



IVY

Limited-Term Bond Fund [WLBCX]

Q2/10 Portfolio information as of June 30, 2010

FUND PERFORMANCE^{1,2,3}

Average Annual Total Returns

Period	Class A NAV	Class A Load	Class C NAV	Class C Load	Class Y	Citigroup Govt/Credit 1-5 Yr	Lipper Short-Inter Inv Grade Debt
3-Month	1.65%	-0.89%	1.47%	0.47%	1.66%	1.79%	2.06%
YTD	2.80%	0.23%	2.46%	1.46%	2.81%	3.01%	3.92%
1-Year	5.95%	3.30%	5.19%	5.19%	5.98%	5.60%	9.57%
3-Year	6.99%	6.09%	6.18%	6.18%	7.05%	6.11%	5.52%
5-Year	5.11%	4.58%	4.27%	4.27%	5.21%	4.99%	4.28%
10-Year	-	-	4.06%	4.06%	5.02%	5.42%	5.13%
Life	4.87%	4.60%	4.06%	4.06%	4.89%	-	-
Gross Expense	1.06%	1.06%	1.74%	1.74%	1.01%	-	-
Net Expense	1.06%	1.06%	1.74%	1.74%	1.01%	-	-
Inception	8/17/00	8/17/00	9/21/92	09/21/92	12/29/95	-	-

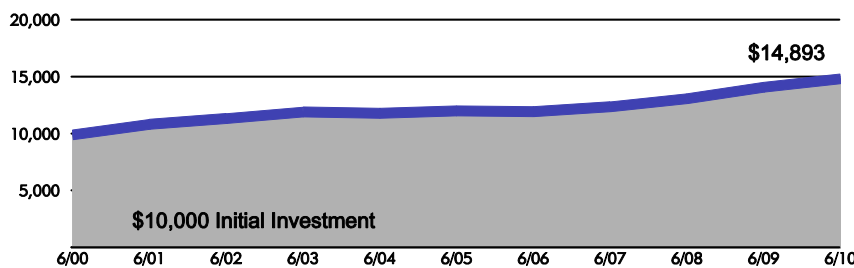
Calendar Year Returns

Year	Class A	Class C	Class Y	Citigroup Govt/Credit 1-5 Yr	Lipper Short-Inter Inv Grade Debt
2009	5.98%	5.23%	6.02%	4.62%	11.84%
2008	7.41%	6.57%	7.48%	5.30%	-2.82%
2007	5.72%	4.80%	5.90%	7.30%	5.39%
2006	3.47%	2.57%	3.58%	4.30%	4.07%
2005	1.24%	0.38%	1.38%	1.47%	1.35%
2004	1.23%	0.36%	1.34%	1.89%	2.64%
2003	2.83%	1.95%	2.86%	3.51%	3.85%
2002	5.01%	4.06%	4.99%	8.08%	7.16%
2001	8.86%	7.82%	8.84%	9.13%	7.82%
2000	-	7.18%	8.24%	8.97%	8.76%

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 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 2.5%. For Class C shares, a 1% CDSC applies to the lesser of amount invested or redemption value of shares redeemed within 12 months after the purchase date. Class Y shares are not subject to sales charges.
- ² 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.
- ³ Citigroup Govt./Credit 1-5 Yr is an unmanaged index comprised of securities that represent the government and corporate bond market. 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 398 Short-Term Bond funds. Based on risk-adjusted returns. The fund received 5 stars for the 3-year period among 398 funds, 4 stars for the 5-year period among 336 funds and 3 stars for the 10-year period among 180 funds.*

LIPPER RANKINGS

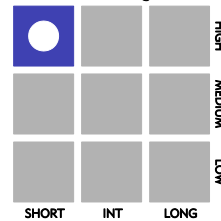
Category: Lipper Short-Intermediate Investment Grade Debt Funds

	Rank	Percentile
1 Year	144/150	96
3 Year	64/140	46
5 Year	76/130	59
10 Year	67/72	92

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

MORNINGSTAR STYLE BOX⁴

Source: Morningstar



PORTFOLIO MANAGEMENT

Mark J. Otterstrom, CFA

Ivy Investment Management Co.
24 years in industry
1 year with fund

OBJECTIVE

To provide a high level of current income consistent with preservation of capital.

INVESTMENT APPROACH

The Fund seeks attractive total returns with less volatility than the broad market indexes. We may look at a number of factors in selecting securities for the Fund's portfolio, beginning with a review of the broad economic and financial trends in the U.S. and world markets. This process aids in the determination of economic fundamentals, which leads to sector allocation. Within a sector, we typically consider a security's current coupon, maturity and relative value along with the creditworthiness of the particular issuer.



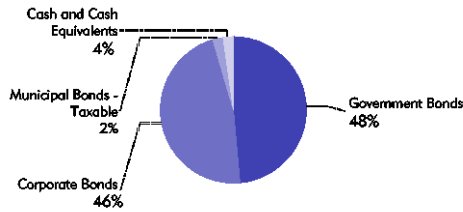
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Q2/10 Portfolio information as of June 30, 2010

PORTFOLIO COMPOSITION⁵

(as a % of net assets)



TOP 10 HOLDINGS⁵

(as a % of net assets)

United States Treasury Note	3.4%
United States Treasury Note	3.0%
United States Treasury Note	2.4%
United States Treasury Note	1.9%
United States Treasury Note	1.9%
United States Treasury Note	1.9%
United States Treasury Note	1.9%
Federal National Mortgage Association	1.8%
Federal Home Loan Bank	1.5%
Federal National Mortgage Association Non-Agency REMIC/CMO	1.2%
United States Treasury Notes	1.2%

QUALITY^{5,6}

(as a % of bond holdings)

Gov't	50.9%
AAA	4.1%
AA	9.0%
A	15.5%
BBB	20.1%
BB	0.3%
B	0.0%
Below B	0.0%
Non-Rated	0.0%

MATURITY⁵

(as a % of bond holdings)

<1 Year	10.1%
1-5 Years	80.5%
6-10 Years	8.3%
11-20 Years	1.0%
>20 Years	0.0%

TICKER SYMBOL

Class A	WLTX	Class Y	WLTXY
Class B	WLTBX	Class I	ILTIX
Class C	WLBCX		

PORTFOLIO CHARACTERISTICS^{7,8}

Fund Inception	9/21/1992
Net Assets	\$1.1 bil
Dividends	Daily, Paid Monthly
Turnover Rate (3/31/2010)	33%
Number of Holdings	167
Alpha	0.07
Beta	0.85
R-Squared	82.99
Standard Deviation	2.13
Sharpe Ratio	0.77
Average Maturity years	3.23
Effective Duration years	2.88
30 Day SEC Yield	0.73%

Consider all factors. 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. 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 describe in the fund's prospectus. Not all funds or fund classes may be offered at all broker/dealers.

⁴ The style boxes reveal a fund's investment strategy by displaying, for fixed income, the average credit quality of the bonds owned and the interest rate sensitivity, as measured by a bond's maturity.

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

⁶ Ratings obtained from Standard & Poor's. For securities not rated by Standard & Poor's, ratings obtained from Moody's.

⁷ 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.

⁸ 30-Day SEC Yield represents hypothetical net investment income earned by a fund over a 30-day period, expressed as an annual percentage rate based on the fund's share price at the end of the 30-day period. This hypothetical income will differ (at times, significantly) from the fund's actual experience; as a result, income distributions from the fund may be higher or lower than implied by the SEC yield.

* 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. Please read the prospectus carefully before investing.



IVY FUNDS[®]
PROVEN | FOCUSED | CONSTANT