



Waddell & Reed Advisors

# Dividend Opportunities Fund [WDVAX]

Q2/10 Portfolio information as of June 30, 2010

Infinite Loop Category: Great American Companies

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

### Average Annual Total Returns

| Period        | Class A NAV | Class A Load | Class Y | Russell 1000 | Lipper Equity Income |
|---------------|-------------|--------------|---------|--------------|----------------------|
| 3-Month       | -13.15%     | -18.14%      | -13.12% | -11.44%      | -10.07%              |
| YTD           | -9.98%      | -15.16%      | -9.80%  | -6.40%       | -5.80%               |
| 1-Year        | 5.28%       | -0.77%       | 5.63%   | 15.24%       | 14.37%               |
| 3-Year        | -10.50%     | -12.25%      | -10.15% | -9.54%       | -9.36%               |
| 5-Year        | 0.00%       | -1.18%       | 0.36%   | -0.56%       | -0.25%               |
| Life          | 3.52%       | 2.65%        | 3.90%   | 3.29%        | 3.45%                |
| Gross Expense | 1.40%       | 1.40%        | 0.96%   | -            | -                    |
| Net Expense   | 1.40%       | 1.40%        | 0.96%   | -            | -                    |
| Inception     | 7/1/03      | 7/1/03       | 7/1/03  | -            | -                    |

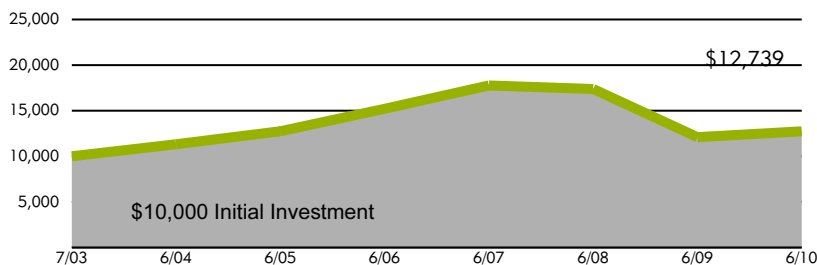
### Calendar Year Returns

| Year | Class A | Class Y | Russell 1000 | Lipper Equity Income |
|------|---------|---------|--------------|----------------------|
| 2009 | 18.71%  | 19.12%  | 28.43%       | 22.86%               |
| 2008 | -37.04% | -36.76% | -37.60%      | -33.77%              |
| 2007 | 16.78%  | 17.09%  | 5.77%        | 2.98%                |
| 2006 | 15.75%  | 16.13%  | 15.46%       | 18.40%               |
| 2005 | 13.27%  | 13.76%  | 6.27%        | 5.80%                |
| 2004 | 11.80%  | 12.22%  | 11.40%       | 13.02%               |

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](http://www.waddell.com) for the most recent month-end performance.

- <sup>1</sup> 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.
- <sup>2</sup> Formerly known as Waddell & Reed Advisors Dividend Income Fund.
- <sup>3</sup> Russell 1000 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.

## GROWTH OF A \$10,000 INVESTMENT Class A shares- 7/1/2003-6/30/2010



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

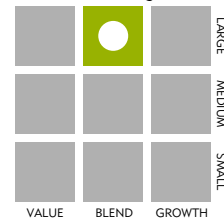
Category: Lipper Equity Income Funds

|        | Rank    | Percentile |
|--------|---------|------------|
| 1 Year | 276/280 | 99         |
| 3 Year | 165/238 | 70         |
| 5 Year | 91/192  | 48         |

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

## MORNINGSTAR STYLE BOX<sup>4</sup>

Source: Morningstar



## PORTFOLIO MANAGEMENT

David P. Ginther, CPA

Waddell & Reed Investment Management Co.  
15 years in industry  
6 years with fund

## OBJECTIVE

To provide total return.

## INVESTMENT APPROACH

The Fund invests primarily in dividend-paying common stocks of large companies that we believe may accelerate or grow their dividend payout ratio and that also demonstrate favorable prospects for long-term capital growth. The portfolio manager focuses on companies with high dividend yields considered relatively safe; with above average market yield that the manager expects will continue to maintain or grow; that pay a small dividend that could grow, or no dividend, but may initiate a dividend. Other factors for portfolio selection include a company's established operating history, profitability record, management and leadership position in its industry.



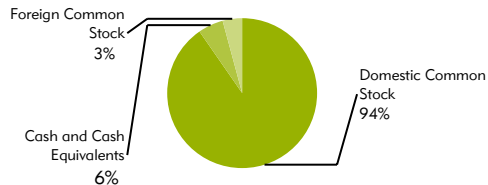
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## PORTFOLIO COMPOSITION<sup>5</sup> (as a % of net assets)



## TOP 5 SECTORS<sup>5</sup> (as a % of equity holdings)

|                        |       |
|------------------------|-------|
| Industrials            | 18.5% |
| Energy                 | 17.6% |
| Financials             | 15.2% |
| Information Technology | 12.8% |
| Consumer Staples       | 11.6% |

## TICKER SYMBOL

|         |       |         |       |
|---------|-------|---------|-------|
| Class A | WDVAX | Class Y | WDVYX |
| Class B | WDVBX |         |       |
| Class C | WDVCX |         |       |

## PORTFOLIO CHARACTERISTICS<sup>6</sup>

|                           |             |
|---------------------------|-------------|
| Fund Inception            | 7/1/2003    |
| Net Assets                | \$588.3 mil |
| Dividends                 | Quarterly   |
| Turnover Rate (3/31/2010) | 46%         |
| Number equity holdings    | 55          |
| Median market cap         | \$23.7 bil  |
| Alpha                     | 0.44        |
| Beta                      | 0.88        |
| R-Squared                 | 90.63       |
| Standard Deviation        | 15.84       |
| Sharpe Ratio              | -0.17       |

## TOP 10 EQUITY HOLDINGS<sup>5</sup> (as a % of net assets)

|                             |      |
|-----------------------------|------|
| Microchip Technology        | 3.8% |
| Schlumberger                | 3.4% |
| Capital One Financial       | 3.2% |
| Halliburton                 | 3.1% |
| Deere & Company             | 3.0% |
| Union Pacific               | 3.0% |
| Philip Morris International | 3.0% |
| J.P. Morgan Chase           | 2.8% |
| Emerson Electric Co.        | 2.7% |
| Colgate-Palmolive           | 2.6% |

**Consider all factors.** Dividend paying investments may not experience the same price appreciation as non-dividend paying investments. 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.

<sup>4</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>5</sup> Information is subject to change and is not intended to represent any past or future investment recommendations.

<sup>6</sup> 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](http://www.waddell.com). Please read the prospectus carefully before investing.**

