



IVY

# Asset Strategy Fund [WASCX]

Q2/10 Portfolio information as of June 30, 2010



## FUND PERFORMANCE<sup>1,2,3,4,5,6</sup>

### Average Annual Total Returns

Period	Class A NAV	Class A Load	Class C NAV	Class C Load	Class Y	Citi BIG	S&P 500	Citi Cert of Deposit 1 Month	Lipper Global Flexible Portfolio
3-Month	-7.98%	-13.28%	-8.14%	-9.06%	-7.97%	3.67%	-11.43%	0.07%	-5.55%
YTD	-7.41%	-12.73%	-7.76%	-8.68%	-7.39%	5.27%	-6.65%	0.11%	-3.38%
1-Year	7.95%	1.74%	7.15%	7.15%	8.02%	9.03%	14.43%	0.22%	10.65%
3-Year	2.27%	0.27%	1.50%	1.50%	2.27%	7.95%	-9.81%	2.05%	-3.19%
5-Year	11.25%	9.94%	10.43%	10.43%	11.26%	5.77%	-0.79%	3.17%	5.08%
10-Year	-	-	7.06%	7.06%	7.92%	6.61%	-1.59%	2.91%	5.60%
Life	7.84%	7.20%	8.73%	8.73%	9.82%	-	-	-	-
Gross Expense	1.03%	1.03%	1.80%	1.80%	1.09%	-	-	-	-
Net Expense	1.03%	1.03%	1.80%	1.80%	1.00%	-	-	-	-
Inception	7/10/00	7/10/00	4/20/95	4/20/95	12/29/95	-	-	-	-

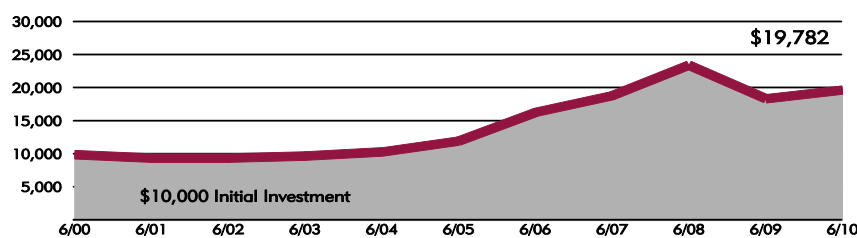
### Calendar Year Returns

Year	Class A	Class C	Class Y	Citigroup BIG	S&P 500	Citi Cert of Deposit 1 Month	Lipper Global Flexible Portfolio
2009	23.81%	22.84%	23.86%	5.06%	26.46%	0.32%	25.13%
2008	-25.90%	-26.44%	-25.93%	7.02%	-37.00%	3.50%	-5.43%
2007	41.31%	40.28%	41.28%	7.22%	5.49%	5.40%	0.65%
2006	19.78%	18.89%	19.84%	4.33%	15.79%	5.15%	4.85%
2005	22.28%	21.37%	22.28%	2.57%	4.91%	3.32%	6.84%
2004	12.92%	12.06%	13.04%	4.48%	10.88%	1.42%	8.07%
2003	11.43%	10.55%	11.49%	4.20%	28.68%	1.20%	10.65%
2002	3.09%	2.30%	3.19%	10.09%	-22.10%	1.79%	8.59%
2001	-10.98	-11.74%	-10.91%	8.52%	-11.89%	4.14%	6.96%
2000	-	20.66%	21.75%	11.59%	-9.10%	6.53%	6.54%

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

- 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%. For Class C shares, a 1% CDSC applies to the lesser of amount invested or redemption value of shares redeemed within twelve months after the purchase date. Class Y shares are not subject to sales charges.
- For Class C shares, performance prior to 3/24/00 is based on the fund's original Class B shares, which were combined with Class C Shares, effective 3/24/00, and redesignated as Class C shares. New Class B shares with fees and expenses different than the original Class B shares were added to Ivy Funds on 6/30/00.
- S&P 500 is an unmanaged index of common stocks. It is not possible to invest directly in an index.
- Through July 31, 2011, 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 reimburse sufficient 12b-1 and/or shareholder servicing fees to cap the expenses for the Fund's Class E shares at 1.00% and Class Y shares at 1.00%. Prior to that date, the expense limitation may not be terminated by IFDI, WISC or the Fund's Board of Trustees.
- Citigroup Broad Investment Grade is an unmanaged index comprised of securities that represent the bond market. It is not possible to invest directly in an index.
- Citigroup Certificate of Deposit 1-Month is an unmanaged index of certificates of deposits maturing in one month. It is not possible to invest directly in an index.

## GROWTH OF A \$10,000 INVESTMENT Class C 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.

★★★★

### Overall Morningstar Rating\*

Class C Shares among 157 World Allocation funds. Based on risk-adjusted returns. The fund received 4 stars for the 3-year period among 157 funds, 5 stars for the 5-year period among 99 funds and 4 stars for the 10-year period among 50 funds.

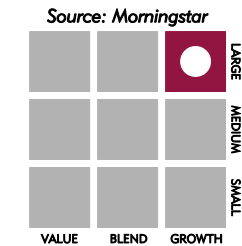
## LIPPER RANKINGS

Category: Lipper Global Flexible Portfolio

	Rank	Percentile
1 Year	132/174	76
3 Year	13/83	16
5 Year	7/49	14
10 Year	12/29	40

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

## MORNINGSTAR STYLE BOX<sup>7</sup>



## PORTFOLIO MANAGEMENT

**Michael L. Avery**  
Portfolio Manager  
Ivy Investment Management Co.  
32 years in industry  
13 years with fund

**Ryan F. Caldwell**  
Portfolio Manager  
Ivy Investment Management Co.  
13 years in industry  
3 years with fund

**Jonas M. Krumply, CFA**  
Assistant Portfolio Manager  
Ivy Investment Management Co.  
28 years in industry  
2 years with fund

**Aaron Young**  
Investment Analyst  
Ivy Investment Management Co.  
6 years in industry  
3 years with fund

## OBJECTIVE

To provide high total return over the long term.

## INVESTMENT APPROACH

The fund may invest in any market that we believe offers a high probability of return or, alternatively, that provides a high degree of safety in uncertain times. Dependent on the outlook for the U.S. and global economies, we make top-down allocations among stocks, bonds, cash, precious metals and currency markets around the globe. After determining allocations, we seek attractive opportunities within each market.



IVY

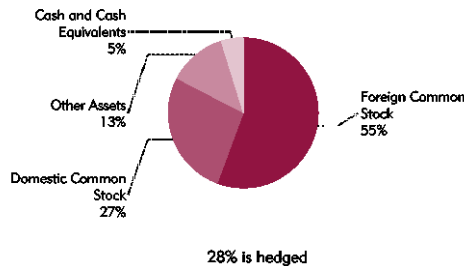
# Asset Strategy Fund [WASCX]

Q2/10 Portfolio information as of June 30, 2010



## PORTFOLIO COMPOSITION<sup>8</sup>

(as a % of net assets)



## TOP 10 EQUITY HOLDINGS<sup>8</sup>

(as a % of net assets)

Wynn Resorts	4.5%
Hyundai Motor Company	4.5%
Industrial & Commercial Bank of China	3.2%
Standard Chartered	3.0%
MediaTek Incorporation	3.0%
China Life Insurance	2.8%
Sands China Ltd.	2.6%
Apple	2.6%
Starwood Hotels & Resorts Worldwide, Inc.	2.0%
Volkswagen Aktiengesellschaft	1.9%

## TOP 5 COUNTRIES<sup>8</sup>

(as a % of equity holdings)

United States	31.3%
China	19.6%
South Korea	7.6%
Hong Kong	6.4%
United Kingdom	6.7%

## TOP 5 SECTORS<sup>8</sup>

(as a % of equity holdings)

Consumer Discretionary	31.6%
Financials	22.2%
Information Technology	21.8%
Energy	8.7%
Materials	6.5%

## QUALITY<sup>8,9</sup>

(as a % of bond holdings)

Gov't	27.8%
AAA	0.0%
AA	1.0%
A	0.0%
BBB	0.0%
BB	19.3%
B	29.9%
Below B	0.0%
Non-Rated	21.9%

## TICKER SYMBOL

Class A	WASAX	Class E	IASEX
Class B	WASBX	Class I	IVAEX
Class C	WASCX	Class R	IASRX
Class Y	WASYX		

## PORTFOLIO CHARACTERISTICS<sup>10</sup>

Fund Inception	4/20/1995
Net Assets	\$20.4 bil
Dividends	Quarterly
Turnover Rate (3/31/2010)	96%
Number holdings	187
Number equity holdings	72
Median market cap	\$17.9 bil
Alpha	10.68
Beta	0.53
R-Squared	37.12
Standard Deviation	14.63
Sharpe Ratio	0.53
Average Maturity years	0.33
Effective Duration years	(0.11)

**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. The Fund may allocate from 0-100% of its assets between stocks, bonds and short-term instruments, across domestic and foreign securities. 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 risks are magnified in emerging markets. Fixed income securities are subject to interest rate risk and, as such, the net asset value of the fund may fall as interest rates rise. Investing in high-income securities may carry a greater risk of nonpayment of interest or principal than higher-rated bonds. The Fund may focus its investments in certain regions or industries, thereby increasing its potential vulnerability to market volatility. The Fund may use short-selling or derivatives to hedge various instruments, for risk management purposes or to increase investment income or gain in the Fund. These techniques involve additional risk, as short selling involves the risk of potentially unlimited increase in the market value of the security sold short, which could result in potentially unlimited loss for the fund, and the value of investments in derivatives may not correlate perfectly with the overall securities markets or with the underlying asset from which the derivative's value is derived. Investing in physical commodities, such as gold, exposes the Fund to other risk considerations such as potentially severe price fluctuations over short periods of time and storage costs that exceed the custodial and/or brokerage costs associated with the Fund's other holdings. 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>7</sup> The style boxes reveal a fund's investment strategy by displaying, for equity, the fund's investment style and the market capitalization of the stocks owned and for fixed income, the average credit quality of the bonds owned and the interest rate sensitivity, as measured by a bond's maturity.

<sup>8</sup> Information is subject to change and is not intended to represent any past or future investment recommendations.

<sup>9</sup> Ratings obtained from Standard & Poor's. For securities not rated by Standard & Poor's, ratings obtained from Moody's.

<sup>10</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.

<sup>\*</sup> For each fund with at least a 3-year history, Morningstar calculates a risk-adjusted return measure that accounts for variation in a fund's monthly performance (including the effects of all sales charges), placing emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund and rated separately.) A fund's overall rating is derived from a weighted average of the 3-, 5- and 10-year (if applicable) rating metrics. Morningstar Rating is for the share classes specified; other classes may have different performance characteristics.

**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>**  
PROVEN | FOCUSED | CONSTANT