

Ivy International Balanced E



Morningstar Analysis Jon Hale, Sr. Consultant 1-15-2010

Portfolio Manager

John Maxwell, CFA, since April 2009. BS University of Kentucky and MBA Cornell University. Maxwell joined Waddell & Reed as an investment analyst in 1998 and joined the international team in 2004.

Basic Characteristics

Maxwell combines a top-down theme-based approach with bottom-up analysis to pick large-cap stocks in developed international markets. He favors companies with good cash generation that are trading at reasonable valuations. The manager will occasionally hedge currency exposure, but only modestly. On the bond side, management sticks to sovereign debt and doesn't make big interest-rate bets. A portion of fixed-income assets can be in emerging markets and management can hedge currency exposure.

Strengths

Maxwell has earned a very competitive record at the international fund he has run since early 2006.

Issues

Although Maxwell has a good record elsewhere, that's a pure stock fund rather than an allocation fund. The bond manager's efforts also will have a significant impact on how the fund performs.

This Fund Report is only approved for use by investors purchasing shares of the Fund in connection with the InvestEd Program. It is not approved for any other use. This Fund Report has been provided by Morningstar Associates, LLC. Please note that Morningstar is paid a fee based partly on assets invested in the InvestEd Program.

Investors should consider the investment objectives, risks, charges and expenses associated with the InvestEd Plan carefully before investing. This and other information is found in the InvestEd Program Overview Account Application and prospectus, all of which can be obtained from your financial advisor. Please read these materials carefully before investing.

A fund's Morningstar category assignment is based on averaging its portfolios for the preceding three years.

As with any mutual fund, the value of the Fund's shares will change, and you could lose money on your investment.

International investing involves additional risks including currency fluctuations, political or economic conditions affecting the foreign country, and differences in accounting standards and foreign regulations. These and other risks are more fully described in the fund's prospectus.

Portfolio information is subject to change and is not intended to represent any past or future investment recommendations.

Investment style reflects most-recent portfolio and may differ from historical style. A fund's Morningstar category assignment is based on averaging its portfolios for the preceding three years.

Morningstar Category

World Allocation

Benchmark Index

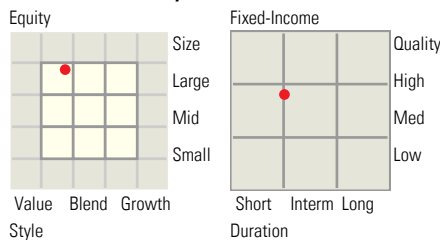
MSCI EAFE NDTR_D (1)
JP Morgan Non-US Bond (2)

Fund Inception Date

A: 09-16-1994 C: 12-08-2003 Y: 12-08-2003
E: 04-02-2007

Portfolio Profile as of 12-31-2009

Current Investment Style



Composition



Morningstar Sectors

Sector	12-31	Rel Cat
Information	21.4	1.0
Software	5.0	1.2
Hardware	1.8	0.2
Media	3.5	2.0
Telecommunication	11.0	1.5
Service	34.8	0.8
Healthcare	7.6	0.6
Consumer Services	2.8	0.4
Business Services	7.2	1.6
Financial Services	17.2	1.0
Manufacturing	43.8	1.2
Consumer Goods	20.1	1.6
Industrial Goods	11.4	1.1
Energy	12.3	1.1
Utilities	0.0	0.0

Portfolio Statistics

Equity		Rel
	12-31	Cat
Price/Earnings Ratio	12.8	0.9
Price/Book Ratio	1.6	0.8
Price/Cash Ratio	6.3	0.8
Geo Avg Mk Cap \$mil	22,585	0.8
Fixed-Income	12-31	Cat
Avg Credit Quality	A	A
Avg Eff Maturity Years	4.3	0.8
Avg Eff Duration Years	3.5	0.8
Total Stocks	62	Turnover Ratio %
Total Bonds	24	22.0

Performance as of 12-31-2009

	3 Mo	YTD	1 Yr	3 Yr	5 Yr	Incept
A (NAV)	2.43	28.08	28.08	-1.90	3.80	6.90
A (Load-adj)	-3.46	20.72	20.72	-3.82	2.58	6.48
E (NAV)	2.43	28.46	28.46	--	--	-2.87
E (Load-adj)	-3.46	21.07	21.07	--	--	-4.94
Category	3.14	2437	2437	-0.15	4.82	-3.10*
Index (1)	2.18	31.78	31.78	-6.04	3.54	-9.64*
Index (2)	-2.16	3.94	3.94	8.82	4.56	-5.08*

* Since E shares inception.

Risk Measures

	12-31	Index(1)	Index(2)	Cat
Std Deviation 3 Yr	--	23.91	10.14	15.63
Std Deviation 5 Yr	--	19.63	8.84	13.00

Standard deviation is a measure of how volatile a fund's returns are.

Fund Expense Ratio

1.63

Data quoted is past performance and current performance may be higher or lower. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Please visit www.invested529.com for the most recent month-end performance. Performance at net asset value does not include the effect of sales charges. Class A and Class E share performance, including sales charges, reflects the maximum applicable sales charge of 5.75%.

Shares are offered as part of the Arizona Family College Savings Fund, a 529 plan administered by the Arizona Commission for Postsecondary Education (the "Program"). Accounts are held in trust for the benefit of the Arizona Commission for Postsecondary Education in its capacity as Trustee of the Family College Savings Program Trust Fund (the "Trust"). An investment in the Program constitutes a purchase of an interest in the Trust, a municipal fund security. Accounts are not insured by the State of Arizona, the Trust, the Arizona Commission for Postsecondary Education, or any other governmental entity, the InvestEd Program, or any affiliated or related party, and neither the principal deposited nor the investment return is guaranteed by any of the above referenced parties.