

Around the globe, the science of investing is being redefined as markets and economies become linked in ways not always obvious to investors. Like circuitry hidden from view, the connections are often evident only by their powerful effects. Ivy Funds explores the circuitry – across countries, asset classes and styles – and from this worldwide perspective builds portfolios that embrace the world.



The globe on the cover is due in thanks to Scan-Globe.

04IEOF700

#### IVY FUNDS' SHAREHOLDER SERVICES AND CONVENIENCES

- Exchange privileges at net asset value
- Automatic investment and systematic withdrawal programs
- Low minimum investments
- Low-cost IRA
- Account information available online at [www.ivyfund.com](http://www.ivyfund.com) or through MACK, Ivy Funds' automated voice response system (800.430.MACK)

The opinions expressed herein are those of Ivy Management, Inc. and Henderson Investors, are subject to change without notice and may not come to pass. The source for all information is Ivy Management, Inc. or Henderson Investors unless indicated otherwise.

This brochure is available only when preceded or accompanied by a current Ivy European Opportunities Fund prospectus. Please read it carefully before you invest or send money as it contains a complete description of all charges, expenses and an assessment of the special risks associated with international investing. It is important to note the value of an international investment may vary significantly as a result of economic and political developments, currency fluctuations and other factors. Risk due to investment in emerging markets may be heightened. Up to 20% of the Fund's assets may be invested in non-investment grade bonds, which carry a higher risk of default.

The investment return and principal value of Ivy European Opportunities Fund will fluctuate and at redemption shares may be worth more or less than the amount of the original investment. Past performance does not guarantee future results.

The Fund's investment in securities of initial public offerings (IPOs) may have a favorable impact on Fund performance. The availability of IPO securities is limited. As the Fund's assets increase IPO securities would likely become a smaller component of the overall Fund investments. Market volatility can significantly impact short-term performance. Results of an investment made today may differ substantially for historical performance.

**Past performance does not guarantee future results.**

Services and conveniences may be modified or terminated at any time.

Ivy International Fund is distributed by Ivy Mackenzie Distributors, Inc. – a member of the Mackenzie Financial Corporation group.

Ivy Funds  
Via Mizner Financial Plaza  
700 South Federal Highway  
Boca Raton, Florida 33432  
800.456.5111  
[www.ivyfund.com](http://www.ivyfund.com)  
E-mail: [invest@ivyfund.com](mailto:invest@ivyfund.com)

**Ivy Mackenzie**

## IVY EUROPEAN OPPORTUNITIES FUND



**IT'S YOUR WORLD –  
MAKE IT WORK FOR YOU WITH  
IVY EUROPEAN OPPORTUNITIES FUND**

International investing provides a world of opportunity that's as vast as you want it to be. With globalization of business and future economic growth rates worldwide anticipated to be higher than in the US, international investment opportunities are not only expanding, but also seem to be making better financial sense every day.

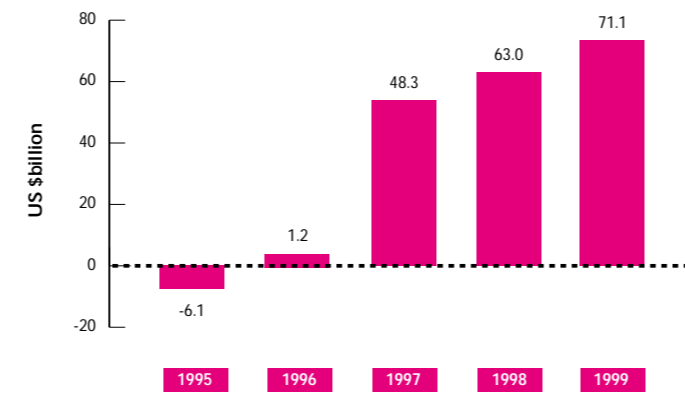
**THE "OLD WORLD" MEETS THE NEW –  
WITH IVY EUROPEAN OPPORTUNITIES FUND**

Why should investors consider Europe? First, we believe that it offers strong growth potential. Europe has a larger population than the US, but its market capitalization is only one-quarter the size. Second, Europe is experiencing tremendous economic change. This change is being driven by the same factors that influenced the US markets over the last decade:

- A new focus on profitability and shareholder returns. To remain competitive in the global economy, European firms are focusing on bottom-line profitability and maximizing shareholder value. As a result, mergers and acquisitions have increased 445% over the last five years.\*
- A growing equity culture. Individual investing has also increased dramatically - largely to bridge the gap between underfunded pensions and the retirement needs of an aging population. In 1996, for example, \$1.2 billion was invested in mutual funds in Germany, Italy, Spain and France. In 1999, that number grew to \$71.1 billion.\*\*
- A boom in initial public offerings. Companies are increasingly turning from private sources (such as banks) to the capital markets for financing. In Germany, the number of initial public offerings (IPOs) grew from just eight in 1992 to 166 in 1999.† The rise of innovative new businesses financed by investors bodes well for future economic growth.

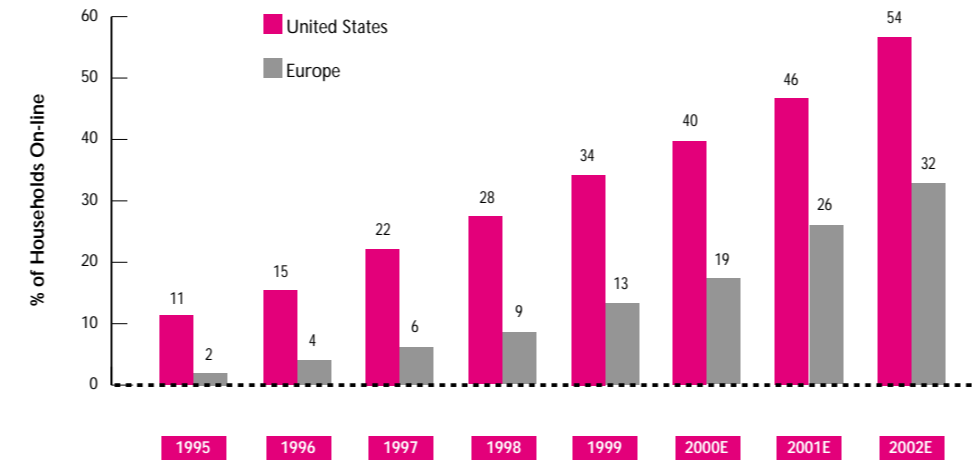
**THE BIRTH OF AN EQUITY CULTURE**

Net subscriptions to equity mutual funds in Germany, Italy, Spain and France (1995 - 1999)



Source: JP Morgan

**TECHNOLOGY INVESTMENT OPPORTUNITIES LAG THE US**



Source: Jupiter Communication

E = Estimate

Did you know? It's estimated that there is \$10-15 trillion in deposit savings that may eventually be transferred into the European equity markets.

*In addition, new technology is changing the way European businesses operate – boosting productivity, linking "old economy" companies to the "new," and expanding products and services. But because Europe still lags behind the US, many of the results have not yet been realized. And that may mean opportunity for US investors.*

**A FUND FOCUSING EXCLUSIVELY ON EUROPE**

Ivy European Opportunities Fund pursues its goal of long-term capital growth by investing in 40 to 60 of Europe's most dynamic companies. The Fund invests in countries such as France, Germany, Spain, Italy and the United Kingdom - that are fueling the changing European economy.

This unique time in European history is creating new and perhaps unprecedented investment opportunities. The Ivy European Opportunities Fund seeks to maximize these opportunities in Europe and to potentially provide investors with superior long-term returns.

Fund highlights:

- Regionally focused
- Multi-cap, bottom-up stock selection
- Opportunistic approach -focusing on the best opportunities, regardless of style or capitalization
- Provides access to some of Europe's fastest growing companies

**Old vs. New.** Like the US, Europe is slowly moving from an "old" product-based economy to a "new" technology-based economy. The Fund is well-positioned in companies that are technological innovators. But it also seeks to identify old-economy companies with a new-economy twist - traditional companies that are innovating and expanding through e-commerce and the Internet. And, of course, the Fund also invests in old-economy companies that offer growth potential at a reasonable price.

**EMBRACE THE WORLD WITH IVY FUNDS**

Put Ivy's 40 years of investment experience on your side by calling your Investment Professional and asking for more information about Ivy European Opportunities Fund. Our unique worldwide perspective can help you take advantage of all the potential Europe - and the world - has to offer.

**What's the investment outlook for Europe?** We expect accelerating GDP growth with low inflation, low interest rates and strong corporate earnings - factors that we believe should provide a favorable backdrop for equity investing.

**IVY FUNDS – INVESTMENT SPECIALISTS OFFERING A WORLDWIDE PERSPECTIVE**

Around the globe, the science of investing is being refined as markets and economies become linked in ways not always obvious to investors. Like circuitry hidden from view, the connections are often evident only by their powerful effects. Ivy Funds explores the circuitry - across countries, asset classes and styles - and from this worldwide perspective builds portfolios that embrace the world.

This fund may be right for you if...

- 
- 
- 
- 



\*Source: IFR Securities Data Corporation. Data from 1994 to 1999.

\*\*Source: JP Morgan

†Source: Deutsche Borse AG, Deutsche Bank