



Waddell & Reed Advisors

Vanguard Fund [UNVGX]

Q2/10 Portfolio information as of June 30, 2010

Infinite Loop Category:
Great American Companies

FUND PERFORMANCE^{1,2,3}

Average Annual Total Returns

| Period | Class A NAV | Class A Load | Class Y | Russell 1000 Growth | Lipper Large-Cap Growth |
|---------------|-------------|--------------|---------|---------------------|-------------------------|
| 3-Month | -12.30% | -17.34% | -12.17% | -11.75% | -12.29% |
| YTD | -8.72% | -13.97% | -8.58% | -7.65% | -8.67% |
| 1-Year | 8.00% | 1.79% | 8.48% | 13.62% | 11.30% |
| 3-Year | -6.35% | -8.18% | -6.02% | -6.91% | -7.89% |
| 5-Year | 0.34% | -0.84% | 0.69% | 0.38% | -0.53% |
| 10-Year | -3.05% | -3.62% | -2.71% | -5.14% | -4.08% |
| Life | 8.71% | 8.55% | 5.17% | - | - |
| Gross Expense | 1.32% | 1.32% | 0.91% | - | - |
| Net Expense | 1.29% | 1.29% | 0.88% | - | - |
| Inception | 10/20/69 | 10/20/69 | 9/8/95 | - | - |

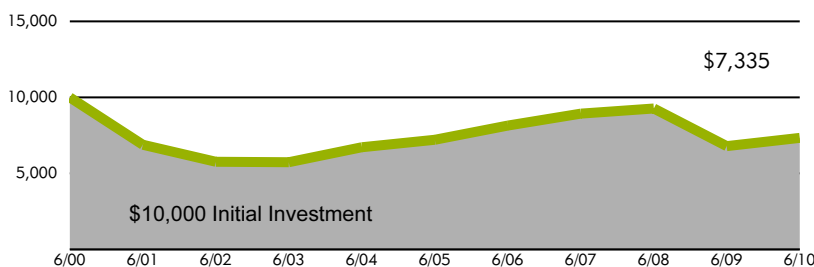
Calendar Year Returns

| Year | Class A | Class Y | Russell 1000 Growth | Lipper Large-Cap Growth |
|------|---------|---------|---------------------|-------------------------|
| 2009 | 25.61% | 26.37% | 37.21% | 35.08% |
| 2008 | -39.51% | -39.32% | -38.44% | -40.70% |
| 2007 | 27.90% | 28.18% | 11.81% | 14.97% |
| 2006 | 2.70% | 3.06% | 9.07% | 4.72% |
| 2005 | 15.18% | 15.63% | 5.26% | 7.58% |
| 2004 | 5.58% | 5.86% | 6.30% | 7.45% |
| 2003 | 30.13% | 30.70% | 29.75% | 26.96% |
| 2002 | -20.41% | -20.10% | -27.88% | -28.11% |
| 2001 | -24.67% | -24.44% | -20.42% | -23.87% |
| 2000 | -1.07% | -0.82% | -22.42% | -19.68% |

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. Please visit www.waddell.com for the most recent month-end performance.

- ¹ 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.
- ² Russell 1000 Growth is an unmanaged index comprised of securities that represent the large cap sector of the stock market. It is not possible to invest directly in an index.
- ³ Performance results include the effect of a voluntary fee waiver in effect through September 16, 2016. If those arrangements had not been in place, the performance results would have been lower.

GROWTH OF A \$10,000 INVESTMENT Class A shares- 06/30/2000-6/30/2010



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.

LIPPER RANKINGS

Category: Lipper Large-Cap Growth Funds

| | Rank | Percentile |
|---------|---------|------------|
| 1 Year | 709/845 | 84 |
| 3 Year | 208/730 | 29 |
| 5 Year | 184/615 | 30 |
| 10 Year | 102/334 | 31 |

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

MORNINGSTAR STYLE BOX⁴

Source: Morningstar



PORTFOLIO MANAGEMENT

Daniel P. Becker, CFA

Waddell & Reed Investment Management Co.
21 years in industry
12 years with fund

Philip J. Sanders, CFA

Waddell & Reed Investment Management Co.
21 years in industry
3 years with fund

OBJECTIVE

To provide appreciation of your investment.

INVESTMENT APPROACH

The Fund uses a bottom-up strategy focusing on companies that we feel have dominant market positions and established competitive advantages. We believe that these characteristics can help to mitigate competition and lead to increased revenue and earnings growth. Other factors considered are the company's product line, quality of management, and changes in economic and political conditions.



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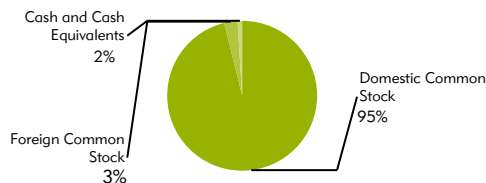
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PORTFOLIO COMPOSITION⁵

(as a % of net assets)



TOP 10 EQUITY HOLDINGS⁵

(as a % of net assets)

| | |
|----------------------|------|
| Apple | 8.1% |
| Microchip Technology | 4.8% |
| Colgate-Palmolive | 4.7% |
| Hewlett-Packard | 4.4% |
| Cisco Systems | 4.3% |
| Google | 4.3% |
| J.P. Morgan Chase | 4.1% |
| Wynn Resorts | 3.8% |
| Schlumberger | 3.8% |
| NetApp | 3.8% |

TOP 5 SECTORS⁵

(as a % of equity holdings)

| | |
|------------------------|-------|
| Information Technology | 45.0% |
| Consumer Discretionary | 13.8% |
| Health Care | 13.0% |
| Financials | 11.6% |
| Consumer Staples | 5.4% |

TICKER SYMBOL

| | | | |
|---------|-------|---------|-------|
| Class A | UNVGX | Class Y | WAVYX |
| Class B | WRVBX | | |
| Class C | WAVCX | | |

PORTFOLIO CHARACTERISTICS⁶

| | |
|---------------------------|---------------|
| Fund Inception | 10/20/1969 |
| Net Assets | \$1.1 bil |
| Dividends | Semi-Annually |
| Turnover Rate (3/31/2010) | 67% |
| Number equity holdings | 46 |
| Median market cap | \$22.1 bil |
| Alpha | 0.08 |
| Beta | 0.96 |
| R-Squared | 89.07 |
| Standard Deviation | 17.37 |
| Sharpe Ratio | -0.13 |

Consider all factors. 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.

⁴ The style box reveals a fund's investment strategy by displaying the fund's investment style and the market capitalization of the stocks owned.

⁵ Information is subject to change and is not intended to represent any past or future investment recommendations.

⁶ Alpha, Beta, R-Squared, Standard Deviation and Sharpe Ratio are 5 year statistics that represent the fund's oldest share class. Alpha is a measure of a fund's actual returns and expected performance, given its level of risk (as measured by beta). Beta reflects the sensitivity of the fund's return to fluctuations in the market index. R-squared indicated how much of a fund's fluctuations were attributable to movements in the fund's benchmark. Standard deviation is a measure of how volatile a fund's returns are. Sharpe ratio is a measure of a fund's risk-adjusted performance.

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 Waddell & Reed Advisors Funds, call your financial advisor or visit us online at www.waddell.com. Please read the prospectus carefully before investing.



Waddell & Reed, Inc.

MFA1792 (07/10)

Not A Deposit | Not FDIC Insured | May Lose Value | No Bank Guarantee | Not Insured By Any Federal Government Agency