



IVY

Real Estate Securities Fund [IRSAX]

Q2/10 Portfolio information as of June 30, 2010

FUND PERFORMANCE^{1,2,3,4}

Average Annual Total Returns

Period	Class A NAV	Class A Load	Class Y	Wilshire RESI	Lipper Real Estate
3-Month	-4.21 %	-9.72 %	-4.11 %	-4.31 %	-4.02 %
YTD	5.31 %	-0.75 %	5.56 %	5.41 %	5.21 %
1-Year	48.30 %	39.78 %	49.12 %	56.11 %	51.95 %
3-Year	-9.60 %	-11.37 %	-9.08 %	-10.52 %	-10.17 %
5-Year	-1.23 %	-2.39 %	-0.80 %	-0.49 %	-0.76 %
10-Year	9.31 %	8.67 %	-	9.48 %	8.73 %
Life	9.29 %	8.72 %	5.21 %	-	-
Gross Expense	1.93 %	1.93 %	1.39 %	-	-
Net Expense	1.93 %	1.93 %	1.39 %	-	-
Inception Date	2/25/99	2/25/99	12/8/03	-	-

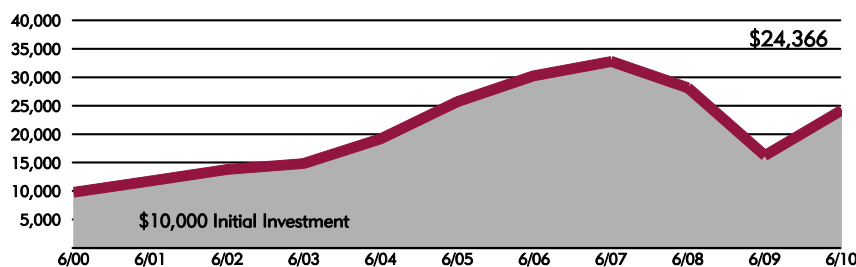
Calendar Year Returns

Year	Class A	Class Y	Wilshire RESI	Lipper Real Estate
2009	23.28 %	24.31 %	29.01 %	30.33 %
2008	-36.43 %	-36.11 %	-39.83 %	-39.93 %
2007	-16.50 %	-16.31 %	-17.66 %	-13.50 %
2006	29.81 %	30.16 %	35.68 %	31.46 %
2005	10.46 %	10.72 %	13.82 %	12.27 %
2004	34.69 %	34.93 %	34.83 %	32.13 %
2003	41.14 %	-	37.08 %	37.21 %
2002	6.19 %	-	2.66 %	3.63 %
2001	9.60 %	-	10.45 %	10.12 %
2000	25.66 %	-	30.71 %	25.56 %

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 5.75%. Class Y shares are not subject to sales charges.
- ² The Advantus Real Estate Securities Fund merged into the Ivy Real Estate Securities Fund on Dec. 8, 2003. The performance shown for periods prior to this date is that of the Advantus Real Estate Securities Fund Class A shares, restated to reflect current sales charges applicable to Ivy Real Estate Securities Fund Class A shares. Performance has not been restated to reflect the fees and expenses applicable to the Ivy Real Estate Securities Fund. If these expenses were reflected, performance shown would differ.
- ³ Wilshire RESI is an unmanaged index comprised of securities that represent the real estate securities market. It is not possible to invest directly in an index.
- ⁴ Performance results include the effect of expense reduction arrangements. 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

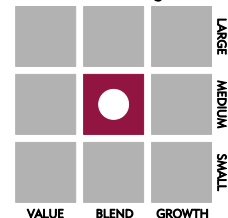
Category: Lipper Real Estate Funds

	Rank	Percentile
1 Year	171/228	75
3 Year	109/207	53
5 Year	124/174	71
10 Year	33/82	40

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

MORNINGSTAR STYLE BOX⁵

Source: Morningstar



PORTFOLIO MANAGEMENT

Joseph R. Bettej, CFA

Advantus Capital Management, Inc. (Subadvisor)
25 years in industry
11 years with fund

Lowell R. Bolken

Advantus Capital Management, Inc. (Subadvisor)
19 years in industry
4 years with fund

OBJECTIVE

To provide total return through a combination of capital appreciation and current income.

INVESTMENT APPROACH

The Fund's subadvisor utilizes a bottom-up fundamental stock-picking approach, which includes consideration of factors such as an issuer's financial condition, financial performance, quality of management, policies and strategies, real estate properties, and competitive market condition.



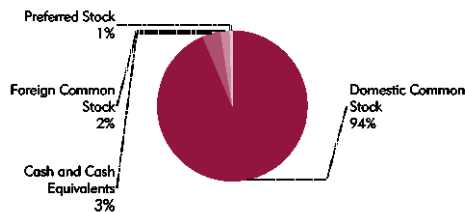
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PORTFOLIO COMPOSITION⁶

(as a % of net assets)



TOP 10 EQUITY HOLDINGS⁶

(as a % of net assets)

Simon Property Group	9.3%
Health Care Property Investors	4.6%
Boston Properties	4.3%
Equity Residential	4.3%
Public Storage	3.9%
Vornado Realty Trust	3.8%
Host Hotels & Resorts, Inc.	3.5%
Digital Realty Trust	3.4%
Macerich Company	2.7%
Brookfield Properties Corporation	2.0%

TOP 5 SECTORS⁶

(as a % of equity holdings)

Financials	97.9%
Consumer Discretionary	0.9%
Health Care	0.6%
Telecommunication Services	0.5%

TICKER SYMBOL

Class A	IRSAX	Class E	IREEX
Class B	IRSBX	Class I	IREIX
Class C	IRSCX	Class R	IRSRX
Class Y	IRSYX		

PORTFOLIO CHARACTERISTICS⁷

Fund Inception	2/25/1999
Net Assets	\$311.0 mil
Dividends	Quarterly
Turnover Rate (3/31/2010)	72%
Number equity holdings	66
Median market cap	\$2.1 bil
Alpha	-1.38
Beta	0.88
R-Squared	99.48
Standard Deviation	30.09
Sharpe Ratio	-0.13

Consider all factors. Investment risks associated with investing in real estate securities, in addition to other risks, include rental income fluctuation, depreciation, property tax value changes and differences in real estate market values. Because the Fund invests more than 25% of its total assets in the real estate industry, the fund may be more susceptible to a single economic, regulatory, or technical occurrence than a fund that does not concentrate its investments in this industry. 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.

⁵ The style box reveals a fund's investment strategy by displaying the fund's investment style and the market capitalization of the stocks owned.

⁶ Information is subject to change and is not intended to represent any past or future investment recommendations.

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.

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