



IVY

International Balanced Fund [IVBAX]

Q2/10 Portfolio information as of June 30, 2010

Infinite Loop Category: Global Rebalancing

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

Average Annual Total Returns

Period	Class A NAV	Class A Load	Class Y	MSCI AC World ex US	JP Morgan Non-US	Lipper Mixed-Target Alloc. Growth
3-Month	-8.39%	-13.66%	-8.36%	-12.45%	0.02%	-7.76%
YTD	-7.78%	-13.08%	-7.69%	-11.06%	-1.91%	-4.24%
1-Year	9.40%	3.11%	9.56%	10.43%	2.95%	12.80%
3-Year	-6.43%	-8.26%	-6.29%	-10.70%	8.48%	-5.74%
5-Year	2.32%	1.12%	2.46%	3.38%	5.35%	0.95%
10-Year	4.66%	4.04%	-	1.86%	6.66%	1.30%
Life	6.14%	5.74%	5.02%	-	-	-
Gross Expense	1.46%	1.46%	1.33%	-	-	-
Net Expense	1.46%	1.46%	1.33%	-	-	-
Inception	9/16/94	9/16/94	12/08/03	-	-	-

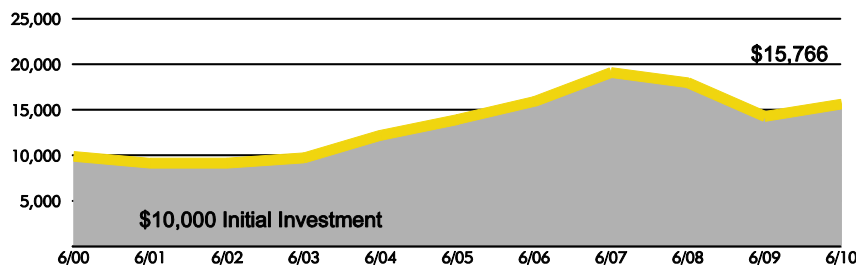
Calendar Year Returns

Year	Class A	Class Y	MSCI AC World ex US	JP Morgan Non-US	Lipper Mixed-Target Alloc. Growth
2009	28.08%	28.43%	41.45%	3.94%	25.28%
2008	-32.49%	-32.47%	-45.53%	11.40%	-29.85%
2007	9.19%	9.31%	17.12%	11.30%	6.53%
2006	22.43%	22.57%	27.16%	6.84%	13.55%
2005	4.24%	4.19%	17.11%	-9.24%	5.61%
2004	18.40%	18.42%	21.36%	12.04%	9.80%
2003	37.94%	-	41.41%	18.63%	22.59%
2002	-3.73%	-	-14.67%	22.09%	-10.39%
2001	-8.74%	-	-19.50%	-3.59%	-1.04%
2000	1.27%	-	-15.09%	-2.47%	4.41%

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.

- 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.
- The Advantus International Balanced Fund merged into the Ivy International Balanced Fund on Dec. 8, 2003. The performance shown for periods prior to this date is that of the Advantus International Balanced Fund Class A shares, restated to reflect current sales charges applicable to Ivy International Balanced Fund Class A shares. Performance has not been restated to reflect the fees and expenses applicable to the Ivy International Balanced Fund. If these expenses were reflected, performance shown would differ.
- MSCI AC World Ex USA is an unmanaged index comprised of securities that represent the securities markets around the world excluding the USA. It is not possible to invest directly in an index.
- JP Morgan Non-US is an unmanaged index comprised of securities that represent the global market. It is not possible to invest directly in an index.

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

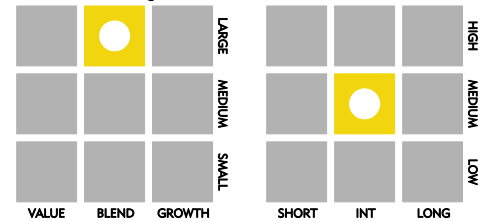
Category: Lipper Mixed-Asset Target Alloc Growth Funds

	Rank	Percentile
1 Year	513/577	89
3 Year	324/512	64
5 Year	67/421	16
10 Year	14/217	7

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

John C. Maxwell, CFA
Ivy Investment Management Co.
17 years in industry
1 year with fund

OBJECTIVE

To provide a high level of total return.

INVESTMENT APPROACH

The Fund invests principally in equity and debt securities traded in largely developed European and Asian/Pacific basin markets of issuers of any size, and investment grade debt securities issued by governmental agencies and corporations. In selecting equity securities, the Fund's manager use a top-down, macro thematic approach, along with a bottom-up stock selection process, and uses a combination of country analysis, industry dynamics and individual stock selection. Debt securities are selected, after an analysis of trends, based on the managers' judgment as to which securities are more likely to perform well under those conditions.



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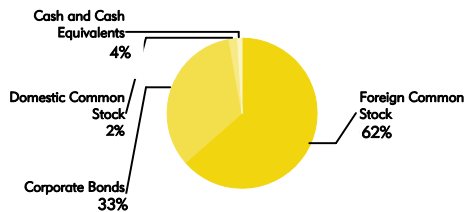
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Global Rebalancing



PORTFOLIO COMPOSITION⁶

(as a % of net assets)



TOP 10 EQUITY HOLDINGS⁶

(as a % of net assets)

TOTAL (France)	2.5%
Telstra Corp. (Australia)	1.9%
Unilever PLC (United Kingdom)	1.8%
Foster's Group Limited (Australia)	1.8%
High Tech Computer Corp. (Taiwan)	1.7%
ASTRAZENECA (United Kingdom)	1.7%
Vodafone Group (United Kingdom)	1.6%
Sanofi-Aventis (France)	1.5%
Roche Holdings (Switzerland)	1.5%
Companhia Energetica de Minas Gerais - CEMIG, ADR (Brazil)	1.4%

TOP 5 SECTORS⁶

(as a % of equity holdings)

Financials	18.1%
Consumer Discretionary	16.5%
Telecommunication Services	13.2%
Energy	10.6%
Information Technology	9.0%

TOP 5 COUNTRIES⁶

(as a % of equity holdings)

United Kingdom	18.4%
Australia	17.6%
France	13.5%
Japan	8.5%
Hong Kong	6.4%

TICKER SYMBOL

Class A	IVBAX	Class Y	IVBYX
Class B	IVBBX	Class E	IIBEX
Class C	IVBCX	Class I	IIBIX

PORTFOLIO CHARACTERISTICS⁷

Fund Inception	9/16/1994
Net Assets	\$235.5 mil
Dividends	Quarterly
Turnover Rate (3/31/2010)	131%
Number equity holdings	59
Median market cap	\$19.1 bil
Alpha	-0.52
Beta	0.73
R-Squared	93.21
Standard Deviation	16.36
Sharpe Ratio	-0.02
Average Maturity years	3.52
Effective Duration years	3.02

Consider all factors. International investing involves additional risks, including currency fluctuations, political or economic conditions affecting the foreign country, and differences in accounting standards and foreign regulations. 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. Not all funds or fund classes may be offered at all broker/dealers. 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.

⁵ 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.

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