



IVY

# Micro Cap Growth Fund [IGWAX]

Q2/10 Portfolio information as of June 30, 2010

Infinite Loop Category:  
Innovation & Transformation



## FUND PERFORMANCE<sup>1,2,3,4,5</sup>

### Average Annual Total Returns

Period	Class A NAV	Class A Load	Class Y	Russell 2000 Growth	Russell MicroCap Growth	Lipper Small-Cap Growth
3-Month	-8.49%	-13.75%	-8.41%	-9.22%	-7.85%	-9.20%
YTD	2.05%	-3.82%	1.63%	-2.31%	-1.92%	-2.50%
1-Year	19.61%	12.73%	19.16%	17.96%	15.23%	19.13%
Life	33.65%	27.97%	33.28%	45.55%	49.05%	33.60%
Gross Expense	2.55%	2.55%	2.21%	-	-	-
Net Expense	1.95%	1.95%	2.10%	-	-	-
Inception	2/17/09	2/17/09	2/17/09	-	-	-

Data quoted is past performance and current performance may be lower or higher. 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.

- Performance at net asset value (NAV) does not include the effect of sales charges. Class A share performance, including sales charges, reflects the maximum applicable front-end sales load of 5.75%. Class Y shares are not subject to sales charges.
- Russell 2000 Growth is an unmanaged index comprised of securities that represent the small cap sector of the stock market. It is not possible to invest directly in an index.
- Russell MicroCap Growth measures the performance of the microcap growth segment of the U.S. Equity market. It includes those Russell Microcap Index companies with higher price-to-book ratios and higher forecasted growth values. It is not possible to invest directly in an index.
- Through July 31, 2011, Ivy Investment Management Company (IICO), the Fund's investment manager, Ivy Funds Distributor, Inc. (IFDI), the Fund's distributor, and Waddell & Reed Services Company, doing business as WI Services Company (WISC), the Fund's transfer agent, have contractually agreed to waive, reimburse or pay expenses that the Fund would otherwise pay to cap the annual fund operating expenses at 1.95% for Class A shares and 1.70% for Class I shares. Prior to that date, the expense limitation may not be terminated by IICO, IFDI, WISC or the Fund's Board of Trustees.
- The Fund's performance may be impacted by investments in initial public offerings.

## LIPPER RANKINGS

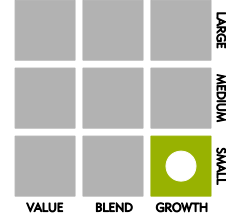
Category: Lipper Small-Cap Growth Funds

	Rank	Percentile
1 Year	251/534	47

Rankings are for Class A Shares and are based on average annual total returns, but do not consider sales charges.

## MORNINGSTAR STYLE BOX<sup>6</sup>

Source: Morningstar



## PORTFOLIO MANAGEMENT

**William Jeffery III**  
Wall Street Associates (Subadvisor)  
35 years in industry  
1 year with fund

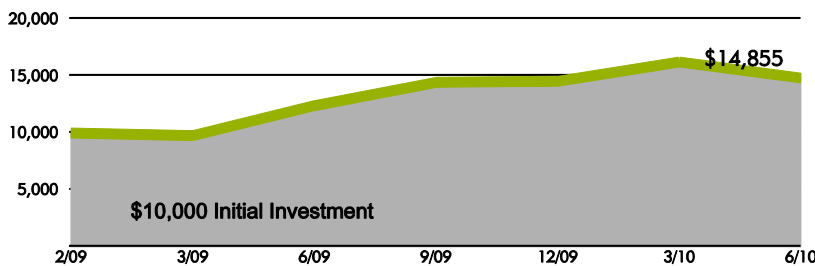
## OBJECTIVE

To provide long-term capital appreciation.

## INVESTMENT APPROACH

The Fund invests, under normal market conditions, at least 80% of its net assets in equity securities of micro cap companies (typically companies with market capitalization below \$1 billion) that the portfolio managers believe show sustainable earnings growth potential and improving profitability. The Fund primarily invests in common stock and may invest up to 25% of its assets in foreign securities.

## GROWTH OF A \$10,000 INVESTMENT Class A shares- 2/17/2009-6/30/2010



Assumes an investment over 10 years or life of the share class, reinvestment of dividends and capital gains, and does not include the effect of sales charges or taxes.



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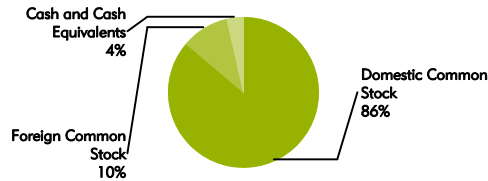
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## PORTFOLIO COMPOSITION<sup>7</sup>

(as a % of net assets)



## TOP 5 SECTORS<sup>7</sup>

(as a % of equity holdings)

Information Technology	32.6%
Consumer Discretionary	22.9%
Health Care	22.1%
Industrials	11.2%
Energy	5.6%

## TICKER SYMBOL

Class A	IGWAX	Class Y	IGWYX
Class B	IGWBX	Class I	IGWIX
Class C	IGWCX		

## PORTFOLIO CHARACTERISTICS

Fund Inception	2/17/2009
Net Assets	\$36.2 mil
Dividends	Annually
Turnover Rate (3/31/2010)	94%
Number equity holdings	102
Median market cap	\$301.5 mil

## TOP 10 EQUITY HOLDINGS<sup>7</sup>

(as a % of net assets)

Questcor Pharmaceuticals	2.7%
Grand Canyon Education	2.6%
ISILON SYSTEMS INC	2.4%
T-3 Energy Services, Inc.	2.2%
Rentrak Corporation	2.0%
Pharmasset, Inc.	1.9%
Obagi Medical Products, Inc.	1.8%
CommVault Systems	1.8%
Marten Transport, Ltd.	1.8%
Health Grades, Inc.	1.7%

**Consider all factors.** Investing in micro-cap stocks may carry more risk than investing in stocks of larger, more well-established companies. International investing involves additional risks, such as currency fluctuations or political instability. As with any mutual fund, the value of the Fund's shares will change, and you could lose money on your investment. An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. These and other risks are more fully described in the fund's prospectus. Not all funds or fund classes may be offered at all broker/dealers.

<sup>6</sup> The style box reveals a fund's investment strategy by displaying the fund's investment style and the market capitalization of the stocks owned.

<sup>7</sup> Information is subject to change and is not intended to represent any past or future investment recommendations.

**Investors should consider the investment objectives, risks, charges and expenses of a fund carefully before investing. For a prospectus containing this and other information for the Ivy Funds, call your financial advisor or visit us online at [www.ivyfund.com](http://www.ivyfund.com). Please read the prospectus carefully before investing.**



**IVY FUNDS<sup>®</sup>**  
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