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## News Release

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### **Ivy Funds Introduces Asset Strategy New Opportunities Fund**

*With complementary strategy to Ivy Asset Strategy, new fund focuses on global small-, mid-cap equities*

OVERLAND PARK, KS, May 3, 2010/ – Ivy Funds, among the first to offer a flexible portfolio fund 15 years ago, today announced a complement to its original Asset Strategy Fund with a new go-anywhere, asset allocation product that focuses its equity allocation on small- and mid-cap companies from around the globe.

The Ivy Asset Strategy New Opportunities Fund, effective May 3, provides a way for investors to access investment ideas that the Asset Strategy team is finding in smaller companies and industries in various parts of the world.

“Ivy Asset Strategy New Opportunities Fund extends the Asset Strategy approach to include smaller, high growth companies, especially in emerging and frontier markets,” said Michael L. Avery, Chief Investment Officer of Ivy Investment Management Company and co-portfolio manager of the Ivy Asset Strategy Fund. “For investors, the new fund is a complement to the larger Ivy Asset Strategy Fund, which typically focuses on large-cap equities within its broader, go-anywhere strategy.”

The new fund brings a strong tradition of innovative thinking, risk management and global perspective to its portfolio. It is managed by Jonas Krumply, CFA, who has been an assistant portfolio manager on the larger Ivy Asset Strategy Fund for the last two years and has been with the Ivy Funds organization for six years. He has more than 20 years of industry experience. Krumply, as part of the overall Asset Strategy team, works closely with Avery and Ryan Caldwell, who co-manage the larger fund.

The combination of the Ivy Asset Strategy Fund and Ivy Asset Strategy New Opportunities Fund may provide investors with broad, global equity market coverage, with the flexibility and responsiveness to manage risk while capturing opportunity, according to Ivy Funds executives.

The Ivy Asset Strategy New Opportunities Fund will invest its equity allocation primarily in companies within the small- to mid-cap range (capitalizations within the range of \$0.5 billion to \$10 billion). By virtue of its smaller asset base, Ivy Asset Strategy New Opportunities Fund looks to realize greater benefit on the margin from positions in these smaller, high-growth firms.

“The smaller cap range I’m covering in Asset Strategy New Opportunities Fund will lead to market sector weightings and country allocations which may not necessarily reflect those of the larger fund,” said Krumply. “I’ll be pursuing similar global rebalancing themes, but will look at opportunities in additional geographies such as Southeast Asia, sub-Saharan Africa and the Middle East.”

The Asset Strategy New Opportunities Fund adds to Ivy's stable of mutual fund products, which now totals 33 different funds. The family covers all major asset categories, including domestic and international equities; domestic and international balanced funds; domestic and international fixed income funds; specialty funds and a money market fund. The Ivy Funds had approximately \$38 billion in total assets under management at March 31, 2010.

Ivy Funds has grown rapidly in recent years, and has consistently been named among the fastest growing fund families in the industry by Financial Research Corp. (FRC). Over the last 12 months, Ivy Funds has received other notable industry acknowledgement. In March 2009, Ivy Funds received national recognition as Sales Success of the Year at the 16<sup>th</sup> Annual Mutual Fund Industry Awards in New York. At the same event, Ryan Caldwell, co-portfolio manager of the Ivy Asset Strategy Fund was named a Rising Star of Mutual Funds. In September 2009, Ivy Funds Chief Investment Officer Mike Avery was named a Rising Star as part of the *InvestmentNews* Adviser's Choice Awards.

The Ivy Funds are managed by Ivy Investment Management Company and distributed by its subsidiary, Ivy Funds Distributor, Inc. Both are subsidiaries of Waddell & Reed Financial, Inc. (NYSE: WDR).

Past performance is no guarantee of future results. Please remember that, as with any mutual fund, investment return and principal value of an investment will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. 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. Investing in small or mid-cap stocks may carry more risk than investing in stocks of larger, more well-established companies. 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. These and other risks are more fully described in the fund's prospectus.

**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 any of the Ivy Funds, call your financial advisor or visit [www.ivyfund.com](http://www.ivyfund.com). Please read the prospectus carefully before investing.**