

Food Distributors 0.9%

| | | |
|--|-------|-------|
| U.S. Foodservice, Inc., 8.500%, 6 30 19 | 2,775 | 3,039 |
|--|-------|-------|

Gaming 0.6%

| | | |
|---|--------|-----|
| Gateway Casinos & Entertainment Limited, 8.500%, 11 26 20 (A)(B) | CAD667 | 630 |
|---|--------|-----|

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| | | |
|--|----------|--------|
| Wynn Macau, Limited, 5.250%, 10 15 21 (A) | \$ 1,290 | 1,292 |
| | | 1,922 |
| Health Care Facilities 5.1% | | |
| ConvaTec Finance International S.A., 8.250%, 1 15 19 (A)(C) | 1,236 | 1,265 |
| HCA Holdings, Inc., 6.250%, 2 15 21 (F) | 8,335 | 8,721 |
| Tenet Healthcare Corporation: 6.000%, 10 1 20 (A) | 1,592 | 1,662 |
| 8.125%, 4 1 22 | 4,337 | 4,673 |
| | | 16,321 |
| Health Care Services 1.7% | | |
| MedImpact Holdings, Inc., 10.500%, 2 1 18 (A)(F) | 5,000 | 5,488 |
| Health Care Supply 1.8% | | |
| HCA Inc., 7.500%, 2 15 22 (F) | 5,500 | 6,036 |
| Hotels & Gaming 0.9% | | |
| Hilton Worldwide Finance, LLC, 5.625%, 10 15 21 (A) | 2,937 | 3,047 |
| Industrial Machinery 0.6% | | |
| Dynacast International LLC and Dynacast Finance Inc., 9.250%, 7 15 19 | 293 | 323 |
| Gardner Denver, Inc. and Renaissance Acquisition Corp., 6.875%, 8 15 21 (A) | 1,656 | 1,652 |
| | | 1,975 |
| Integrated Telecommunication Services 4.0% | | |
| CenturyLink, Inc.: 5.625%, 4 1 20 | 349 | 355 |
| 5.800%, 3 15 22 (F) | 13,000 | 12,838 |
| | | 13,193 |
| Leasing 1.7% | | |
| Flexi-Van Leasing, Inc., 7.875%, 8 15 18 (A) | 5,208 | 5,520 |
| Leisure Facilities 0.6% | | |
| Regal Entertainment Group, 5.750%, 2 1 25 | 2,000 | 1,885 |
| Metal & Glass Containers 0.8% | | |
| Consolidated Container Company LLC and Consolidated Container Capital, Inc., 10.125%, 7 15 20 (A) | 2,500 | 2,663 |

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Movies & Entertainment 0.6%

| | | |
|---------------------|-------|-------|
| Cinemark USA, Inc.: | | |
| 5.125%, 12 15 22 | 533 | 516 |
| 4.875%, 6 1 23 | 1,651 | 1,552 |
| | | 2,068 |

Oil & Gas Refining & Marketing 5.1%

| | | |
|---------------------------------|-------|--------|
| Offshore Drilling Holding S.A., | | |
| 8.375%, 9 20 20 (A) | 3,074 | 3,274 |
| Samson Investment Company, | | |
| 10.500%, 2 15 20 (A)(D)(F) | 5,000 | 5,450 |
| Shelf Drilling Holdings, Ltd., | | |
| 8.625%, 11 1 18 (A)(F) | 7,608 | 8,217 |
| | | 16,941 |

Oil Services 0.7%

| | | |
|--|-------|-------|
| Foresight Energy LLC and Foresight Energy Finance Corporation, | | |
| 7.875%, 8 15 21 (A) | 2,075 | 2,132 |

Paper Packaging 3.7%

| | | |
|--|-------|--------|
| Beverage Packaging Holdings II Issuer Inc. and Beverage Packaging Holdings (Luxembourg) II S.A., | | |
| 6.000%, 6 15 17 (A) | 591 | 598 |
| Reynolds Group Holdings Limited: | | |
| 9.000%, 4 15 19 (F) | 6,000 | 6,435 |
| 9.875%, 8 15 19 (F) | 4,500 | 5,006 |
| | | 12,039 |

Pharmaceuticals 2.4%

| | | |
|--|-------|-------|
| Forest Laboratories, Inc., | | |
| 5.000%, 12 15 21 (A) | 3,358 | 3,370 |
| Salix Pharmaceuticals, Ltd., | | |
| 6.000%, 1 15 21 (A) | 1,421 | 1,457 |
| Valeant Pharmaceuticals International, Inc., | | |
| 6.375%, 10 15 20 (A) | 3,000 | 3,161 |
| | | 7,988 |

Precious Metals & Minerals 1.0%

| | | |
|------------------------------|-------|-------|
| Prince Mineral Holding Corp, | | |
| 11.500%, 12 15 19 (A) | 3,000 | 3,338 |

Retail Stores 1.1%

| | | |
|--|-------|-------|
| Jo-Ann Stores, Inc., | | |
| 8.125%, 3 15 19 (A) | 81 | 85 |
| PC Nextco Holdings, LLC and PC Nextco Finance, Inc., | | |
| 8.750%, 8 15 19 (A)(C) | 826 | 848 |
| Pinnacle Operating Corporation, | | |
| 9.000%, 11 15 20 (A) | 2,618 | 2,778 |
| | | 3,711 |

Satellite 2.4%

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| | | |
|---|----------|--------|
| Sirius XM Radio Inc.: | | |
| 5.875%, 10 1 20 (A) | 1,079 | 1,101 |
| 5.750%, 8 1 21 (A) | 2,399 | 2,423 |
| 5.250%, 8 15 22 (A) | 96 | 97 |
| 4.625%, 5 15 23 (A)(F) | 4,586 | 4,150 |
| | | 7,771 |
| Specialized Consumer Services 2.8% | | |
| AA Bond Co Limited, | | |
| 9.500%, 7 31 19 (A)(B) | GBP1,931 | 3,509 |
| B-Corp Merger Sub, Inc., | | |
| 8.250%, 6 1 19 (F) | \$ 4,000 | 3,990 |
| Carlson Wagonlit B.V., | | |
| 6.875%, 6 15 19 (A) | 214 | 222 |
| Nielsen Finance, | | |
| 5.500%, 10 1 21 (A) | 1,396 | 1,417 |
| | | 9,138 |
| Specialized REITs 1.1% | | |
| CNL Lifestyles Properties, Inc., | | |
| 7.250%, 4 15 19 (F) | 3,539 | 3,645 |
| Specialty Stores 2.3% | | |
| Takko Luxembourg 2 S.C.A., | | |
| 9.875%, 4 15 19 (A)(B) | EUR5,500 | 7,411 |
| Technology 1.1% | | |
| Artesyn Escrow, Inc., | | |
| 9.750%, 10 15 20 (A) | \$ 1,085 | 1,139 |
| NCR Escrow Corp.: | | |
| 5.875%, 12 15 21 (A) | 1,154 | 1,176 |
| 6.375%, 12 15 23 (A) | 1,233 | 1,259 |
| | | 3,574 |
| Textiles 0.2% | | |
| Quiksilver, Inc. and QS Wholesale, Inc., | | |
| 7.875%, 8 1 18 (A) | 577 | 626 |
| Thrifts & Mortgage Finance 3.2% | | |
| Provident Funding Associates, L.P. and PFG Finance Corp.: | | |
| 10.125%, 2 15 19 (A) | 2,725 | 2,970 |
| 6.750%, 6 15 21 (A)(F) | 7,500 | 7,464 |
| | | 10,434 |
| Tobacco 0.5% | | |
| Prestige Brands, Inc., | | |
| 5.375%, 12 15 21 (A) | 1,630 | 1,646 |
| Wireless 4.1% | | |

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| | | |
|---------------------|-------|--------|
| Sprint Corporation: | | |
| 7.250%, 9 15 21 (A) | 5,074 | 5,448 |
| 7.875%, 9 15 23 (A) | 4,459 | 4,793 |
| T-Mobile USA, Inc.: | | |
| 6.464%, 4 28 19 | 788 | 837 |
| 6.542%, 4 28 20 | 788 | 839 |
| 6.633%, 4 28 21 | 382 | 403 |
| 6.125%, 1 15 22 | 372 | 379 |
| 6.731%, 4 28 22 | 158 | 165 |
| 6.836%, 4 28 23 | 158 | 164 |
| 6.500%, 1 15 24 | 372 | 377 |
| | | 13,405 |

TOTAL CORPORATE DEBT SECURITIES 111.8% **\$ 365,339**
 (Cost: \$355,531)

MUNICIPAL BONDS

Puerto Rico 0.4%

PR Aqueduct and Sewer Auth Rev Bonds, Ser 2012A (Sr Lien):

| | | |
|--|-----|-------|
| 5.750%, 7 1 37 | 515 | 348 |
| 5.250%, 7 1 42 | 515 | 322 |
| PR Elec Power Auth, Power Rev Bonds, Ser 2010XX, | | |
| 5.750%, 7 1 36 | 155 | 100 |
| PR Elec Power Auth, Power Rev Bonds, Ser 2013A, | | |
| 7.000%, 7 1 33 | 205 | 166 |
| PR Elec Power Auth, Power Rev Bonds, Ser WW, | | |
| 5.500%, 7 1 38 | 620 | 394 |
| | | 1,330 |

TOTAL MUNICIPAL BONDS 0.4% **\$ 1,330**
 (Cost: \$1,432)

LOANS

Apparel Retail 5.6%

True Religion Apparel, Inc.:

| | | |
|----------------------|--------|--------|
| 5.875%, 7 29 19 (D) | 15,000 | 14,224 |
| 11.000%, 1 29 20 (D) | 4,000 | 3,820 |
| | | 18,044 |

Application Software 0.8%

Misys plc and Magic Newco, LLC:

| | | |
|----------------------|-------|-------|
| 0.000%, 6 12 19 (D) | 400 | 459 |
| 12.000%, 6 12 19 (D) | 2,000 | 2,292 |
| | | 2,751 |

Auto Parts & Equipment 0.3%

Direct ChassisLink, Inc.,

| | | |
|---------------------|-----|-----|
| 8.500%, 11 7 19 (D) | 942 | 941 |
|---------------------|-----|-----|

Broadcasting 2.5%

PAW LUXCO II S.A.R.L.,

| | | |
|------------------------|----------|-------|
| 5.163%, 7 29 17 (B)(D) | EUR6,000 | 7,972 |
|------------------------|----------|-------|

Casinos & Gaming 0.2%

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| | | |
|---|----------|-------|
| Gateway Casinos & Entertainment Ltd., 5.647%, 11 4 19 (B)(D) | CAD743 | 698 |
| | | |
| Construction Materials 0.6% | | |
| Continental Building Products, LLC, 8.750%, 2 15 21 (D) | \$ 1,388 | 1,389 |
| Quickrete Holdings, Inc.: 4.000%, 9 19 20 (D) | 385 | 386 |
| 7.000%, 3 19 21 (D) | 295 | 301 |
| | | 2,076 |
| | | |
| General Merchandise Stores 0.3% | | |
| Hudson's Bay Company, 8.250%, 10 7 21 (D) | 909 | 939 |
| | | |
| Health Care Facilities 0.6% | | |
| Surgery Center Holdings, Inc., 9.750%, 4 11 20 (D) | 2,000 | 2,000 |
| | | |
| Hotels & Gaming 1.7% | | |
| Hilton Worldwide Finance, LLC, 3.750%, 9 23 20 (D) | 5,526 | 5,568 |
| | | |
| Hotels, Resorts & Cruise Lines 0.2% | | |
| Four Seasons Hotels Limited, 6.250%, 12 13 20 (D) | 799 | 817 |
| | | |
| Independent Power Producers & Energy Traders 1.3% | | |
| Alinta Energy Finance PTY Limited: 6.375%, 8 7 19 (D) | 3,944 | 3,948 |
| 0.000%, 8 13 19 (D) | 259 | 259 |
| | | 4,207 |
| | | |
| Industrial Machinery 0.3% | | |
| Gardner Denver, Inc., 4.750%, 7 23 20 (B)(D) | EUR631 | 872 |
| | | |
| IT Consulting & Other Services 1.9% | | |
| Active Network, Inc. (The): 5.500%, 11 7 20 (D) | \$ 1,890 | 1,897 |
| 9.500%, 11 7 21 (D) | 1,984 | 2,014 |
| Digital Insight Corporation: 4.750%, 10 11 19 (D) | 272 | 272 |
| 8.750%, 10 11 20 (D) | 117 | 119 |
| Triple Point Group Holdings, Inc., 5.250%, 7 11 20 (D) | 2,008 | 1,787 |
| | | 6,089 |
| | | |
| Leisure Facilities 0.8% | | |
| Northfield Park Associates LLC, 9.000%, 11 9 18 (D) | 2,711 | 2,725 |

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Metal & Glass Containers 2.4%

| | | |
|---|-------|-------|
| Evergreen Tank Solution, Inc., 9.500%, 9 11 18 (D) | 5,055 | 5,030 |
| KIK Custom Products, Inc.: 0.000%, 5 23 19 (D) | 1,890 | 1,858 |
| 0.000%, 11 17 19 (D) | 527 | 530 |
| 0.000%, 11 23 19 (D) | 189 | 190 |
| | | 7,608 |

Movies & Entertainment 4.8%

| | | |
|--|--------|--------|
| Yonkers Racing Corporation, 8.750%, 7 22 20 (D) | 15,889 | 15,730 |
|--|--------|--------|

Oil & Gas Refining & Marketing 1.5%

| | | |
|---|-------|-------|
| Fieldwood Energy, LLC, 8.375%, 9 30 20 (D) | 1,787 | 1,823 |
| Shelf Drilling Midco, Ltd., 10.000%, 10 7 18 (D) | 3,209 | 3,248 |
| | | 5,071 |

Oil & Gas Storage & Transportation 1.3%

| | | |
|--|-------|-------|
| Bowie Resources Holdings, LLC: 6.750%, 8 9 20 (D) | 2,582 | 2,589 |
| 11.750%, 2 15 21 (D) | 1,569 | 1,530 |
| | | 4,119 |

Other Diversified Financial Services 1.1%

| | | |
|--|-------|-------|
| Cetera Financial Group, Inc., 6.500%, 7 15 19 (D) | 3,500 | 3,539 |
|--|-------|-------|

Paper Packaging 0.7%

| | | |
|--|-------|-------|
| FPC Holdings, Inc., 9.250%, 5 16 20 (D) | 2,500 | 2,377 |
|--|-------|-------|

Research & Consulting Services 1.6%

| | | |
|---|-------|-------|
| Larchmont Resources, LLC, 8.250%, 8 1 19 (D) | 5,279 | 5,345 |
|---|-------|-------|

Specialized Finance 1.3%

| | | |
|---|-------|-------|
| Orchard Acquisition Company, LLC, 7.000%, 2 4 19 (D) | 4,197 | 4,239 |
|---|-------|-------|

Specialty Chemicals 0.3%

| | | |
|---|-----|-----|
| Chromaflo Technologies Corporation: 4.500%, 11 20 19 (D) | 371 | 371 |
|---|-----|-----|

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| | | |
|--|-----|-------------------|
| 8.250%, 5-20-20 (D) | 706 | 709 |
| | | 1,080 |
| TOTAL LOANS 32.1% (Cost: \$103,302) | | \$ 104,807 |
| TOTAL INVESTMENT SECURITIES 144.3% (Cost: \$460,265) | | \$ 471,476 |
| BORROWINGS (E) (46.5%) | | (152,000) |
| CASH AND OTHER ASSETS, NET OF LIABILITIES 2.2% | | 7,326 |
| NET ASSETS 100.0% | | \$ 326,802 |

Notes to Schedule of Investments

(A) Securities were purchased pursuant to Rule 144A under the Securities Act of 1933 and may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2013, the total value of these securities amounted to \$221,475 or 67.8% of net assets.

(B) Principal amounts are denominated in the indicated foreign currency, where applicable (CAD - Canadian Dollar, CHF - Swiss Franc, EUR - Euro and GBP - British Pound).

(C) Payment-in-kind bonds.

(D) Variable rate security. Interest rate disclosed is that which is in effect at December 31, 2013.

(E) Borrowings Payable as a percentage of Total Investments is 32.2%.

(F) All or a portion of the security position has been pledged as collateral on open borrowings. The following forward foreign currency contracts were outstanding at December 31, 2013:

| Type | Currency | Counterparty | Principal Amount of Contract (Denominated in Indicated Currency) | Settlement Date | Unrealized Appreciation | Unrealized Depreciation |
|------|---------------|------------------------------|--|-----------------|----------------------------|----------------------------|
| Sell | British Pound | Morgan Stanley International | 2,112 | 1-27-14 | \$ | \$ 87 |
| Sell | Euro | Morgan Stanley International | 19,636 | 1-27-14 | | 562 |
| Sell | Swiss Franc | Morgan Stanley International | 2,000 | 1-27-14 | | 55 |
| | | | | | \$ | \$ 704 |

Each Fund's investments are reported at fair value. Fair value is defined as the price that each Fund would receive upon selling an asset or would pay upon satisfying a liability in an orderly transaction between market participants at the measurement date.

Accounting standards establish a framework for measuring fair value and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained

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from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the factors that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Reoccurring fair value measurements of Level 3 securities shall include a reconciliation of the beginning to ending balances for reported fair market values. A fair value hierarchy and Level 3 reconciliation, if applicable, have been included in the Notes to Schedule of Investments for each respective Fund.

An individual investment's fair value measurement is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three-tier hierarchy of inputs is summarized as follows:

Level 1 Observable input such as quoted prices, available in active markets, for identical assets or liabilities.

Level 2 Significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs.

Level 3 Significant unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available, which may include assumptions made by the Board or persons acting at their direction that are used in determining the fair market value of investments.

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The following table summarizes the valuation of the Fund's investments by the above fair value hierarchy levels as of December 31, 2013:

| | Level 1 | Level 2 | Level 3 |
|------------------------------------|---------|------------|-----------|
| Assets | | | |
| Investments in Securities | | | |
| Corporate Debt Securities | \$ | \$ 356,962 | \$ 8,377 |
| Municipal Bonds | | 1,330 | |
| Loans | | 56,481 | 48,326 |
| Total | \$ | \$ 414,773 | \$ 56,703 |
| Liabilities | | | |
| Forward Foreign Currency Contracts | \$ | \$ 704 | \$ |
| Payable for Borrowing | \$ | \$ 152,000 | \$ |

The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

| | Corporate Debt Securities | Loans | |
|--|---------------------------------|-----------|-----------|
| Beginning Balance 10-1-13 | \$ | \$ 35,321 | |
| Net realized gain (loss) | | | * |
| Net change in unrealized appreciation (depreciation) | | 227 | 154 |
| Purchases | | | 4,427 |
| Sales | | | (111) |
| Amortization/Accretion of premium/discount | | (1) | 15 |
| Transfers into Level 3 during the period | | 8,151 | 9,620 |
| Transfers out of Level 3 during the period | | | (1,100) |
| Ending Balance 12-31-13 | \$ | \$ 8,377 | \$ 48,326 |
| Net change in unrealized appreciation (depreciation) for all Level 3 investments still held as of 12-31-13 | \$ | \$ 227 | \$ 154 |

Transfers from Level 2 to Level 3 occurred primarily due to the lack of observable market data due to decreased market activity or information for these securities. Transfers from Level 3 to Level 2 occurred primarily due to the increased availability of observable market data due to increased market activity or information. As shown above, transfers in and out of Level 3 represent the values as of the beginning of the reporting period. There were no transfers between Levels 1 and 2 during the period ended December 31, 2013.

Information about Level 3 fair value measurements:

| | Fair Value at | | |
|---------------------------|-----------------|-------------------------------|------------------------------|
| Assets | 12-31-13 | Valuation Technique(s) | Unobservable Input(s) |
| Corporate Debt Securities | \$ 8,377 | Third-party valuation service | Broker quotes |
| Loans | \$ 48,326 | Third-party valuation service | Broker quotes |

The following acronyms are used throughout this schedule:

GTD = Guaranteed

REIT = Real Estate Investment Trust

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For Federal income tax purposes, cost of investments owned at December 31, 2013 and the related unrealized appreciation (depreciation) were as follows:

| | |
|-------------------------------|------------|
| Cost | \$ 460,265 |
| Gross unrealized appreciation | 13,372 |
| Gross unrealized depreciation | (2,161) |
| Net unrealized appreciation | \$ 11,211 |

ITEM 2. CONTROLS AND PROCEDURES.

- (a) The Registrant's Principal Executive Officer and Principal Financial Officer, or persons performing similar functions, based on their evaluation of the Registrant's disclosure controls and procedures as of a date within 90 days of the filing date of this report, have concluded that such controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended) are effective and adequately designed to ensure that information required to be disclosed by the Registrant in its reports that it files or submits is accumulated and communicated to the Registrant's management, including the Principal Executive Officer and Principal Financial Officer, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.
- (b) There were no significant changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940, as amended) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)).

Attached hereto as Exhibit 99.CERT.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Ivy High Income Opportunities Fund
(Registrant)

By /s/ Mara D. Herrington
Mara D. Herrington, Vice President and Secretary
Date: February 27, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/ Henry J. Herrmann
Henry J. Herrmann, Principal Executive Officer
Date: February 27, 2014

By /s/ Joseph W. Kauten
Joseph W. Kauten, Principal Financial Officer
Date: February 27, 2014