



Semiannual Report

VARIABLE INSURANCE PORTFOLIOS

JUNE 30, 2019

Ivy Variable Insurance Portfolios

Asset Strategy	Class I	Class II
Balanced		Class II
Energy	Class I	Class II
Growth		Class II
High Income	Class I	Class II
International Core Equity		Class II
Mid Cap Growth	Class I	Class II
Natural Resources		Class II
Science and Technology	Class I	Class II
Small Cap Core		Class II
Small Cap Growth	Class I	Class II

Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission (SEC), you may not be receiving paper copies of the Fund's annual or semi-annual shareholder reports by mail, unless you specifically request paper copies of the reports from the insurance company that offers your variable annuity or variable life insurance contract or from your financial intermediary. Instead of delivering paper copies of the report, the insurance company may choose to make the reports available on a website, and will notify you by mail each time a shareholder report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the insurance company or your financial intermediary electronically by following the instructions provided by the insurance company or by contacting your financial intermediary.

You may elect to receive all future Fund shareholder reports in paper free of charge from the insurance company. You can inform the insurance company or your financial intermediary that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by the insurance company or by contacting your financial intermediary. Your election to receive reports in paper will apply to all portfolio companies available under your contract with the insurance company.

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JUNE 30, 2019 (UNAUDITED)



Philip J. Sanders, CFA

Dear Shareholder,

Equity markets roared back following the sharp correction at year-end 2018, with the S&P 500 Index advancing 17% as of June 30, and every sector posting gains. The rally had a pro-cyclical component as information technology, consumer discretionary and industrials delivered the strongest sector returns, while energy and health care were the laggards.

The U.S. economy remains relatively healthy and is now in the longest economic expansion in U.S. history despite uncertainty about trade and signs of global weakening. We believe the underlying fundamentals — a robust job market, rising wages and low inflation — support continued growth during the rest of 2019. However, U.S. trade policy remains a wildcard and poses a major threat to the current expansion.

The U.S. Federal Reserve (Fed) has held steady on interest rates so far in 2019. However, increasing pressures from trade turmoil and uncertainty around the strength of global growth is likely to lead the Fed to become more accommodative, leading to interest rate cuts in second half of the calendar year.

Emerging markets faced multiple headwinds over the period, namely a strong dollar, China's focus on deleveraging and regulation, trade wars, volatile energy prices and geopolitical risks. Despite near-term concerns and likely volatility across the global equity market, we believe the long-term fundamentals in emerging markets will continue to offer opportunities.

Looking ahead, we believe equities face intensifying headwinds as the pace of global growth slows and trade turmoil lingers. As we examine the investment landscape, we continue to put greater emphasis on the fundamentals and quality of asset classes and sectors. We believe it is important to stay focused on the merits of individual market sectors, industries and companies when making investment decisions. Those fundamentals historically have tended to outweigh external factors such as government policies and regulations. While those can affect every business and every investor, we think the innovation and management skill within individual companies are the ultimate drivers of long-term stock prices.

Economic Snapshot

	6/30/2019	12/31/2018
S&P 500 Index	2,941.76	2,506.85
MSCI EAFE Index	1,922.30	1,719.88
10-Year Treasury Yield	2.00%	2.69%
U.S. unemployment rate	3.7%	3.9%
30-year fixed mortgage rate	3.73%	4.55%
Oil price per barrel	\$58.47	\$45.41

Sources: Bloomberg, U.S. Department of Labor, MBA, CME

All government statistics shown are subject to periodic revision. The S&P 500 Index is an unmanaged index that tracks the stocks of 500 primarily large-cap U.S. companies. MSCI EAFE Index is an unmanaged index comprised of securities that represent the securities markets in Europe, Australasia and the Far East. It is not possible to invest directly in any of these indexes. Mortgage rates are from BankRate and reflect the overnight national average rate on a conventional 30-year fixed loan. Oil prices reflect the market price of West Texas intermediate crude grade.

Respectfully,

Philip J. Sanders, CFA
President

The opinions expressed in this letter are those of the President of the Ivy Variable Insurance Portfolios and are current only through the end of the period of the report, as stated on the cover. The President's views are subject to change at any time, based on market and other conditions, and no forecasts can be guaranteed.

(UNAUDITED)

Expense Example

As a shareholder of a Portfolio, you incur ongoing costs, including management fees, distribution and service fees, and other Portfolio expenses. The following table is intended to help you understand your ongoing costs (in dollars) of investing in a Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the six-month period ended June 30, 2019.

Actual Expenses

The first section in the following table provides information about actual investment values and actual expenses for each share class. You may use the information in this section, together with your initial investment in Portfolio shares, to estimate the expenses that you paid over the period. Simply divide the value of that investment by \$1,000 (for example, a \$7,500 initial investment divided by \$1,000 = 7.5), then multiply the result by the number in the first section under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your investment during this period. In addition, there are fees and expenses imposed under the variable annuity or variable life insurance contract through which shares of the Portfolio are held. Additional fees have the effect of reducing investment returns.

Hypothetical Example for Comparison Purposes

The second section in the following table provides information about hypothetical investment values and hypothetical expenses for each share class based on the Portfolio’s actual expense ratio and an assumed rate of return of five percent per year before expenses, which is not the Portfolio’s actual return. The hypothetical investment values and expenses may not be used to estimate the actual investment value at the end of the period or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolio and other funds. To do so, compare this five percent hypothetical example with the five percent hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs as a shareholder of the Portfolio and do not reflect any fees and expenses imposed under the variable annuity or variable life insurance contract through which shares of the Portfolio are held.

Expenses paid may be impacted by expense reduction arrangements. If those arrangements had not been in place, expenses paid would have been higher. See Note 6 in Notes to Financial Statements for further information.

ILLUSTRATION OF PORTFOLIO EXPENSES

IVY VIP

(UNAUDITED)

Portfolio	Actual ⁽¹⁾			Hypothetical ⁽²⁾			Annualized Expense Ratio Based on the Six-Month Period
	Beginning Account Value 12-31-18	Ending Account Value 6-30-19	Expenses Paid During Period*	Beginning Account Value 12-31-18	Ending Account Value 6-30-19	Expenses Paid During Period*	
Asset Strategy							
Class I	\$1,000	\$ 1,149.60	\$ 4.08	\$1,000	\$ 1,021.00	\$ 3.84	0.77%
Class II	\$1,000	\$ 1,148.10	\$ 5.37	\$1,000	\$ 1,019.76	\$ 5.05	1.02%
Balanced							
Class II	\$1,000	\$ 1,126.60	\$ 5.32	\$1,000	\$ 1,019.77	\$ 5.05	1.01%
Energy							
Class I	\$1,000	\$1,094.50	\$ 5.66	\$1,000	\$ 1,019.43	\$ 5.45	1.08%
Class II	\$1,000	\$ 1,093.10	\$ 6.91	\$1,000	\$ 1,018.22	\$ 6.66	1.33%
Growth							
Class II	\$1,000	\$1,239.20	\$ 5.49	\$1,000	\$ 1,019.85	\$ 4.95	1.00%
High Income							
Class I	\$1,000	\$ 1,085.10	\$ 3.44	\$1,000	\$ 1,021.50	\$ 3.34	0.67%
Class II	\$1,000	\$1,083.80	\$ 4.69	\$1,000	\$1,020.25	\$ 4.55	0.92%
International Core Equity							
Class II	\$1,000	\$ 1,119.60	\$ 6.15	\$1,000	\$ 1,019.02	\$ 5.86	1.16%
Mid Cap Growth							
Class I	\$1,000	\$ 1,271.30	\$ 4.77	\$1,000	\$1,020.59	\$ 4.24	0.85%
Class II	\$1,000	\$1,269.80	\$ 6.13	\$1,000	\$ 1,019.35	\$ 5.45	1.10%
Natural Resources							
Class II	\$1,000	\$ 1,097.70	\$ 6.50	\$1,000	\$ 1,018.60	\$ 6.26	1.25%
Science and Technology							
Class I	\$1,000	\$ 1,329.10	\$ 5.24	\$1,000	\$1,020.28	\$ 4.55	0.91%
Class II	\$1,000	\$1,327.50	\$ 6.63	\$1,000	\$ 1,019.05	\$ 5.75	1.16%
Small Cap Core							
Class II	\$1,000	\$ 1,198.20	\$ 6.48	\$1,000	\$ 1,018.94	\$ 5.96	1.18%
Small Cap Growth							
Class I	\$1,000	\$1,232.40	\$ 4.91	\$1,000	\$1,020.37	\$ 4.44	0.89%
Class II	\$1,000	\$1,230.80	\$ 6.36	\$1,000	\$ 1,019.13	\$ 5.75	1.14%

*Portfolio expenses are equal to the Portfolio's annualized expense ratio (provided in the table), multiplied by the average account value over the period, multiplied by 181 days in the six-month period ended June 30, 2019, and divided by 365.

(1) This section uses the Portfolio's actual total return and actual Portfolio expenses. It is a guide to the actual expenses paid by the Portfolio in the period. The "Ending Account Value" shown is computed using the Portfolio's actual return and the "Expenses Paid During Period" column shows the dollar amount that would have been paid by an investor who started with \$1,000 in the Portfolio. A shareholder may use the information here, together with the dollar amount invested, to estimate the expenses that were paid over the period. For every thousand dollars a shareholder has invested, the expenses are listed in the last column of this section.

(2) This section uses a hypothetical five percent annual return and actual Portfolio expenses. It helps to compare the Portfolio's ongoing costs with other mutual funds. A shareholder can compare the Portfolio's ongoing costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other Portfolios.

The above illustrations are based on ongoing costs only.

ALL DATA IS AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Stocks	64.8%
Information Technology	13.7%
Industrials	10.9%
Financials	10.8%
Consumer Staples	7.9%
Health Care	6.8%
Energy	5.1%
Consumer Discretionary	4.9%
Communication Services	3.0%
Utilities	1.0%
Materials	0.7%
Bullion (Gold)	5.3%
Bonds	26.3%
Corporate Debt Securities	15.4%
Loans	5.4%
United States Government and Government Agency Obligations	4.2%
Other Government Securities	1.3%
Cash and Other Assets (Net of Liabilities), and Cash Equivalents+	3.6%

Country Weightings

North America	47.5%
United States	47.0%
Other North America	0.5%
Europe	30.5%
France	8.3%
United Kingdom	5.6%
Switzerland	5.5%
Netherlands	3.5%
Other Europe	7.6%
Pacific Basin	11.7%
Bullion (Gold)	5.3%
South America	1.3%
Bahamas/Caribbean	0.1%
Cash and Other Assets (Net of Liabilities), and Cash Equivalents+	3.6%

Top 10 Equity Holdings

Company	Country	Sector	Industry
Microsoft Corp.	United States	Information Technology	Systems Software
Airbus SE	France	Industrials	Aerospace & Defense
Nestle S.A., Registered Shares	Switzerland	Consumer Staples	Packaged Foods & Meats
Fiserv, Inc.	United States	Information Technology	Data Processing & Outsourced Services
Wal-Mart Stores, Inc.	United States	Consumer Staples	Hypermarkets & Super Centers
AIA Group Ltd.	Hong Kong	Financials	Life & Health Insurance
Adobe, Inc.	United States	Information Technology	Application Software
Visa, Inc., Class A	United States	Information Technology	Data Processing & Outsourced Services
Pfizer, Inc.	United States	Health Care	Pharmaceuticals
Sampo plc, A Shares	Finland	Financials	Multi-Line Insurance

See your advisor or www.ivyinvestments.com for more information on the Portfolio's most recently published Top 10 Equity Holdings.

+ Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

CONSOLIDATED SCHEDULE OF INVESTMENTS

ASSET STRATEGY *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS	Shares	Value	COMMON STOCKS (Continued)	Shares	Value	COMMON STOCKS (Continued)	Shares	Value
Communication Services			Energy			Pharmaceuticals – 4.5%		
Broadcasting – 1.2%			Integrated Oil & Gas – 2.0%			Elanco Animal Health, Inc. (A)	136	\$ 4,607
Discovery Holding Co., Class A (A)	313	\$ 9,608	Royal Dutch Shell plc, Class A (B)	236	\$ 7,676	Merck KGaA (B)	58	6,041
Integrated Telecommunication Services – 0.7%			Total S.A. (B)	140	7,861	Pfizer, Inc.	245	10,632
China Unicom Ltd. (B)	5,000	5,467			15,537	Roche Holdings AG, Genusscheine (B)	22	6,227
Interactive Media & Services – 1.1%			Oil & Gas Exploration & Production – 1.4%			Zoetis, Inc.	65	7,359
Alphabet, Inc., Class A (A)	8	8,360	Cabot Oil & Gas Corp.	185	4,238			34,866
			EOG Resources, Inc.	71	6,618			
Total Communication Services – 3.0%		23,435			10,856	Total Health Care – 6.8%		53,271
Consumer Discretionary			Oil & Gas Refining & Marketing – 0.9%			Industrials		
Auto Parts & Equipment – 0.8%			Reliance Industries Ltd. (A)(B)	389	7,061	Aerospace & Defense – 4.3%		
Aptiv plc	82	6,621	Oil & Gas Storage & Transportation – 0.8%			Airbus SE (B)	123	17,410
Automobile Manufacturers – 0.9%			Enterprise Products Partners L.P.	202	5,837	Lockheed Martin Corp.	20	7,417
Suzuki Motor Corp. (B)	147	6,925			5,837	Northrop Grumman Corp.	28	8,979
Home Improvement Retail – 1.1%			Total Energy – 5.1%		39,291			33,806
Home Depot, Inc. (The)	43	8,891	Financials			Construction & Engineering – 2.1%		
Internet & Direct Marketing Retail – 1.0%			Consumer Finance – 0.8%			Larsen & Toubro Ltd. (B)	335	7,538
Amazon.com, Inc. (A)	4	7,760	ORIX Corp. (B)	423	6,329	Vinci (B)	85	8,713
Leisure Facilities – 0.0%			Diversified Banks – 4.0%					16,251
COTA Racing & Entertainment LLC, Class B (A)	—*	—	BNP Paribas S.A. (B)	141	6,670	Construction Machinery & Heavy Trucks – 1.0%		
Leisure Products – 0.1%			China Construction Bank Corp. (B)	8,911	7,682	Caterpillar, Inc.	57	7,738
Media Group Holdings LLC, Series H (A)(C)(D)(E)	32	—*	ICICI Bank Ltd. (B)	627	3,972	Electrical Components & Equipment – 1.0%		
Media Group Holdings LLC, Series T (A)(C)(D)(E)	4	564	Kabushiki Kaisha Mitsubishi Tokyo Financial Group (B)	1,266	6,030	Schneider Electric S.A. (B)	91	8,229
		564	UniCredit S.p.A. (B)	489	6,025	Railroads – 1.8%		
Restaurants – 1.0%					30,379	Kansas City Southern	58	7,029
Compass Group plc (B)	345	8,276	Life & Health Insurance – 2.5%			Union Pacific Corp.	44	7,362
			AIA Group Ltd. (B)	1,143	12,339			14,391
Total Consumer Discretionary – 4.9%		39,037	Ping An Insurance (Group) Co. of China Ltd., H Shares (B)	607	7,296	Trading Companies & Distributors – 0.7%		
Consumer Staples					19,635	Ferguson plc (B)	78	5,569
Household Products – 1.0%			Multi-Line Insurance – 1.3%					85,984
Procter & Gamble Co. (The)	70	7,640	Sampo plc, A Shares (B)	221	10,454	Information Technology		
Hypermarkets & Super Centers – 1.8%			Multi-Sector Holdings – 1.2%			Application Software – 2.7%		
Wal-Mart Stores, Inc.	130	14,366	Berkshire Hathaway, Inc., Class B (A)	43	9,081	Adobe, Inc. (A)	42	12,265
Packaged Foods & Meats – 2.9%			Other Diversified Financial Services – 1.0%			Intuit, Inc.	34	8,906
Danone S.A. (B)	92	7,766	Citigroup, Inc.	115	8,069			21,171
Nestle S.A., Registered Shares (B)	144	14,881			8,069	Data Processing & Outsourced Services – 3.3%		
		22,647	Total Financials – 10.8%		83,947	Fiserv, Inc. (A)	158	14,391
Personal Products – 0.9%			Health Care			Visa, Inc., Class A	68	11,812
Beiersdorf Aktiengesellschaft (B)	63	7,580	Biotechnology – 0.9%					26,203
Tobacco – 1.3%			Sarepta Therapeutics, Inc. (A)	45	6,797	Electronic Equipment & Instruments – 0.7%		
Philip Morris International, Inc.	129	10,146	Health Care Equipment – 0.9%			Keyence Corp. (B)	9	5,489
			Zimmer Holdings, Inc.	62	7,259	Semiconductor Equipment – 1.1%		
Total Consumer Staples – 7.9%		62,379	Life Sciences Tools & Services – 0.5%			ASML Holding N.V., Ordinary Shares (B)	41	8,435
			Qiagen N.V. (A)	107	4,349			

CONSOLIDATED SCHEDULE OF INVESTMENTS

ASSET STRATEGY *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS (Continued)	Shares	Value	CORPORATE DEBT SECURITIES (Continued)		CORPORATE DEBT SECURITIES (Continued)	
			Principal	Value	Principal	Value
Semiconductors – 2.0%						
QUALCOMM, Inc.	93	\$ 7,099				
Taiwan Semiconductor Manufacturing Co. Ltd. (A)(B) ...	1,096	8,383				
		<u>15,482</u>				
Systems Software – 3.1%						
Microsoft Corp.	183	24,491				
Technology Hardware, Storage & Peripherals – 0.8%						
Samsung Electronics Co. Ltd. (B)	154	6,272				
		<u>107,543</u>				
Total Information Technology – 13.7%		107,543				
Materials						
Diversified Metals & Mining – 0.7%						
Glencore International plc (B)	1,708	5,910				
		<u>5,910</u>				
Total Materials – 0.7%		5,910				
Utilities						
Electric Utilities – 1.0%						
E.ON AG (B)	717	7,778				
		<u>7,778</u>				
Total Utilities – 1.0%		7,778				
TOTAL COMMON STOCKS – 64.8%		\$508,575				
(Cost: \$459,463)						
CORPORATE DEBT SECURITIES	Principal					
Communication Services						
Cable & Satellite – 1.7%						
Altice France S.A., 8.125%, 2-1-27 (F)	\$2,600	2,730				
Altice Luxembourg S.A., 10.500%, 5-15-27 (F)	3,397	3,490				
Altice S.A.: 7.750%, 5-15-22 (F)	1,413	1,436				
7.625%, 2-15-25 (F)	4,656	4,380				
Comcast Corp. (GTD by Comcast Cable Communications and NBCUniversal) (3-Month U.S. LIBOR plus 63 bps), 3.227%, 4-15-24 (G)	1,528	1,534				
		<u>13,570</u>				
Integrated Telecommunication Services – 1.1%						
Frontier Communications Corp.: 7.625%, 4-15-24	2,119	1,202				
6.875%, 1-15-25	4,337	2,429				
11.000%, 9-15-25	3,180	1,972				
9.000%, 8-15-31	2,119	1,202				
West Corp., 8.500%, 10-15-25 (F)	1,500	1,313				
		<u>8,118</u>				
Wireless Telecommunication Service – 0.3%						
Crown Castle Towers LLC, 4.241%, 7-15-28 (F)	\$ 2,144	\$ 2,304				
		<u>23,992</u>				
Total Communication Services – 3.1%		23,992				
Consumer Discretionary						
Leisure Facilities – 0.3%						
Circuit of the Americas LLC, Series D, 0.000%, 10-2-23 (H)	3,642	2,027				
		<u>2,027</u>				
Total Consumer Discretionary – 0.3%		2,027				
Consumer Staples						
Tobacco – 0.3%						
Altria Group, Inc. (GTD by Philip Morris USA, Inc.), 5.950%, 2-14-49	2,000	2,275				
		<u>2,275</u>				
Total Consumer Staples – 0.3%		2,275				
Energy						
Integrated Oil & Gas – 0.5%						
Petroleos Mexicanos, 4.875%, 1-24-22	4,071	4,057				
		<u>4,057</u>				
Oil & Gas Equipment & Services – 0.1%						
SESI LLC, 7.125%, 12-15-21	981	684				
		<u>4,741</u>				
Total Energy – 0.6%		4,741				
Financials						
Diversified Banks – 5.7%						
Banco Mercantil del Norte S.A., 6.750%, 9-27-67 (F)	1,018	1,015				
Barclays plc: 7.875%, 12-29-49	10,192	10,664				
8.000%, 6-15-64	2,013	2,111				
ING Groep N.V., 6.875%, 12-29-49	3,697	3,895				
Royal Bank of Scotland Group plc (The), 8.625%, 12-29-49	10,193	10,985				
Societe Generale Group, 7.375%, 12-29-49 (F)	5,723	6,017				
Standard Chartered plc: 4.305%, 5-21-30 (F)	2,437	2,523				
7.500%, 12-29-49 (F)	2,481	2,624				
UniCredit S.p.A.: 5.861%, 6-19-32 (F)	3,700	3,541				
7.296%, 4-2-34 (F)	1,612	1,708				
		<u>45,083</u>				
Diversified Capital Markets – 1.4%						
Credit Suisse Group AG: 7.125%, 7-29-66	5,889	6,250				
7.500%, 6-11-67 (F)	3,950	4,345				
		<u>10,595</u>				
Investment Banking & Brokerage – 0.5%						
Goldman Sachs Group, Inc. (The) (3-Month U.S. LIBOR plus 117 bps), 3.688%, 5-15-26 (G)	\$4,330	\$ 4,269				
		<u>4,269</u>				
Specialized Finance – 0.1%						
Syngenta Finance N.V., 5.182%, 4-24-28 (F)	480	499				
		<u>60,446</u>				
Total Financials – 7.7%		60,446				
Health Care						
Pharmaceuticals – 0.2%						
Teva Pharmaceutical Finance Netherlands III B.V. (GTD by Teva Pharmaceutical Industries Ltd.), 2.800%, 7-21-23	2,034	1,764				
		<u>1,764</u>				
Total Health Care – 0.2%		1,764				
Industrials						
Railroads – 0.3%						
Rumo Luxembourg S.a.r.l., 7.375%, 2-9-24 (F)	1,781	1,922				
		<u>1,922</u>				
Security & Alarm Services – 0.7%						
Prime Security Services Borrower LLC and Prime Finance, Inc., 9.250%, 5-15-23 (F)	5,084	5,339				
		<u>7,261</u>				
Total Industrials – 1.0%		7,261				
Information Technology						
Data Processing & Outsourced Services – 0.3%						
Alliance Data Systems Corp., 5.375%, 8-1-22 (F)	2,189	2,218				
		<u>2,218</u>				
IT Consulting & Other Services – 0.4%						
Atento Luxco 1 S.A., 6.125%, 8-10-22 (F)	3,201	3,221				
		<u>3,221</u>				
Semiconductors – 0.4%						
Broadcom, Inc., 4.250%, 4-15-26 (F)	3,025	3,065				
		<u>8,504</u>				
Total Information Technology – 1.1%		8,504				
Materials						
Diversified Metals & Mining – 0.9%						
Glencore Funding LLC: 4.125%, 3-12-24 (F)	2,415	2,506				
4.875%, 3-12-29 (F)	4,025	4,239				
		<u>6,745</u>				

JUNE 30, 2019 (UNAUDITED)

Notes to Consolidated Schedule of Investments

*Not shown due to rounding.

(A) No dividends were paid during the preceding 12 months.

(B) Listed on an exchange outside the United States.

(C) Restricted securities. At June 30, 2019, the Portfolio owned the following restricted securities:

Security	Acquisition Date(s)	Shares	Cost	Market Value
Media Group Holdings LLC, Series H	8-29-13 to 10-31-13	32	\$22,370	\$ -
Media Group Holdings LLC, Series T	7-2-13 to 1-23-15	4	8,413	564
			<u>\$30,783</u>	<u>\$564</u>

The total value of these securities represented 0.1% of net assets at June 30, 2019.

(D) Investment is owned by an entity that is treated as a corporation for U.S. tax purposes and is owned by the Portfolio and consolidated as described in Note 5 of the Notes to Financial Statements.

(E) Securities whose value was determined using significant unobservable inputs.

(F) Securities were purchased pursuant to an exemption from registration available under Rule 144A under the Securities Act of 1933 and may only be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2019 the total value of these securities amounted to \$61,903 or 7.9% of net assets.

(G) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Description of the reference rate and spread, if applicable, are included in the security description.

(H) Zero coupon bond.

(I) Other Government Securities may include emerging markets sovereign, quasi-sovereign, corporate and supranational agency and organization debt securities.

(J) All or a portion of this position has not settled. Full contract rates do not take effect until settlement date.

(K) Rate shown is the yield to maturity at June 30, 2019.

(L) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Common Stocks			
Communication Services	\$ 17,968	\$ 5,467	\$ —
Consumer Discretionary	23,272	15,201	564
Consumer Staples	32,152	30,227	—
Energy	16,693	22,598	—
Financials	17,150	66,797	—
Health Care	41,003	12,268	—
Industrials	38,525	47,459	—
Information Technology	78,964	28,579	—
Materials	—	5,910	—
Utilities	—	7,778	—
Total Common Stocks	<u>\$ 265,727</u>	<u>\$242,284</u>	<u>\$564</u>
Corporate Debt Securities	—	119,223	—
Other Government Securities	—	10,564	—
Loans	—	42,357	—
United States Government Obligations	—	32,895	—
Bullion	41,231	—	—
Short-Term Securities	—	24,953	—
Total	<u>\$306,958</u>	<u>\$472,276</u>	<u>\$564</u>

During the period ended June 30, 2019, there were no transfers in or out of Level 3.

The following acronyms are used throughout this schedule:

GTD = Guaranteed

ICE = Intercontinental Exchange

LIBOR = London Interbank Offered Rate

TB = Treasury Bill

JUNE 30, 2019 (UNAUDITED)

Country Diversification

(as a % of net assets)

United States	47.0%
France	8.3%
United Kingdom	5.6%
Switzerland	5.5%
Netherlands	3.5%
Japan	3.2%
Germany	2.8%
China	2.6%

Country Diversification (Continued)

India	2.4%
Luxembourg	1.8%
Hong Kong	1.6%
Italy	1.5%
Argentina	1.3%
Finland	1.3%
Taiwan	1.1%
Other Countries	1.6%
Other+	8.9%

+Includes gold bullion, cash and other assets (net of liabilities), and cash equivalents

ALL DATA IS AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Stocks	61.7%
Information Technology	12.4%
Financials	9.7%
Industrials	7.8%
Consumer Discretionary	6.9%
Health Care	6.3%
Communication Services	5.2%
Energy	5.0%
Consumer Staples	4.8%
Materials	3.6%
Bonds	35.9%
United States Government and Government Agency Obligations	23.5%
Corporate Debt Securities	12.1%
Loans	0.3%
Cash and Other Assets (Net of Liabilities), and Cash Equivalents+	2.4%

Top 10 Equity Holdings

Company	Sector	Industry
Microsoft Corp.	Information Technology	Systems Software
Union Pacific Corp.	Industrials	Railroads
Autodesk, Inc.	Information Technology	Application Software
PPG Industries, Inc.	Materials	Specialty Chemicals
General Mills, Inc.	Consumer Staples	Packaged Foods & Meats
Zimmer Holdings, Inc.	Health Care	Health Care Equipment
Las Vegas Sands, Inc.	Consumer Discretionary	Casinos & Gaming
QUALCOMM, Inc.	Information Technology	Semiconductors
Blackstone Group L.P. (The)	Financials	Asset Management & Custody Banks
PNC Financial Services Group, Inc. (The)	Financials	Regional Banks

See your advisor or www.ivyinvestments.com for more information on the Portfolio's most recently published Top 10 Equity Holdings.

+ Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

SCHEDULE OF INVESTMENTS

BALANCED (in thousands)

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS	Shares	Value	COMMON STOCKS (Continued)	Shares	Value	COMMON STOCKS (Continued)	Shares	Value
Communication Services			Financials			Trucking – 1.0%		
Integrated Telecommunication Services – 1.2%			Asset Management & Custody Banks – 1.7%			Knight Transportation, Inc.	101	\$ 3,317
Verizon Communications, Inc.	65	\$ 3,733	Blackstone Group L.P. (The)	125	\$ 5,574	Total Industrials – 7.8%		25,505
Interactive Home Entertainment – 1.3%			Diversified Banks – 2.2%			Information Technology		
Electronic Arts, Inc. (A)	43	4,384	Northern Trust Corp.	43	3,851	Application Software – 1.8%		
Interactive Media & Services – 1.4%			U.S. Bancorp	63	3,302	Autodesk, Inc. (A)	37	6,070
Alphabet, Inc., Class A (A)	4	4,620			7,153	Communications Equipment – 1.1%		
Movies & Entertainment – 1.3%			Investment Banking & Brokerage – 1.3%			Cisco Systems, Inc.	64	3,522
Walt Disney Co. (The)	31	4,309	Goldman Sachs Group, Inc. (The)	21	4,382	Data Processing & Outsourced Services – 1.3%		
Total Communication Services – 5.2%		17,046	Multi-Sector Holdings – 1.3%			Fiserv, Inc. (A)(B)	48	4,349
Consumer Discretionary			Berkshire Hathaway, Inc., Class B (A)	20	4,181	Electronic Manufacturing Services – 0.5%		
Apparel, Accessories & Luxury Goods – 1.1%			Other Diversified Financial Services – 1.6%			IPG Photonics Corp. (A)	11	1,698
Coach, Inc.	112	3,564	JPMorgan Chase & Co.	47	5,273	Semiconductors – 4.5%		
Casinos & Gaming – 1.7%			Regional Banks – 1.6%			Intel Corp.	97	4,645
Las Vegas Sands, Inc.	98	5,797	PNC Financial Services Group, Inc. (The)	39	5,379	Micron Technology, Inc. (A)	114	4,417
General Merchandise Stores – 1.2%			Total Financials – 9.7%		31,942	QUALCOMM, Inc.	76	5,769
Dollar General Corp.	29	3,869	Health Care					14,831
Home Improvement Retail – 1.5%			Biotechnology – 0.7%			Systems Software – 1.9%		
Lowe's Co., Inc.	48	4,847	Biogen, Inc. (A)	10	2,358	Microsoft Corp.	46	6,149
Restaurants – 1.4%			Health Care Equipment – 2.9%			Technology Hardware, Storage & Peripherals – 1.3%		
Domino's Pizza, Inc.	17	4,732	Medtronic plc	36	3,483	Apple, Inc.	21	4,230
Total Consumer Discretionary – 6.9%		22,809	Zimmer Holdings, Inc.	51	5,971	Total Information Technology – 12.4%		40,849
Consumer Staples					9,454	Materials		
Distillers & Vintners – 1.4%			Managed Health Care – 1.3%			Commodity Chemicals – 1.2%		
Constellation Brands, Inc.	23	4,491	Anthem, Inc.	15	4,217	LyondellBasell Industries N.V., Class A	47	4,076
Packaged Foods & Meats – 1.8%			Pharmaceuticals – 1.4%			Industrial Gases – 0.5%		
General Mills, Inc.	114	6,004	Jazz Pharmaceuticals plc (A)	20	2,874	Air Products and Chemicals, Inc.	8	1,719
Tobacco – 1.6%			Pfizer, Inc.	41	1,768	Specialty Chemicals – 1.9%		
Philip Morris International, Inc.	68	5,359	Total Health Care – 6.3%		20,671	PPG Industries, Inc.	52	6,011
Total Consumer Staples – 4.8%		15,854	Industrials			Total Materials – 3.6%		11,806
Energy			Aerospace & Defense – 1.6%			TOTAL COMMON STOCKS – 61.7%		
Integrated Oil & Gas – 2.7%			Boeing Co. (The)	14	5,201			\$203,200
Chevron Corp.	33	4,121	Agricultural & Farm Machinery – 1.2%			(Cost: \$182,039)		
Hess Corp.	73	4,637	Deere & Co.	23	3,872	CORPORATE DEBT SECURITIES Principal		
		8,758	Airlines – 0.8%			Communication Services		
Oil & Gas Equipment & Services – 0.1%			Delta Air Lines, Inc.	44	2,510	Cable & Satellite – 0.3%		
Core Laboratories N.V. (B)	10	512	Electrical Components & Equipment – 1.4%			Comcast Corp. (GTD by Comcast Cable Communications and NBCUniversal):		
Oil & Gas Exploration & Production – 0.7%			Emerson Electric Co.	68	4,522	4.250%, 10-15-30	\$450	501
Cimarex Energy Co.	41	2,433	Railroads – 1.8%			4.700%, 10-15-48	450	527
Oil & Gas Storage & Transportation – 1.5%			Union Pacific Corp.	36	6,083			1,028
Enterprise Products Partners L.P.	174	5,015				Total Communication Services – 0.3%		
Total Energy – 5.0%		16,718						1,028

SCHEDULE OF INVESTMENTS

BALANCED (in thousands)

JUNE 30, 2019 (UNAUDITED)

CORPORATE DEBT SECURITIES (Continued)			CORPORATE DEBT SECURITIES (Continued)			CORPORATE DEBT SECURITIES (Continued)		
	Principal	Value		Principal	Value		Principal	Value
Consumer Discretionary			Investment Banking & Brokerage – 0.9%			Health Care Supplies – 0.3%		
Internet & Direct Marketing Retail – 0.3%			Credit Suisse Group Funding			Shire Acquisitions Investments Ireland		
Amazon.com, Inc.,			(Guernsey) Ltd.,			Designated Activity Co.,		
2.800%, 8-22-24	\$ 1,000	\$ 1,029	2.750%, 3-26-20	\$ 500	\$ 501	2.875%, 9-23-23	\$ 1,000	\$ 1,009
Total Consumer Discretionary – 0.3%		1,029	Goldman Sachs Group, Inc. (The):			Pharmaceuticals – 0.9%		
Consumer Staples			2.905%, 7-24-23	2,000	2,018	Celgene Corp.,		
Distillers & Vintners – 0.1%			5.700%, 12-29-49	245	245	3.450%, 11-15-27	500	521
Bacardi Ltd.,						Forest Laboratories, Inc.,		
4.450%, 5-15-25 (C)	350	372	Life & Health Insurance – 0.6%			5.000%, 12-15-21 (C)	1,258	1,315
Household Products – 0.8%			Northwestern Mutual Life Insurance			Johnson & Johnson,		
Colgate-Palmolive Co.,			Co. (The),			3.400%, 1-15-38	1,000	1,041
3.700%, 8-1-47	2,500	2,673	3.850%, 9-30-47 (C)	1,000	1,028			<u>2,877</u>
Tobacco – 0.2%			Sumitomo Life Insurance Co.,			Total Health Care – 1.8%		6,025
BAT International Finance plc,			4.000%, 9-14-77 (B)(C)	1,000	1,012	Industrials		
2.750%, 6-15-20 (C)	600	602				Aerospace & Defense – 0.8%		
Total Consumer Staples – 1.1%		3,647	Multi-Line Insurance – 0.1%			Huntington Ingalls Industries, Inc.,		
Energy			Aon plc (GTD by Aon Corp.),			3.483%, 12-1-27	1,000	1,016
Oil & Gas Drilling – 0.8%			2.800%, 3-15-21	500	503	Northrop Grumman Corp.,		
Nabors Industries Ltd., Convertible,			Other Diversified Financial Services – 0.7%			3.250%, 1-15-28	1,500	1,539
0.750%, 1-15-24	3,600	2,571	Citigroup, Inc.:			Airlines – 0.1%		
Oil & Gas Storage & Transportation – 0.6%			5.950%, 12-29-49	150	154	Southwest Airlines Co.,		
Colorado Interstate Gas Co.,			6.250%, 12-29-49	750	824	2.650%, 11-5-20	375	376
4.150%, 8-15-26 (C)	800	827	JPMorgan Chase & Co.:			Environmental & Facilities Services – 0.3%		
Williams Partners L.P.,			5.000%, 12-29-49	750	748	Waste Management, Inc. (GTD by		
3.600%, 3-15-22	1,000	1,026	5.300%, 11-1-65	250	253	Waste Management Holdings,		
		<u>1,853</u>	JPMorgan Chase & Co. (3-Month U.S.			Inc.),		
Total Energy – 1.4%		4,424	LIBOR plus 347 bps),			3.150%, 11-15-27	1,000	1,032
Financials			6.053%, 4-29-49 (D)	285	284	Railroads – 0.1%		
Consumer Finance – 0.3%					<u>2,263</u>	Kansas City Southern de Mexico S.A.		
General Motors Financial Co., Inc.			Property & Casualty Insurance – 0.1%			de C.V.,		
(GTD by AmeriCredit Financial			Berkshire Hathaway Finance Corp.			2.350%, 5-15-20	291	290
Services, Inc.):			(GTD by Berkshire Hathaway, Inc.),			Total Industrials – 1.3%		4,253
3.450%, 4-10-22	250	254	2.200%, 3-15-21	200	201	Information Technology		
3.700%, 5-9-23	150	152	Regional Banks – 0.3%			Electronic Equipment & Instruments – 0.2%		
Hyundai Capital America,			PNC Bank N.A.,			Keysight Technologies, Inc.,		
2.550%, 4-3-20 (C)	500	499	3.250%, 6-1-25	600	622	4.600%, 4-6-27	500	534
		<u>905</u>	SunTrust Banks, Inc.,			Technology Hardware, Storage & Peripherals – 0.3%		
Diversified Banks – 1.1%			5.625%, 12-29-49	400	402	Apple, Inc.,		
DBS Group Holdings Ltd.,			Total Financials – 4.1%		13,544	3.200%, 5-11-27	1,000	1,042
2.246%, 7-16-19 (C)	1,000	1,000	Health Care			Total Information Technology – 0.5%		1,576
HSBC Holdings plc,			Biotechnology – 0.3%			Materials		
3.400%, 3-8-21	625	634	Amgen, Inc.,			Diversified Metals & Mining – 0.2%		
ING Bank N.V.,			2.125%, 5-1-20	1,000	997	Anglo American plc,		
2.500%, 10-1-19 (C)	500	500	Health Care Equipment – 0.1%			4.125%, 4-15-21 (C)	500	512
Mizuho Bank Ltd.,			Zimmer Holdings, Inc.,					
2.650%, 9-25-19 (C)	1,300	1,301	2.700%, 4-1-20	350	350			
U.S. Bancorp,			Health Care Services – 0.2%					
3.100%, 4-27-26	400	409	Quest Diagnostics, Inc.,					
		<u>3,844</u>	3.450%, 6-1-26	773	792			

SCHEDULE OF INVESTMENTS

BALANCED (in thousands)

JUNE 30, 2019 (UNAUDITED)

CORPORATE DEBT SECURITIES (Continued)		Principal	Value	UNITED STATES GOVERNMENT AGENCY OBLIGATIONS (Continued)		Principal	Value	UNITED STATES GOVERNMENT OBLIGATIONS (Continued)		Principal	Value
Specialty Chemicals – 0.3%				Mortgage-Backed Obligations (Continued)				Treasury Obligations (Continued)			
Ecolab, Inc.,				3.500%, 6-25-29		\$ 481	\$ 508	2.875%, 5-31-25		\$ 900	\$ 952
3.250%, 12-1-27		\$1,000	\$ 1,041	7.500%, 4-1-31		28	31	3.000%, 9-30-25		900	961
Total Materials – 0.5%			1,553	7.000%, 7-1-31		36	42	2.625%, 12-31-25		800	837
Real Estate				7.000%, 9-1-31		70	80	2.375%, 5-15-27		340	351
Specialized REITs – 0.4%				6.500%, 2-1-32		149	172	2.750%, 2-15-28		250	266
American Tower Corp.,				7.000%, 2-1-32		103	119	2.875%, 5-15-28		575	617
2.250%, 1-15-22		1,200	1,194	7.000%, 3-1-32		35	41	2.875%, 8-15-28		1,987	2,134
Crown Castle International Corp.,				7.000%, 7-1-32		71	81	3.125%, 11-15-28		700	767
5.250%, 1-15-23		200	218	5.500%, 5-1-33		35	38				
				5.500%, 6-1-33		35	39				
				4.500%, 11-1-43		493	537				
				3.000%, 10-25-46		809	834				
Total Real Estate – 0.4%			1,412	U.S. Department of Veterans Affairs, Guaranteed REMIC Pass-Through Certificates, Vendee Mortgage Trust 1997-A, Class 3-A,				TOTAL UNITED STATES GOVERNMENT OBLIGATIONS – 22.3%			\$ 73,288
Utilities				8.293%, 12-15-26		28	31	(Cost: \$70,269)			
Electric Utilities – 0.4%							4,096	SHORT-TERM SECURITIES			
Duke Energy Corp.,				TOTAL UNITED STATES GOVERNMENT AGENCY OBLIGATIONS – 1.2%			\$4,096	Commercial Paper (E) – 1.1%			
3.150%, 8-15-27		500	507	(Cost: \$4,054)				Walgreens Boots Alliance, Inc.,			
Entergy Texas, Inc.,				UNITED STATES GOVERNMENT OBLIGATIONS				2.531%, 7-1-19		3,604	3,603
2.550%, 6-1-21		300	299	Treasury Inflation Protected Obligations – 3.6%				Master Note – 1.0%			
Exelon Corp.,				U.S. Treasury Notes:				Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps),			
2.450%, 4-15-21		400	400	0.125%, 7-15-26		4,264	4,235	2.620%, 7-5-19 (F)		3,284	3,284
				2.125%, 2-15-40		3,783	4,843				
				1.000%, 2-15-46		2,588	2,713				
Total Utilities – 0.4%			1,206				11,791				
TOTAL CORPORATE DEBT SECURITIES – 12.1%			\$39,697	Treasury Obligations – 18.7%				Money Market Funds – 0.2%			
(Cost: \$39,291)				U.S. Treasury Bonds:				Dreyfus Institutional Preferred Government Money Market Fund – Institutional Shares,			
LOANS (D)				2.250%, 11-15-25		3,240	3,316	2.360%, (G)(H)		671	671
Industrials				3.500%, 2-15-39		4,000	4,747	TOTAL SHORT-TERM SECURITIES – 2.3%			\$ 7,558
Industrial Machinery – 0.3%				3.875%, 8-15-40		225	281	(Cost: \$7,559)			
Dynacast International LLC (ICE LIBOR plus 850 bps),				3.750%, 8-15-41		650	798	TOTAL INVESTMENT SECURITIES – 99.9%			\$328,917
10.830%, 1-30-23		1,100	1,078	3.000%, 2-15-48		250	273	(Cost: \$304,300)			
				3.000%, 8-15-48		3,060	3,351	CASH AND OTHER ASSETS, NET OF LIABILITIES – 0.1%			193
Total Industrials – 0.3%			1,078	3.000%, 2-15-49		1,750	1,919	NET ASSETS – 100.0%			\$329,110
TOTAL LOANS – 0.3%			\$ 1,078	U.S. Treasury Notes:							
(Cost: \$1,088)				2.625%, 8-31-20		1,250	1,260				
UNITED STATES GOVERNMENT AGENCY OBLIGATIONS				2.875%, 10-31-20		1,320	1,337				
Mortgage-Backed Obligations – 1.2%				2.750%, 11-30-20		750	759				
Federal Home Loan Mortgage Corp.				2.250%, 2-15-21		4,837	4,869				
Fixed Rate Participation Certificates:				2.875%, 10-15-21		11,195	11,476				
4.500%, 6-1-44		590	635	2.875%, 11-15-21		750	770				
3.000%, 6-15-45		783	810	1.875%, 4-30-22		200	201				
Federal National Mortgage Association Fixed Rate Pass- Through Certificates:				2.000%, 7-31-22		1,045	1,053				
6.500%, 10-1-28		60	65	1.875%, 10-31-22		1,000	1,005				
6.500%, 2-1-29		30	33	2.000%, 10-31-22		480	484				
				2.125%, 12-31-22		6,300	6,384				
				2.875%, 9-30-23		2,000	2,092				
				2.875%, 10-31-23		600	628				
				2.750%, 11-15-23		500	521				
				2.125%, 9-30-24		1,000	1,016				
				2.250%, 10-31-24		3,635	3,718				
				2.500%, 1-31-25		1,250	1,296				
				2.875%, 4-30-25		1,000	1,058				

SCHEDULE OF INVESTMENTS

BALANCED *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

Notes to Schedule of Investments

(A) No dividends were paid during the preceding 12 months.

(B) All or a portion of securities with an aggregate value of \$4,554 are on loan.

(C) Securities were purchased pursuant to an exemption from registration available under Rule 144A under the Securities Act of 1933 and may only be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2019 the total value of these securities amounted to \$8,968 or 2.7% of net assets.

(D) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Description of the reference rate and spread, if applicable, are included in the security description.

(E) Rate shown is the yield to maturity at June 30, 2019.

(F) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

(G) Investment made with cash collateral received from securities on loan.

(H) Rate shown is the annualized 7-day yield at June 30, 2019.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Common Stocks	\$203,200	\$ —	\$—
Corporate Debt Securities	—	39,697	—
Loans	—	1,078	—
United States Government Agency Obligations	—	4,096	—
United States Government Obligations	—	73,288	—
Short-Term Securities	671	6,887	—
Total	\$ 203,871	\$125,046	\$—

During the period ended June 30, 2019, securities totaling \$1,023 were transferred from Level 3 to Level 2 due to increased availability of observable market data due to increased market activity or information for these securities.

The following acronyms are used throughout this schedule:

GTD = Guaranteed

ICE = Intercontinental Exchange

LIBOR = London Interbank Offered Rate

REMIC = Real Estate Mortgage Investment Conduit

REIT = Real Estate Investment Trust

See Accompanying Notes to Financial Statements.

ALL DATA IS AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Stocks	97.9%
Energy	92.1%
Information Technology	3.3%
Industrials	2.5%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	2.1%

Country Weightings

North America	91.8%
United States	89.6%
Other North America	2.2%
Europe	6.1%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	2.1%

Top 10 Equity Holdings

Company	Country	Sector	Industry
Concho Resources, Inc.	United States	Energy	Oil & Gas Exploration & Production
Pioneer Natural Resources Co.	United States	Energy	Oil & Gas Exploration & Production
Continental Resources, Inc.	United States	Energy	Oil & Gas Exploration & Production
Diamondback Energy, Inc.	United States	Energy	Oil & Gas Exploration & Production
Valero Energy Corp.	United States	Energy	Oil & Gas Refining & Marketing
Phillips 66	United States	Energy	Oil & Gas Refining & Marketing
EOG Resources, Inc.	United States	Energy	Oil & Gas Exploration & Production
Marathon Petroleum Corp.	United States	Energy	Oil & Gas Refining & Marketing
Parsley Energy, Inc., Class A	United States	Energy	Oil & Gas Exploration & Production
Wright Express Corp.	United States	Information Technology	Data Processing & Outsourced Services

See your advisor or www.ivyinvestments.com for more information on the Portfolio's most recently published Top 10 Equity Holdings.

+Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

SCHEDULE OF INVESTMENTS

ENERGY *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS	Shares	Value	COMMON STOCKS (Continued)	Shares	Value
Energy			Industrials		
Integrated Oil & Gas – 4.1%			Industrial Machinery – 2.5%		
Chevron Corp.	7	\$ 815	Apergy Corp. (A)	32	\$ 1,066
Suncor Energy, Inc.	30	944			
		<u>1,759</u>	Total Industrials – 2.5%		1,066
Oil & Gas Drilling – 4.3%			Information Technology		
Patterson-UTI Energy, Inc.	83	952	Data Processing & Outsourced Services – 3.3%		
Transocean, Inc. (A)	139	891	Wright Express Corp. (A)	7	1,425
		<u>1,843</u>	Total Information Technology – 3.3%		1,425
Oil & Gas Equipment & Services – 27.6%			TOTAL COMMON STOCKS – 97.9%		
Baker Hughes, Inc.	43	1,047			\$ 41,734
C&J Energy Services, Inc. (A)	41	486	(Cost: \$57,551)		
Cactus, Inc., Class A (A)	41	1,362	SHORT-TERM SECURITIES		
Core Laboratories N.V. (B)	11	572	Principal		
Dril-Quip, Inc. (A)	26	1,245	Master Note – 1.2%		
FMC Technologies, Inc.	44	1,130	Toyota Motor Credit Corp. (1-Month		
Frank's International N.V. (A)	85	463	U.S. LIBOR plus 15 bps),		
FTS International, Inc. (A)	63	352	2.620%, 7-5-19 (C)		
Halliburton Co.	46	1,036		\$ 517	517
Helix Energy Solutions Group,			Shares		
Inc. (A)	89	765	Money Market Funds – 2.8%		
Liberty Oilfield Services, Inc.,			Dreyfus Institutional Preferred		
Class A (B)	34	550	Government Money Market Fund		
National Oilwell Varco, Inc.	17	373	– Institutional Shares,		
ProPetro Holding Corp. (A)	53	1,088	2.360%, (D)(E)		
Schlumberger Ltd.	32	1,278		1,185	1,185
		<u>11,747</u>	TOTAL SHORT-TERM SECURITIES – 4.0%		\$ 1,702
Oil & Gas Exploration & Production – 37.4%			(Cost: \$1,702)		
Centennial Resource Development,			TOTAL INVESTMENT SECURITIES – 101.9%		
Inc., Class A (A)	45	344			\$ 43,436
Concho Resources, Inc.	22	2,307	(Cost: \$59,253)		
Continental Resources, Inc. (A)	44	1,835	LIABILITIES, NET OF CASH AND OTHER		
Diamondback Energy, Inc.	16	1,782	ASSETS – (1.9%)		
EOG Resources, Inc.	17	1,537			(810)
Marathon Oil Corp.	83	1,173	NET ASSETS – 100.0%		
Oasis Petroleum LLC (A)	129	730			\$ 42,626
Parsley Energy, Inc.,					
Class A (A)	75	1,430			
Pioneer Natural Resources Co.	12	1,854			
Viper Energy Partners L.P.	28	849			
Whiting Petroleum Corp. (A)(B)	40	740			
WPX Energy, Inc. (A)	119	1,371			
		<u>15,952</u>			
Oil & Gas Refining & Marketing – 13.4%					
Marathon Petroleum Corp.	26	1,439			
PBF Energy, Inc., Class A	30	942			
Phillips 66	17	1,627			
Valero Energy Corp.	20	1,682			
		<u>5,690</u>			
Oil & Gas Storage & Transportation – 5.3%					
Energy Transfer L.P.	24	332			
Enterprise Products Partners L.P.	32	931			
MPLX L.P.	8	273			
Rattler Midstream L.P. (A)	37	716			
		<u>2,252</u>			
Total Energy – 92.1%		39,243			

JUNE 30, 2019 (UNAUDITED)

Notes to Schedule of Investments

(A) No dividends were paid during the preceding 12 months.

(B) All or a portion of securities with an aggregate value of \$1,155 are on loan.

(C) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

(D) Investment made with cash collateral received from securities on loan.

(E) Rate shown is the annualized 7-day yield at June 30, 2019.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Common Stocks	\$41,734	\$—	\$—
Short-Term Securities	1,185	517	—
Total	\$42,919	\$517	\$—

The following acronym is used throughout this schedule:

LIBOR = London Interbank Offered Rate

Country Diversification

(as a % of net assets)

United States	89.6%
United Kingdom	2.7%
Canada	2.2%
Switzerland	2.1%
Netherlands	1.3%
Other+	2.1%

+Includes liabilities (net of cash and other assets), and cash equivalents

ALL DATA IS AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Stocks	100.0%
Information Technology	35.2%
Consumer Discretionary	18.0%
Health Care	13.0%
Industrials	12.4%
Communication Services	10.9%
Financials	5.2%
Consumer Staples	2.8%
Real Estate	2.5%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	0.0%

Top 10 Equity Holdings

Company	Sector	Industry
Microsoft Corp.	Information Technology	Systems Software
Amazon.com, Inc.	Consumer Discretionary	Internet & Direct Marketing Retail
Visa, Inc., Class A	Information Technology	Data Processing & Outsourced Services
Apple, Inc.	Information Technology	Technology Hardware, Storage & Peripherals
Alphabet, Inc., Class A	Communication Services	Interactive Media & Services
CME Group, Inc.	Financials	Financial Exchanges & Data
Zoetis, Inc.	Health Care	Pharmaceuticals
PayPal, Inc.	Information Technology	Data Processing & Outsourced Services
Verisk Analytics, Inc., Class A	Industrials	Research & Consulting Services
Adobe, Inc.	Information Technology	Application Software

See your advisor or www.ivyinvestments.com for more information on the Portfolio's most recently published Top 10 Equity Holdings.

+Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

SCHEDULE OF INVESTMENTS

GROWTH *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS	Shares	Value	COMMON STOCKS (Continued)	Shares	Value	COMMON STOCKS (Continued)	Shares	Value
Communication Services			Health Care			Internet Services & Infrastructure – 2.0%		
Cable & Satellite – 0.7%			Health Care Equipment – 4.9%			VeriSign, Inc. (A)	74	\$ 15,478
Comcast Corp., Class A	132	\$ 5,564	Abiomed, Inc. (A)	27	\$ 7,033			
			Danaher Corp.	139	19,909	Systems Software – 8.7%		
Interactive Home Entertainment – 1.5%			Intuitive Surgical, Inc. (A)	21	11,068	Microsoft Corp.	500	66,913
Electronic Arts, Inc. (A)	116	11,746			38,010			
			Life Sciences Tools & Services – 1.4%			Technology Hardware, Storage & Peripherals – 4.6%		
Interactive Media & Services – 8.7%			Illumina, Inc. (A)	30	10,934	Apple, Inc.	179	35,480
Alphabet, Inc., Class A (A)	30	32,224						
Alphabet, Inc., Class C (A)	12	13,005	Managed Health Care – 1.7%			Total Information Technology – 35.2%		
Facebook, Inc., Class A (A)	114	21,925	UnitedHealth Group, Inc.	53	12,981			271,758
		67,154				Real Estate		
Total Communication Services – 10.9%		84,464	Pharmaceuticals – 5.0%			Specialized REITs – 2.5%		
Consumer Discretionary			Pfizer, Inc.	333	14,417	American Tower Corp., Class A	58	11,878
Apparel, Accessories & Luxury Goods – 2.8%			Zoetis, Inc.	210	23,822	Equinix, Inc.	15	7,615
V.F. Corp.	244	21,313			38,239			19,493
			Total Health Care – 13.0%			Total Real Estate – 2.5%		
Automobile Manufacturers – 2.0%					100,164			19,493
Ferrari N.V.	98	15,771	Industrials			TOTAL COMMON STOCKS – 100.0%		
			Aerospace & Defense – 2.9%			\$772,050		
Footwear – 2.6%			Boeing Co. (The)	28	10,120	(Cost: \$527,802)		
NIKE, Inc., Class B	235	19,762	Northrop Grumman Corp.	37	11,858	SHORT-TERM SECURITIES		
					21,978	Principal		
Home Improvement Retail – 2.4%			Construction Machinery & Heavy Trucks – 0.9%			Master Note – 0.1%		
Home Depot, Inc. (The)	88	18,218	Caterpillar, Inc.	50	6,814	Toyota Motor Credit Corp. (1-Month		
						U.S. LIBOR plus 15 bps),		
Internet & Direct Marketing Retail – 7.5%			Industrial Machinery – 0.7%			2.620%, 7-5-19 (B)		
Amazon.com, Inc. (A)	21	39,204	Stanley Black & Decker, Inc.	39	5,582	TOTAL SHORT-TERM SECURITIES – 0.1%		
Booking Holdings, Inc. (A)	10	18,721				\$ 412		
		57,925	Railroads – 1.1%			(Cost: \$412)		
Specialty Stores – 0.7%			Union Pacific Corp.	52	8,743	TOTAL INVESTMENT SECURITIES – 100.1%		
Ulta Beauty, Inc. (A)	16	5,634				\$772,462		
			Research & Consulting Services – 5.8%			(Cost: \$528,214)		
Total Consumer Discretionary – 18.0%		138,623	CoStar Group, Inc. (A)	39	21,442	LIABILITIES, NET OF CASH AND OTHER		
Consumer Staples			Verisk Analytics, Inc., Class A	160	23,419	ASSETS – (0.1%)		
Personal Products – 2.3%					44,861	(635)		
Estee Lauder Co., Inc. (The), Class A	98	17,927	Trucking – 1.0%			NET ASSETS – 100.0%		
			J.B. Hunt Transport Services, Inc.	82	7,459	\$ 771,827		
Soft Drinks – 0.5%			Total Industrials – 12.4%					
Monster Beverage Corp. (A)	59	3,785			95,437			
			Information Technology					
Total Consumer Staples – 2.8%		21,712	Application Software – 6.3%					
Financials			Adobe, Inc. (A)	78	22,835			
Financial Exchanges & Data – 5.2%			Intuit, Inc.	65	16,986			
CME Group, Inc.	150	29,020	salesforce.com, Inc. (A)	58	8,816			
S&P Global, Inc.	50	11,379			48,637			
		40,399	Data Processing & Outsourced Services – 13.6%					
Total Financials – 5.2%		40,399	Broadridge Financial Solutions, Inc.	91	11,657			
			FleetCor Technologies, Inc. (A)	35	9,830			
			MasterCard, Inc., Class A	84	22,251			
			PayPal, Inc. (A)	208	23,765			
			Visa, Inc., Class A	218	37,747			
					105,250			

JUNE 30, 2019 (UNAUDITED)

Notes to Schedule of Investments

(A) No dividends were paid during the preceding 12 months.

(B) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Common Stocks	\$772,050	\$ —	\$—
Short-Term Securities	—	412	—
Total	<u>\$772,050</u>	<u>\$412</u>	<u>\$—</u>

The following acronyms are used throughout this schedule:

LIBOR = London Interbank Offered Rate

REIT = Real Estate Investment Trust

See Accompanying Notes to Financial Statements.

ALL DATA IS AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Stocks	5.4%
Financials	2.8%
Consumer Discretionary	1.5%
Energy	1.0%
Health Care	0.1%
Communication Services	0.0%
Consumer Staples	0.0%
Industrials	0.0%
Warrants	0.0%
Bonds	86.8%
Corporate Debt Securities	66.4%
Loans	20.4%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	7.8%

Quality Weightings

Non-Investment Grade	86.8%
BB	8.7%
B	48.6%
CCC	26.6%
Below CCC	0.7%
Non-rated	2.2%
Liabilities (Net of Cash and Other Assets), Cash Equivalents+ and Equities	13.2%

Our preference is to always use ratings obtained from Standard & Poor's, Moody's, and Fitch. It is each Portfolio's general policy to classify such security at the lower rating level if only two ratings are available. If more than two ratings are available and a median exists, the median is used. If more than two ratings exist without a median, the lower of the two middle ratings is used. We do not evaluate these ratings, but simply assign them to the appropriate credit quality category as determined by the rating agency.

+Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

SCHEDULE OF INVESTMENTS

HIGH INCOME *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS	Shares	Value	INVESTMENT FUNDS	Shares	Value	CORPORATE DEBT SECURITIES (Continued)	Principal	Value
Communication Services			Registered Investment Companies – 2.8%			Cable & Satellite – 8.1%		
Cable & Satellite – 0.0%			iShares iBoxx \$ High Yield			Altice Financing S.A.:		
Altice N.V., Class A (A)(B)	78	\$ 278	Corporate Bond ETF	290	\$25,282	6.625%, 2-15-23 (E)	\$ 950	\$ 973
Altice USA, Inc., Class A (A)	17	407				7.500%, 5-15-26 (E)	4,462	4,485
		685	TOTAL INVESTMENT FUNDS – 2.8%		\$25,282	Altice France S.A.:		
Total Communication Services – 0.0%		685	(Cost: \$25,202)			7.375%, 5-1-26 (E)	7,396	7,581
Consumer Discretionary			PREFERRED STOCKS			8.125%, 2-1-27 (E)	6,013	6,314
Apparel Retail – 0.0%			Consumer Staples			Altice Luxembourg S.A.,		
True Religion Apparel,			Agricultural Products – 0.0%			10.500%, 5-15-27 (E)	11,289	11,599
Inc. (A)(B)(C)	13	—	Pinnacle Agriculture Enterprises			Altice S.A.:		
		—	LLC (A)(C)(D)	4,583	359	7.250%, 5-15-22 (E)(I)	EUR 55	64
Casinos & Gaming – 0.0%						7.750%, 5-15-22 (E)	\$ 2,510	2,551
New Cotai Participation Corp.,			Total Consumer Staples – 0.0%		359	6.250%, 2-15-25 (E)(I)	EUR 354	400
Class B (A)(C)(D)	—	—				7.625%, 2-15-25 (E)	\$ 5,952	5,598
Education Services – 0.8%			Energy			Altice U.S. Finance I Corp.:		
Laureate Education, Inc.,			Oil & Gas Exploration & Production – 0.9%			5.375%, 7-15-23 (E)	3,161	3,248
Class A (A)	443	6,954	Targa Resources Corp.,			5.500%, 5-15-26 (E)	2,745	2,879
		—	9.500% (A)(D)	8	8,166	Block Communications, Inc.,		
Hotels, Resorts & Cruise Lines – 0.7%						6.875%, 2-15-25 (E)	149	155
Studio City International Holdings			Total Energy – 0.9%		8,166	CCO Holdings LLC and CCO		
Ltd. (A)	343	6,801				Holdings Capital Corp.:		
		—	TOTAL PREFERRED STOCKS – 0.9%		\$ 8,525	5.500%, 5-1-26 (E)	1,187	1,242
Total Consumer Discretionary – 1.5%		13,755	(Cost: \$10,499)			5.000%, 2-1-28 (E)	4,233	4,323
Consumer Staples			WARRANTS			CSC Holdings LLC,		
Agricultural Products – 0.0%			Oil & Gas Exploration & Production – 0.0%			5.375%, 2-1-28 (E)	4,930	5,121
ASG Warrant Corp. (A)(C)	1	—	Sabine Oil & Gas Corp., expires 12-			DISH DBS Corp.:		
		—	29-29 (D)(G)	1	4	5.875%, 7-15-22	2,310	2,345
Total Consumer Staples – 0.0%		—	Ultra Resources, Inc., expires			5.875%, 11-15-24	1,724	1,631
Energy			7-14-25 (G)	20	—	7.750%, 7-1-26	2,821	2,765
Coal & Consumable Fuels – 0.0%					4	Neptune Finco Corp.,		
Westmoreland Coal Co. (A)(C)	29	415	TOTAL WARRANTS – 0.0%		\$ 4	6.625%, 10-15-25 (E)	788	843
		—	(Cost: \$13)			VTR Finance B.V.,		
Oil & Gas Equipment & Services – 0.0%			CORPORATE DEBT SECURITIES			6.875%, 1-15-24 (E)	8,223	8,511
Larchmont Resources			Communication Services					<u>72,628</u>
LLC (A)(B)(C)(D)(F)	1	252	Advertising – 0.1%			Integrated Telecommunication Services – 5.1%		
		—	Outfront Media Capital LLC and Outfront Media Capital			Frontier Communications Corp.:		
Oil & Gas Exploration & Production – 0.1%			Corp.,			6.875%, 1-15-25	6,315	3,537
Bellatrix Exploration Ltd. (A)(B)	436	300	5.625%, 2-15-24	\$ 573	590	11.000%, 9-15-25	8,236	5,106
Sabine Oil & Gas Corp. (A)(D)	—	7				8.500%, 4-1-26 (E)	8,357	8,106
		307	Alternative Carriers – 0.1%			8.000%, 4-1-27 (E)	10,033	10,434
Total Energy – 0.1%		974	Consolidated Communications			GCI, Inc.,		
Health Care			Finance II Co.,			6.875%, 4-15-25	4,808	5,012
Pharmaceuticals – 0.1%			6.500%, 10-1-22 (H)	926	863	West Corp.,		
Advanz Pharma Corp. (A)(B)	35	570	Broadcasting – 1.7%			8.500%, 10-15-25 (E)	15,487	13,551
		—	Clear Channel International B.V.,					<u>45,746</u>
Total Health Care – 0.1%		570	8.750%, 12-15-20 (E)	454	464	Publishing – 0.4%		
Industrials			Clear Channel Outdoor Holdings, Inc.,			E.W. Scripps Co.,		
Air Freight & Logistics – 0.0%			6.500%, 11-15-22	9,435	9,615	5.125%, 5-15-25 (E)	351	337
BIS Industries Ltd. (C)(D)	1,605	97	Clear Channel Worldwide Holdings, Inc.,			MDC Partners, Inc.,		
		—	9.250%, 2-15-24 (E)	4,677	5,074	6.500%, 5-1-24 (E)	3,426	3,148
Total Industrials – 0.0%		97						<u>3,485</u>
TOTAL COMMON STOCKS – 1.7%		\$16,081				Wireless Telecommunication Service – 1.1%		
(Cost: \$13,992)						Digicel Group Ltd.:		
						8.250%, 9-30-22 (E)	760	164
						8.250%, 12-30-22 (E)	806	443
						Digicel Group Ltd. (7.125% Cash or		
						2.000% PIK),		
						9.125%, 4-1-24 (E)(J)	1,285	264
						Digicel International Finance Ltd.,		
						8.750%, 5-25-24 (E)(H)	8,401	7,939

SCHEDULE OF INVESTMENTS

HIGH INCOME *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

CORPORATE DEBT SECURITIES (Continued)

	Principal	Value
Wireless Telecommunication Service (Continued)		
Digicel Ltd.,		
6.750%, 3-1-23 (E)	\$ 2,507	\$ 1,404
		<u>10,214</u>
Total Communication Services – 16.6%		148,679
Consumer Discretionary		
Auto Parts & Equipment – 0.1%		
Adient U.S. LLC,		
7.000%, 5-15-26 (E)	272	279
Panther BF Aggregator 2 L.P.,		
6.250%, 5-15-26 (E)	669	695
		<u>974</u>
Automotive Retail – 0.7%		
Allison Transmission, Inc.,		
5.000%, 10-1-24 (E)	781	797
Penske Automotive Group, Inc.,		
5.500%, 5-15-26	474	494
Sonic Automotive, Inc.:		
5.000%, 5-15-23	3,603	3,634
6.125%, 3-15-27	1,198	1,177
		<u>6,102</u>
Casinos & Gaming – 1.7%		
Everi Payments, Inc.,		
7.500%, 12-15-25 (E)	4,320	4,514
Gateway Casinos & Entertainment Ltd.,		
8.250%, 3-1-24 (E)	2,450	2,579
Golden Nugget, Inc.,		
6.750%, 10-15-24 (E)	5,273	5,431
Wynn Macau Ltd.:		
4.875%, 10-1-24 (E)	855	838
5.500%, 10-1-27 (E)	2,301	2,238
		<u>15,600</u>
Education Services – 2.3%		
Laureate Education, Inc.,		
8.250%, 5-1-25 (E)	19,228	21,006
Hotels, Resorts & Cruise Lines – 0.3%		
Boyne USA, Inc.,		
7.250%, 5-1-25 (E)	2,468	2,671
Leisure Facilities – 0.3%		
Cedar Fair L.P., Magnum Management Corp., Canada's Wonderland Co. and Millennium Operations LLC,		
5.375%, 4-15-27	2,137	2,217
Restaurants – 0.1%		
1011778 B.C. Unlimited Liability Co. and New Red Finance, Inc.,		
5.000%, 10-15-25 (E)	1,061	1,069

CORPORATE DEBT SECURITIES (Continued)

	Principal	Value
Specialized Consumer Services – 0.4%		
Nielsen Co. (Luxembourg) S.a.r.l. (The),		
5.500%, 10-1-21 (E)	\$ 2,371	\$ 2,380
Nielsen Finance LLC and Nielsen Finance Co.,		
5.000%, 4-15-22 (E)	896	895
		<u>3,275</u>
Specialty Stores – 3.4%		
Cumberland Farms, Inc.,		
6.750%, 5-1-25 (E)	1,904	2,018
Party City Holdings, Inc.,		
6.625%, 8-1-26 (E)(H)	1,912	1,855
Staples, Inc.:		
7.500%, 4-15-26 (E)	16,924	16,825
10.750%, 4-15-27 (E)	10,154	10,103
		<u>30,801</u>
Total Consumer Discretionary – 9.3%		83,715
Consumer Staples		
Food Distributors – 0.6%		
Performance Food Group, Inc.,		
5.500%, 6-1-24 (E)	2,754	2,813
U.S. Foods, Inc.,		
5.875%, 6-15-24 (E)	2,910	2,990
		<u>5,803</u>
Packaged Foods & Meats – 4.3%		
JBS USA LLC and JBS USA Finance, Inc.:		
5.875%, 7-15-24 (E)	5,708	5,872
5.750%, 6-15-25 (E)	4,650	4,836
JBS USA Lux S.A. and JBS USA Finance, Inc.,		
6.750%, 2-15-28 (E)	3,115	3,384
JBS USA, JBS USA Food Co. and JBS USA Finance, Inc. (GTD by JBS S.A.),		
6.500%, 4-15-29 (E)	545	592
Pilgrim's Pride Corp.:		
5.750%, 3-15-25 (E)	881	894
5.875%, 9-30-27 (E)	3,082	3,194
Post Holdings, Inc.:		
5.500%, 3-1-25 (E)	781	806
5.000%, 8-15-26 (E)	1,267	1,284
5.750%, 3-1-27 (E)	5,618	5,801
Simmons Foods, Inc.:		
7.750%, 1-15-24 (E)	1,656	1,784
5.750%, 11-1-24 (E)	10,900	9,919
		<u>38,366</u>
Total Consumer Staples – 4.9%		44,169
Energy		
Oil & Gas Drilling – 1.0%		
EnSCO plc,		
7.750%, 2-1-26	2,484	1,851

CORPORATE DEBT SECURITIES (Continued)

	Principal	Value
Oil & Gas Drilling (Continued)		
KCA Deutag UK Finance plc,		
7.250%, 5-15-21 (E)	\$5,209	\$3,920
Offshore Drilling Holding S.A.,		
8.375%, 9-20-20 (E)(K)	8,682	2,995
Offshore Group Investment Ltd.,		
0.000%, 11-1-19 (C)(L)	1,693	—
		<u>8,766</u>
Oil & Gas Equipment & Services – 1.0%		
Brand Energy & Infrastructure Services, Inc.,		
8.500%, 7-15-25 (E)	3,292	2,983
McDermott Escrow 1, Inc. and McDermott Escrow 2, Inc.,		
10.625%, 5-1-24 (E)	4,298	4,017
Nine Energy Service, Inc.,		
8.750%, 11-1-23 (E)	1,917	1,869
SESI LLC,		
7.125%, 12-15-21	906	632
		<u>9,501</u>
Oil & Gas Exploration & Production – 3.5%		
Bellatrix Exploration Ltd.,		
8.500%, 9-11-23	1,022	1,037
Bellatrix Exploration Ltd. (3.000% Cash or 9.500% PIK),		
9.500%, 12-15-23 (J)	1,113	1,130
Chesapeake Energy Corp.:		
7.000%, 10-1-24 (H)	4,475	4,016
8.000%, 1-15-25 (H)	377	348
Crownrock L.P.,		
5.625%, 10-15-25 (E)	7,521	7,521
Endeavor Energy Resources L.P.:		
5.500%, 1-30-26 (E)	2,453	2,542
5.750%, 1-30-28 (E)	1,789	1,883
Extraction Oil & Gas, Inc.,		
5.625%, 2-1-26 (E)	3,370	2,721
Laredo Petroleum, Inc.,		
6.250%, 3-15-23 (H)	821	764
Sanchez Energy Corp.,		
7.250%, 2-15-23 (E)(H)	622	471
Seven Generations Energy Ltd.:		
6.750%, 5-1-23 (E)	5,646	5,745
5.375%, 9-30-25 (E)	2,523	2,428
Ultra Resources, Inc. (9.000% Cash or 2.000% PIK),		
11.000%, 7-12-24 (J)	1,005	382
WildHorse Resource Development Corp.,		
6.875%, 2-1-25	668	628
		<u>31,616</u>
Oil & Gas Refining & Marketing – 1.5%		
Callon Petroleum Co. (GTD by Callon Petroleum Operating Co.):		
6.125%, 10-1-24	1,081	1,092
6.375%, 7-1-26	386	388
Comstock Escrow Corp.,		
9.750%, 8-15-26	10,817	8,302

SCHEDULE OF INVESTMENTS

HIGH INCOME *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

CORPORATE DEBT SECURITIES (Continued)

	Principal	Value
Oil & Gas Refining & Marketing (Continued)		
EP Energy LLC and Everest Acquisition Finance, Inc.:		
9.375%, 5-1-24 (E)	\$ 1,320	\$ 304
8.000%, 2-15-25 (E)	1,386	302
7.750%, 5-15-26 (E)	1,933	1,725
QEP Resources, Inc.,		
5.625%, 3-1-26	1,599	1,503
		<u>13,616</u>
Total Energy – 7.0%		63,499
Financials		
Consumer Finance – 0.9%		
CURO Group Holdings Corp.,		
8.250%, 9-1-25 (E)	3,179	2,646
Quicken Loans, Inc.,		
5.750%, 5-1-25 (E)	5,176	5,330
		<u>7,976</u>
Financial Exchanges & Data – 1.2%		
Refinitiv U.S. Holdings, Inc.:		
6.250%, 5-15-26 (E)	2,561	2,634
8.250%, 11-15-26 (E)	8,449	8,690
		<u>11,324</u>
Insurance Brokers – 1.1%		
NFP Corp.,		
6.875%, 7-15-25 (E)	10,370	10,263
Other Diversified Financial Services – 1.5%		
New Cotai LLC and New Cotai Capital Corp. (10.625% Cash or 10.625% PIK),		
10.625%, 12-1-19 (E)(J)(M)	26,095	13,570
Property & Casualty Insurance – 1.1%		
Amwins Group, Inc.,		
7.750%, 7-1-26 (E)	3,153	3,263
Hub International Ltd.,		
7.000%, 5-1-26 (E)	6,394	6,482
		<u>9,745</u>
Specialized Finance – 2.0%		
BCPE Cycle Merger Sub II, Inc.,		
10.625%, 7-15-27 (E)	5,496	5,565
Compass Group Diversified Holdings LLC,		
8.000%, 5-1-26 (E)	2,534	2,642
Hadrian Merger Sub, Inc.,		
8.500%, 5-1-26 (E)	4,714	4,455
Tervita Escrow Corp.,		
7.625%, 12-1-21 (E)	1,289	1,311
TMX Finance LLC and TitleMax Finance Corp.,		
11.125%, 4-1-23 (E)	3,903	3,688
		<u>17,661</u>

CORPORATE DEBT SECURITIES (Continued)

	Principal	Value
Thriffs & Mortgage Finance – 0.3%		
Provident Funding Associates L.P. and PFG Finance Corp.,		
6.375%, 6-15-25 (E)	\$ 2,943	\$ 2,766
Total Financials – 8.1%		73,305
Health Care		
Health Care Facilities – 2.3%		
DaVita HealthCare Partners, Inc.,		
5.125%, 7-15-24	548	548
MPH Acquisition Holdings LLC,		
7.125%, 6-1-24 (E)	1,906	1,787
RegionalCare Hospital Partners Holdings, Inc. and Legend Merger Sub, Inc.,		
9.750%, 12-1-26 (E)	11,472	12,017
Surgery Center Holdings, Inc.,		
10.000%, 4-15-27 (E)	6,050	6,035
		<u>20,387</u>
Health Care Services – 0.1%		
Polaris Intermediate Corp.,		
8.500%, 12-1-22 (E)	1,307	1,153
Health Care Technology – 1.1%		
Verscend Holding Corp.,		
9.750%, 8-15-26 (E)	9,366	9,741
Life Sciences Tools & Services – 0.9%		
Avantor, Inc.,		
9.000%, 10-1-25 (E)	6,976	7,778
Pharmaceuticals – 2.2%		
Advanz Pharma Corp.,		
8.000%, 9-6-24	430	417
Bausch Health Cos., Inc.,		
6.125%, 4-15-25 (E)	1,727	1,761
Eagle Holding Co. II LLC (7.750% Cash or 7.750% PIK),		
7.750%, 5-15-22 (E)(J)	6,101	6,147
Par Pharmaceutical, Inc.,		
7.500%, 4-1-27 (E)	3,609	3,546
Valeant Pharmaceuticals International, Inc.:		
5.500%, 11-1-25 (E)	1,252	1,305
9.000%, 12-15-25 (E)	855	955
9.250%, 4-1-26 (E)	2,515	2,814
8.500%, 1-31-27 (E)	3,270	3,596
		<u>20,541</u>
Total Health Care – 6.6%		59,600
Industrials		
Aerospace & Defense – 2.6%		
TransDigm UK Holdings plc,		
6.875%, 5-15-26	2,171	2,197
TransDigm, Inc. (GTD by TransDigm Group, Inc.):		
6.000%, 7-15-22	5,075	5,126
6.500%, 7-15-24	6,077	6,153

CORPORATE DEBT SECURITIES (Continued)

	Principal	Value
Aerospace & Defense (Continued)		
6.500%, 5-15-25	\$ 1,162	\$ 1,175
6.250%, 3-15-26 (E)	3,744	3,917
6.375%, 6-15-26	2,490	2,521
7.500%, 3-15-27 (E)	2,673	2,790
		<u>23,879</u>
Air Freight & Logistics – 1.0%		
XPO Logistics, Inc.,		
6.750%, 8-15-24 (E)	8,095	8,632
Diversified Support Services – 0.4%		
Ahern Rentals, Inc.,		
7.375%, 5-15-23 (E)	3,901	3,462
United Rentals (North America), Inc. (GTD by United Rentals, Inc.),		
5.875%, 9-15-26	472	503
		<u>3,965</u>
Environmental & Facilities Services – 1.2%		
GFL Environmental, Inc.:		
5.625%, 5-1-22 (E)	820	826
5.375%, 3-1-23 (E)	4,399	4,355
7.000%, 6-1-26 (E)	3,835	3,926
8.500%, 5-1-27 (E)	952	1,025
Waste Pro USA, Inc.,		
5.500%, 2-15-26 (E)	482	493
		<u>10,625</u>
Industrial Machinery – 0.1%		
Apex Tool Group LLC and BC Mountain Finance, Inc.,		
9.000%, 2-15-23 (E)	700	625
Security & Alarm Services – 0.8%		
Prime Security Services Borrower LLC and Prime Finance, Inc.,		
9.250%, 5-15-23 (E)	6,620	6,952
Total Industrials – 6.1%		54,678
Information Technology		
Application Software – 1.3%		
Kronos Acquisition Holdings, Inc.,		
9.000%, 8-15-23 (E)	13,902	12,222
Data Processing & Outsourced Services – 1.6%		
Italics Merger Sub, Inc.,		
7.125%, 7-15-23 (E)	12,951	13,180
j2 Cloud Services LLC and j2 Global, Inc.,		
6.000%, 7-15-25 (E)	1,192	1,249
		<u>14,429</u>
IT Consulting & Other Services – 1.5%		
Cardtronics, Inc. and Cardtronics USA, Inc.,		
5.500%, 5-1-25 (E)	687	683

SCHEDULE OF INVESTMENTS

HIGH INCOME *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

CORPORATE DEBT SECURITIES (Continued)	Principal	Value	LOANS (N)	Principal	Value	LOANS (N) (Continued)	Principal	Value
IT Consulting & Other Services (Continued)			Communication Services			Restaurants – 0.2%		
NCR Escrow Corp.:			Advertising – 0.3%			NPC International, Inc. (ICE LIBOR		
5.875%, 12-15-21	\$ 4,719	\$ 4,780	Advantage Sales & Marketing, Inc.			plus 750 bps),		
6.375%, 12-15-23	4,266	4,400	(ICE LIBOR plus 325 bps),			9.939%, 4-18-25	\$3,326	\$ 1,971
Pioneer Holding Corp.,			5.580%, 7-25-21	\$ 794	\$ 722	Specialized Consumer Services – 0.2%		
9.000%, 11-1-22 (E)	3,739	3,842	Advantage Sales & Marketing, Inc.			Asurion LLC (ICE LIBOR plus 600		
		<u>13,705</u>	(ICE LIBOR plus 650 bps),			bps),		
			8.830%, 7-25-22	2,751	2,161	8.902%, 8-4-25	1,861	1,885
					<u>2,883</u>	Specialty Stores – 1.3%		
Total Information Technology – 4.4%		40,356	Cable & Satellite – 0.0%			Jo-Ann Stores, Inc. (ICE LIBOR plus		
Materials			Liberty Cablevision of Puerto Rico			500 bps),		
Aluminum – 1.4%			LLC (ICE LIBOR plus 350 bps),			7.592%, 10-16-23	2,595	2,327
Constellium N.V.:			5.894%, 1-7-22 (C)	96	96	Jo-Ann Stores, Inc. (ICE LIBOR plus		
5.750%, 5-15-24 (E)	3,551	3,631	Integrated Telecommunication Services – 0.9%			925 bps),		
6.625%, 3-1-25 (E)	4,140	4,295	West Corp.,			11.842%, 5-21-24	3,971	3,474
5.875%, 2-15-26 (E)	2,322	2,386	0.000%, 10-10-24 (O)	1,372	1,279	Staples, Inc. (ICE LIBOR plus 500		
Novelis Corp. (GTD by Novelis,			West Corp. (3-Month ICE LIBOR plus			bps),		
Inc.):			400 bps),			7.601%, 7-12-26	6,091	5,839
6.250%, 8-15-24 (E)	1,471	1,542	6.522%, 10-10-24	8,255	7,691			<u>11,640</u>
5.875%, 9-30-26 (E)	985	998			<u>8,970</u>	Textiles – 0.5%		
		<u>12,852</u>	Publishing – 0.1%			SIWF Holdings, Inc.,		
Commodity Chemicals – 0.5%			Recorded Books, Inc. (ICE LIBOR plus			0.000%, 6-15-25 (C)(O)	411	407
NOVA Chemicals Corp.:			450 bps),			SIWF Holdings, Inc. (ICE LIBOR plus		
4.875%, 6-1-24 (E)	2,943	3,046	6.830%, 8-31-25	1,135	1,136	425 bps),		
5.250%, 6-1-27 (E)	1,177	1,252				6.654%, 6-15-25 (C)	3,830	3,792
		<u>4,298</u>	Wireless Telecommunication Service – 0.1%					<u>4,199</u>
Construction Materials – 0.6%			Digicel International Finance Ltd. (ICE			Total Consumer Discretionary – 3.7%		33,495
Hillman Group, Inc. (The),			LIBOR plus 325 bps),			Consumer Staples		
6.375%, 7-15-22 (E)	6,615	5,871	5.780%, 5-27-24	915	791	Hypermarkets & Super Centers – 0.2%		
Fertilizers & Agricultural Chemicals – 0.2%					13,876	GOBP Holdings, Inc. (ICE LIBOR plus		
Pinnacle Operating Corp.,			Total Communication Services – 1.4%			375 bps),		
9.000%, 5-15-23 (E)	6,601	2,178	Consumer Discretionary			6.135%, 10-22-25	1,383	1,381
Metal & Glass Containers – 0.4%			Apparel Retail – 0.7%			Total Consumer Staples – 0.2%		1,381
ARD Finance S.A. (7.125% Cash or			Talbots, Inc. (The) (ICE LIBOR plus			Energy		
7.875% PIK),			700 bps),			Coal & Consumable Fuels – 0.9%		
7.125%, 9-15-23 (J)	548	560	9.439%, 11-28-22 (C)	5,283	5,099	Foresight Energy LLC (ICE LIBOR		
ARD Securities Finance S.a.r.l.			TRLG Intermediate Holdings LLC,			plus 725 bps),		
(8.750% Cash or 8.750% PIK),			10.000%, 10-27-22 (C)	1,529	1,437	8.272%, 3-28-22	6,950	5,641
8.750%, 1-31-23 (E)(H)(J)	1,583	1,595	Department Stores – 0.2%			Westmoreland Coal Co. (ICE LIBOR		
HudBay Minerals, Inc.:			Belk, Inc. (ICE LIBOR plus 475 bps),			plus 650 bps),		
7.250%, 1-15-23 (E)	408	420	7.285%, 12-10-22	2,270	1,827	10.660%, 3-15-22 (C)	728	728
7.625%, 1-15-25 (E)	611	631	Housewares & Specialties – 0.3%			Westmoreland Mining Holdings LLC		
		<u>3,206</u>	KIK Custom Products, Inc. (ICE LIBOR			(15.000% Cash or 15.000% PIK),		
Specialty Chemicals – 0.3%			plus 400 bps),			15.000%, 3-15-29 (C)(J)	1,733	1,404
Kraton Polymers LLC and Kraton			6.402%, 5-15-23	2,573	2,419			<u>7,773</u>
Polymers Capital Corp.,			Leisure Facilities – 0.3%			Oil & Gas Equipment & Services – 0.1%		
7.000%, 4-15-25 (E)	2,657	2,690	United PF Holdings LLC,			Larchmont Resources LLC (9.460%		
			0.000%, 6-14-26 (O)	364	363	Cash or 9.460% PIK),		
Total Materials – 3.4%		31,095	United PF Holdings LLC (ICE LIBOR			9.460%, 8-7-20 (C)(F)(J)	757	705
TOTAL CORPORATE DEBT			plus 450 bps),			Oil & Gas Exploration & Production – 0.5%		
SECURITIES – 66.4%		\$599,096	6.901%, 6-10-26	2,658	2,655	California Resources Corp. (ICE		
(Cost: \$626,630)					<u>3,018</u>	LIBOR plus 1,037.50 bps),		
						12.777%, 12-31-21	2,885	2,922

SCHEDULE OF INVESTMENTS

HIGH INCOME *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

LOANS (N) (Continued)	Principal	Value	LOANS (N) (Continued)	Principal	Value	LOANS (N) (Continued)	Principal	Value
Oil & Gas Exploration & Production (Continued)			Health Care Facilities – 1.7%			Industrial Machinery – 1.4%		
California Resources Corp. (ICE LIBOR plus 475 bps),			Gentiva Health Services, Inc. (3-Month ICE LIBOR plus 375 bps),			Dynacast International LLC (ICE LIBOR plus 850 bps),		
7.152%, 12-31-22	\$ 1,928	\$ 1,840	6.188%, 7-2-25	\$ 7,360	\$ 7,360	10.830%, 1-30-23	\$ 13,354	\$ 13,086
		<u>4,762</u>	Gentiva Health Services, Inc. (ICE LIBOR plus 700 bps),					
			11.500%, 7-2-26	1,897	1,916	Total Industrials – 3.2%		29,316
Oil & Gas Storage & Transportation – 1.2%			RegionalCare Hospital Partners Holdings, Inc. (ICE LIBOR plus 450 bps),			Information Technology		
Bowie Resources Holdings LLC (ICE LIBOR plus 1,075 bps),			6.904%, 11-16-25	6,422	6,379	Application Software – 0.3%		
13.272%, 2-16-21	1,911	1,795			<u>15,655</u>	Applied Systems, Inc. (ICE LIBOR plus 700 bps),		
Bowie Resources Holdings LLC (ICE LIBOR plus 575 bps),			Health Care Services – 1.6%			9.330%, 9-19-25	1,954	1,971
8.272%, 8-12-20	3,037	2,976	Heartland Dental LLC,			Kronos Acquisition Holdings, Inc. (ICE LIBOR plus 700 bps),		
EPIC Crude Services L.P. (ICE LIBOR plus 500 bps),			0.000%, 4-30-25 (O)	90	85	9.402%, 5-15-23 (C)	534	528
7.410%, 3-1-26	6,000	5,893	Heartland Dental LLC (ICE LIBOR plus 375 bps),					<u>2,499</u>
Lower Cadence Holdings LLC (ICE LIBOR plus 400 bps),			6.152%, 4-30-25	4,007	3,789	Communications Equipment – 0.4%		
6.404%, 5-8-26	684	680	U.S. Renal Care, Inc.,			MLN U.S. Holdco LLC (ICE LIBOR plus 450 bps),		
		<u>11,344</u>	0.000%, 6-14-26 (O)	10,991	10,773	6.939%, 11-30-25	1,895	1,806
Total Energy – 2.7%		24,584			<u>14,647</u>	MLN U.S. Holdco LLC (ICE LIBOR plus 875 bps),		
Financials			Health Care Technology – 1.0%			11.189%, 11-30-26	1,796	1,572
Asset Management & Custody Banks – 0.4%			Verscend Holding Corp. (ICE LIBOR plus 450 bps),					<u>3,378</u>
Edelman Financial Holdings II, Inc. (ICE LIBOR plus 675 bps),			6.902%, 8-27-25	8,962	8,957	Data Processing & Outsourced Services – 0.6%		
9.144%, 7-20-26	4,048	4,058	Pharmaceuticals – 0.1%			Colorado Buyer, Inc. (ICE LIBOR plus 300 bps),		
Financial Exchanges & Data – 0.4%			Concordia International Corp. (ICE LIBOR plus 550 bps),			9.670%, 5-1-25	2,171	1,876
Hudson River Trading LLC (3-Month U.S. LIBOR plus 350 bps),			7.911%, 9-6-24	1,170	1,122	Great Dane Merger Sub, Inc. (ICE LIBOR plus 375 bps),		
5.830%, 4-3-25	3,367	3,361	Total Health Care – 4.5%		40,953	6.152%, 5-21-25 (C)	3,161	3,114
Insurance Brokers – 0.3%			Industrials					<u>4,990</u>
NFP Corp. (ICE LIBOR plus 300 bps),			Building Products – 0.1%			Total Information Technology – 1.3%		10,867
5.402%, 1-8-24	2,512	2,439	Hampton Rubber Co. & SEI Holding Corp. (ICE LIBOR plus 800 bps),			Materials		
Investment Banking & Brokerage – 0.6%			10.402%, 3-27-22 (C)	1,074	1,052	Construction Materials – 0.5%		
Jane Street Group LLC (ICE LIBOR plus 300 bps),			Construction & Engineering – 1.0%			Hillman Group, Inc. (The) (ICE LIBOR plus 350 bps),		
5.402%, 8-25-22	5,046	5,010	McDermott Technology (Americas), Inc. (ICE LIBOR plus 500 bps),			6.402%, 5-31-25	4,320	4,152
Property & Casualty Insurance – 0.9%			7.402%, 5-10-25	8,449	8,303	Total Materials – 0.5%		4,152
Amynta Agency Borrower, Inc. (ICE LIBOR plus 400 bps),			Tensar International Corp. (ICE LIBOR plus 850 bps),			TOTAL LOANS – 20.4%		\$184,395
6.902%, 2-28-25	8,415	8,152	10.830%, 7-10-22 (C)	1,119	996	(Cost: \$193,247)		
Specialized Finance – 0.3%					<u>9,299</u>	SHORT-TERM SECURITIES		
Mayfield Agency Borrower, Inc. (ICE LIBOR plus 850 bps),			Industrial Conglomerates – 0.7%			Commercial Paper (P) – 7.0%		
10.902%, 2-28-26	2,807	2,751	PAE Holding Corp. (ICE LIBOR plus 550 bps),			Diageo Capital plc (GTD by Diageo plc),		
		<u>25,771</u>	7.902%, 10-20-22 (C)	5,040	5,097	3.010%, 7-10-19	5,000	4,996
Total Financials – 2.9%			PAE Holding Corp. (ICE LIBOR plus 950 bps),			International Paper Co.,		
Health Care			11.830%, 10-20-23	798	782	2.575%, 7-9-19	5,000	4,996
Health Care Equipment – 0.1%					<u>5,879</u>	McCormick & Co., Inc.,		
LifeScan Global Corp. (3-Month ICE LIBOR plus 950 bps),			Industrial Conglomerates – 0.7%			3.100%, 7-11-19	4,000	3,996
12.160%, 10-1-25 (C)	632	572	PAE Holding Corp. (ICE LIBOR plus 950 bps),			Mondelez International, Inc.:		
			11.830%, 10-20-23	798	782	2.565%, 7-2-19	9,000	8,998

SCHEDULE OF INVESTMENTS

HIGH INCOME *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

SHORT-TERM SECURITIES (Continued)			SHORT-TERM SECURITIES (Continued)		
	Principal	Value	Shares	Value	
Commercial Paper (P) (Continued)			Money Market Funds – 0.3%		
2.840%, 7-16-19	\$ 3,000	\$ 2,996	Dreyfus Institutional Preferred		
2.810%, 7-18-19	4,000	3,994	Government Money Market		
2.720%, 7-29-19	10,000	9,978	Fund – Institutional Shares,		
Prudential Funding LLC (GTD by Prudential Financial, Inc.),			2,597	\$ 2,597	
2.350%, 7-1-19	6,806	6,805	TOTAL SHORT-TERM SECURITIES – 8.1%		
Virginia Electric and Power Co.:			\$ 73,201		
3.150%, 7-10-19	4,000	3,997	(Cost: \$73,215)		
2.940%, 7-17-19	5,000	4,993	TOTAL INVESTMENT SECURITIES – 100.3%		
2.870%, 7-22-19	8,000	7,986	\$906,584		
		63,735	(Cost: \$942,798)		
Master Note – 0.8%			LIABILITIES, NET OF CASH AND OTHER		
Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps),			ASSETS – (0.3)%		
2.620%, 7-5-19 (Q)	6,869	6,869	(2,719)		
			NET ASSETS – 100.0%		
			\$903,865		

Notes to Schedule of Investments

*Not shown due to rounding.

(A) No dividends were paid during the preceding 12 months.

(B) Listed on an exchange outside the United States.

(C) Securities whose value was determined using significant unobservable inputs.

(D) Restricted securities. At June 30, 2019, the Portfolio owned the following restricted securities:

Security	Acquisition Date(s)	Shares	Cost	Market Value
BIS Industries Ltd.	12-22-17	1,605	\$ 151	\$ 97
Larchmont Resources LLC	12-8-16	1	340	252
New Cotai Participation Corp., Class B	4-12-13	—*	62	—
Sabine Oil & Gas Corp.	12-7-16	—*	12	7
Pinnacle Agriculture Enterprises LLC	3-10-17	4,583	2,083	359
Targa Resources Corp., 9.500%	10-24-17	8	8,416	8,166
Sabine Oil & Gas Corp., expires 12-29-29	12-7-16	1	7	4
			\$11,071	\$8,885

The total value of these securities represented 1.0% of net assets at June 30, 2019.

(E) Securities were purchased pursuant to an exemption from registration available under Rule 144A under the Securities Act of 1933 and may only be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2019 the total value of these securities amounted to \$509,657 or 56.4% of net assets.

(F) Deemed to be an affiliate due to the Portfolio owning at least 5% of the voting securities.

(G) Warrants entitle the Portfolio to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.

(H) All or a portion of securities with an aggregate value of \$4,642 are on loan.

(I) Principal amounts are denominated in the indicated foreign currency, where applicable (EUR – Euro).

(J) Payment-in-kind bond which may pay interest in additional par and/or in cash. Rates shown are the current rate and possible payment rates.

(K) Step bond that pays an initial coupon rate for the first period and then a higher or lower coupon rate for the following periods. Interest rate disclosed is that which is in effect at June 30, 2019.

(L) Zero coupon bond.

(M) Non-income producing as the issuer has either missed its most recent interest payment or declared bankruptcy.

(N) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Description of the reference rate and spread, if applicable, are included in the security description.

(O) All or a portion of this position has not settled. Full contract rates do not take effect until settlement date.

(P) Rate shown is the yield to maturity at June 30, 2019.

SCHEDULE OF INVESTMENTS

HIGH INCOME *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

(Q) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

(R) Investment made with cash collateral received from securities on loan.

(S) Rate shown is the annualized 7-day yield at June 30, 2019.

The following forward foreign currency contracts were outstanding at June 30, 2019:

	Currency to be Delivered		Currency to be Received	Settlement Date	Counterparty	Unrealized Appreciation	Unrealized Depreciation
Euro	631	U.S. Dollar	715	7-5-19	Morgan Stanley International	\$—	\$3

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Common Stocks			
Communication Services	\$ 407	\$ 278	\$ —
Consumer Discretionary	13,755	—	—*
Energy	300	7	667
Health Care	570	—	—
Industrials	—	—	97
Total Common Stocks	\$ 15,032	\$ 285	\$ 764
Investment Funds	25,282	—	—
Preferred Stocks	—	8,166	359
Warrants	—	4	—
Corporate Debt Securities	—	599,096	—*
Loans	—	159,368	25,027
Short-Term Securities	2,597	70,604	—
Total	\$ 42,911	\$ 837,523	\$ 26,150
Liabilities			
Forward Foreign Currency Contracts	\$ —	\$ 3	\$ —

The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

	Common Stocks	Preferred Stocks	Loans
Beginning Balance 1-1-19	\$ 4,144	\$ 410	\$ 50,874
Net realized gain (loss)	434	—	20
Net change in unrealized appreciation (depreciation)	(169)	(51)	(2,931)
Purchases	—*	—	4,541
Sales	(3,645)	—	(3,865)
Amortization/Accretion of premium/discount	—	—	(65)
Transfers into Level 3 during the period	—	—	7,934
Transfers out of Level 3 during the period	—	—	(31,481)
Ending Balance 6-30-19	\$ 764	\$ 359	\$ 25,027
Net change in unrealized appreciation (depreciation) for all Level 3 investments still held as of 6-30-19	\$ 264	\$ (51)	\$ (2,166)

Information about Level 3 fair value measurements:

	Fair Value at 6-30-19	Valuation Technique(s)	Unobservable Input(s)	Input value(s)
Assets				
Common Stocks	\$ —*	Net asset approach	Adjusted book value multiple	0x
	97	Market comparable approach	Adjusted EBITDA multiple	6.00x
	667	Third-party valuation service	Broker quote	N/A
Preferred Stocks	359	Market comparable approach	Adjusted EBITDA multiple	9.69x
			Illiquidity discount	10%
		Option pricing model	Volatility	9.88%
Loans	25,027	Third-party valuation service	Broker quotes	N/A

JUNE 30, 2019 (UNAUDITED)

Significant increases (decreases) in the adjusted EBITDA multiple inputs as of the reporting date would result in a higher (lower) fair value measurement. However, significant increases (decreases) in the illiquidity discount input as of the reporting date would result in a lower (higher) fair value measurement.

The following acronyms are used throughout this schedule:

GTD = Guaranteed

ICE = Intercontinental Exchange

PIK = Payment In Kind

LIBOR = London Interbank Offered Rate

ALL DATA IS AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Stocks	92.0%
Consumer Discretionary	13.7%
Industrials	12.2%
Financials	11.9%
Health Care	11.2%
Consumer Staples	10.9%
Energy	10.8%
Materials	6.6%
Information Technology	6.4%
Communication Services	6.1%
Utilities	1.2%
Real Estate	1.0%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	8.0%

Country Weightings

Europe	60.4%
United Kingdom	12.6%
Germany	12.6%
Switzerland	11.3%
France	10.0%
Netherlands	3.6%
Other Europe	10.3%
Pacific Basin	24.8%
Japan	10.9%
China	6.8%
Other Pacific Basin	7.1%
North America	5.7%
Canada	3.7%
Other North America	2.0%
Other	1.1%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	8.0%

Top 10 Equity Holdings

Company	Country	Sector	Industry
Nestle S.A., Registered Shares	Switzerland	Consumer Staples	Packaged Foods & Meats
Total S.A.	France	Energy	Integrated Oil & Gas
SAP AG	Germany	Information Technology	Application Software
Roche Holdings AG, Genusscheine	Switzerland	Health Care	Pharmaceuticals
Airbus SE	France	Industrials	Aerospace & Defense
Unilever plc	United Kingdom	Consumer Staples	Personal Products
Tokio Marine Holdings, Inc.	Japan	Financials	Property & Casualty Insurance
Alibaba Group Holding Ltd. ADR	China	Consumer Discretionary	Internet & Direct Marketing Retail
Orange S.A.	France	Communication Services	Integrated Telecommunication Services
Ferguson plc	Switzerland	Industrials	Trading Companies & Distributors

See your advisor or www.ivyinvestments.com for more information on the Portfolio's most recently published Top 10 Equity Holdings.

+ Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

SCHEDULE OF INVESTMENTS

INTERNATIONAL CORE EQUITY *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS	Shares	Value	COMMON STOCKS (Continued)	Shares	Value	COMMON STOCKS (Continued)	Shares	Value
Australia			Energy – 2.8%			Consumer Discretionary – 4.5%		
Materials – 2.7%			Total S.A.	359	\$ 20,136	Isuzu Motors Ltd.	822	\$ 9,388
BHP Group plc	224	\$ 5,723				Sony Corp.	55	2,874
BHP Group plc ADR	87	4,426	Industrials – 3.8%			Subaru Corp.	504	12,278
Newcrest Mining Ltd.	401	9,009	Airbus SE	124	17,563	Zozo, Inc.	433	8,128
		<u>19,158</u>	Schneider Electric S.A.	107	9,643			<u>32,668</u>
					<u>27,206</u>	Consumer Staples – 1.2%		
Total Australia – 2.7%		\$ 19,158	Total France – 10.0%			Seven & i Holdings Co. Ltd.	249	8,447
Canada			Germany			Energy – 1.1%		
Consumer Discretionary – 0.6%			Consumer Discretionary – 2.4%			Inpex Corp.		
Dollarama, Inc.	111	3,915	adidas AG	32	9,980		845	7,654
			Continental AG	49	7,150	Financials – 1.8%		
					<u>17,130</u>	Tokio Marine Holdings, Inc.	263	13,206
Energy – 3.1%			Financials – 1.0%			Industrials – 1.2%		
Canadian Natural Resources Ltd.	306	8,246	Commerzbank AG	965	6,927	SMC Corp.	24	8,810
Seven Generations Energy Ltd., Class A (A)	960	4,706				Information Technology – 0.3%		
Suncor Energy, Inc.	300	9,345	Health Care – 4.5%			Tokyo Electron Ltd.	14	2,010
		<u>22,297</u>	Bayer AG	162	11,258			
Total Canada – 3.7%		\$26,212	Fresenius Medical Care AG & Co. KGaA	131	10,272	Total Japan – 10.9%		
China			Merck KGaA	104	10,853			\$78,335
Consumer Discretionary – 3.1%					<u>32,383</u>	Luxembourg		
Alibaba Group Holding Ltd. ADR (A)(B)	75	12,692	Information Technology – 2.5%			Energy – 1.1%		
Huayu Automotive Systems Co. Ltd., A Shares	2,989	9,410	SAP AG	135	18,465	Tenaris S.A.	279	3,655
		<u>22,102</u>				Tenaris S.A. ADR	151	3,973
Consumer Staples – 1.3%			Real Estate – 1.0%					<u>7,628</u>
Wuliangye Yibin Co. Ltd., A Shares ...	540	9,289	Deutsche Wohnen AG	195	7,156	Total Luxembourg – 1.1%		
								\$ 7,628
Financials – 1.4%			Utilities – 1.2%			Netherlands		
China Construction Bank Corp.	11,688	10,075	E.ON AG	785	8,517	Health Care – 1.1%		
						Qiagen N.V. (A)	195	7,929
Industrials – 1.0%			Total Germany – 12.6%			Industrials – 2.5%		
Han's Laser Technology Industry Group Co. Ltd., A Shares	1,421	7,135			\$90,578	Koninklijke Philips Electronics N.V., Ordinary Shares	213	9,281
			Hong Kong			Randstad Holding N.V. (A)	152	8,365
Total China – 6.8%		\$48,601	Financials – 3.3%					<u>17,646</u>
Finland			AIA Group Ltd.	1,126	12,162	Total Netherlands – 3.6%		
Information Technology – 1.1%			Hong Kong Exchanges and Clearing Ltd.	335	11,830			\$25,575
Nokia Corp., Series A ADR	783	3,921			<u>23,992</u>	Norway		
Nokia OYJ	776	3,863	Total Hong Kong – 3.3%			Communication Services – 1.1%		
		<u>7,784</u>			\$23,992	Telenor ASA	370	7,867
Total Finland – 1.1%		\$ 7,784	Ireland			Financials – 1.6%		
France			Materials – 1.4%			DNB ASA		
Communication Services – 1.8%			CRH plc	319	10,417			<u>11,396</u>
Criteo S.A. ADR (A)	10	165				Total Norway – 2.7%		
Orange S.A.	804	12,674	Total Ireland – 1.4%					\$ 19,263
		<u>12,839</u>			\$ 10,417	South Africa		
Consumer Staples – 1.6%			Italy			Communication Services – 1.1%		
Danone S.A.	131	11,087	Financials – 1.4%			Naspers Ltd., Class N	33	7,915
			UniCredit S.p.A.	824	10,139			<u>7,915</u>
					\$ 10,139	Total South Africa – 1.1%		
Japan			Japan					\$ 7,915
Communication Services – 0.8%			Communication Services – 0.8%					
			Nintendo Co. Ltd.	15	5,540			

SCHEDULE OF INVESTMENTS

INTERNATIONAL CORE EQUITY *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS (Continued)	Shares	Value
South Korea		
Information Technology – 1.1%		
Samsung Electronics Co. Ltd.	192	\$ 7,828
Total South Korea – 1.1%		\$ 7,828
Spain		
Consumer Discretionary – 1.2%		
Industria de Diseno Textil S.A.	296	8,894
Total Spain – 1.2%		\$ 8,894
Sweden		
Financials – 1.4%		
Swedbank AB	696	10,475
Total Sweden – 1.4%		\$ 10,475
Switzerland		
Consumer Staples – 2.8%		
Nestle S.A., Registered Shares	197	20,384
Health Care – 5.6%		
Lonza Group Ltd., Registered Shares	21	6,921
Novartis AG ADR	83	7,582
Novartis AG, Registered Shares	83	7,623
Roche Holdings AG, Genusscheine ...	65	18,390
		40,516
Industrials – 1.7%		
Ferguson plc	173	12,336
Materials – 1.2%		
Glencore International plc	2,446	8,465
Total Switzerland – 11.3%		\$ 81,701
United Kingdom		
Communication Services – 1.3%		
BT Group plc	3,853	9,635
Consumer Discretionary – 1.2%		
Whitbread plc (C)	150	8,837
Consumer Staples – 4.0%		
British American Tobacco plc	263	9,200
Imperial Tobacco Group plc	296	6,949
Unilever plc	215	13,364
		29,513
Energy – 2.7%		
BP plc	1,219	8,494
BP plc ADR	89	3,732
FMC Technologies, Inc.	258	6,698
Technip-Coflexip	37	954
		19,878

COMMON STOCKS (Continued)	Shares	Value
Industrials – 2.0%		
Babcock International Group plc . .	931	\$ 5,419
BAE Systems plc	1,518	9,542
		14,961
Information Technology – 1.4%		
Amdocs Ltd.	161	9,996
Total United Kingdom – 12.6%		\$ 92,820
United States		
Consumer Discretionary – 0.7%		
Booking Holdings, Inc. (A)	3	5,062
Total United States – 0.7%		\$ 5,062
TOTAL COMMON STOCKS – 90.7%		\$ 653,645
(Cost: \$670,480)		
INVESTMENT FUNDS		
United States – 1.3%		
SPDR Gold Trust (A)	69	9,187
TOTAL INVESTMENT FUNDS – 1.3%		\$ 9,187
(Cost: \$8,457)		
SHORT-TERM SECURITIES		Principal
Commercial Paper (D) – 5.4%		
Diageo Capital plc (GTD by Diageo plc)		
3.010%, 7-10-19	\$5,000	4,996
Florida Power & Light Co.		
3.070%, 7-12-19	5,000	4,995
General Mills, Inc.		
2.860%, 7-15-19	5,000	4,994
McCormick & Co., Inc.:		
2.492%, 7-9-19	5,000	4,996
3.100%, 7-11-19	7,200	7,193
Mondelez International, Inc.:		
2.603%, 7-1-19	5,000	4,999
2.750%, 7-24-19	1,500	1,497
Virginia Electric and Power Co.		
2.940%, 7-17-19	5,000	4,993
		38,663
Master Note – 1.0%		
Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps)		
2.620%, 7-5-19 (E)	7,407	7,407
	Shares	
Money Market Funds – 1.1%		
Dreyfus Institutional Preferred Government Money Market Fund – Institutional Shares		
2.360%, (F)(G)	8,253	8,253

SHORT-TERM SECURITIES (Continued)	Principal	Value
United States Government Agency Obligations – 1.4%		
Overseas Private Investment Corp. (GTD by U.S. Government) (3-Month U.S. TB Rate):		
2.400%, 7-7-19 (E)	\$10,192	\$ 10,192
		10,192
TOTAL SHORT-TERM SECURITIES – 8.9%		\$ 64,515
(Cost: \$64,524)		
TOTAL INVESTMENT SECURITIES – 100.9%		\$ 727,347
(Cost: \$743,461)		
LIABILITIES, NET OF CASH AND OTHER ASSETS – (0.9)%		
		(6,582)
NET ASSETS – 100.0%		\$ 720,765

SCHEDULE OF INVESTMENTS

INTERNATIONAL CORE EQUITY *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

Notes to Schedule of Investments

(A) No dividends were paid during the preceding 12 months.

(B) All or a portion of securities with an aggregate value of \$881 are held in collateralized accounts for OTC foreign forward currency contracts collateral.

(C) All or a portion of securities with an aggregate value of \$7,855 are on loan.

(D) Rate shown is the yield to maturity at June 30, 2019.

(E) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

(F) Rate shown is the annualized 7-day yield at June 30, 2019.

(G) Investment made with cash collateral received from securities on loan.

The following forward foreign currency contracts were outstanding at June 30, 2019:

	Currency to be Delivered		Currency to be Received	Settlement Date	Counterparty	Unrealized Appreciation	Unrealized Depreciation
U.S. Dollar	67,942	Japanese Yen	7,500,633	7-5-19	Deutsche Bank AG	\$1,644	\$—
Chinese Yuan Renminbi Offshore	395,405	U.S. Dollar	57,601	8-15-19	Deutsche Bank AG	60	—
						<u>\$1,704</u>	<u>\$—</u>

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Common Stocks			
Communication Services	\$ 165	\$ 43,631	\$—
Consumer Discretionary	21,669	76,939	—
Consumer Staples	—	78,720	—
Energy	36,700	40,893	—
Financials	—	86,210	—
Health Care	12,577	68,251	—
Industrials	—	88,094	—
Information Technology	13,917	32,166	—
Materials	4,426	33,614	—
Real Estate	—	7,156	—
Utilities	—	8,517	—
Total Common Stocks	\$ 89,454	\$ 564,191	\$—
Investment Funds	9,187	—	—
Short-Term Securities	8,253	56,262	—
Total	\$106,894	\$620,453	\$—
Forward Foreign Currency Contracts	\$ —	\$ 1,704	\$—

The following acronyms are used throughout this schedule:

ADR = American Depositary Receipts

GTD = Guaranteed

LIBOR = London Interbank Offered Rate

OTC = Over The Counter

TB = Treasury Bill

Market Sector Diversification

(as a % of net assets)

Consumer Discretionary	13.7%
Industrials	12.2%
Financials	11.9%
Health Care	11.2%
Energy	10.9%
Consumer Staples	10.8%
Materials	6.6%

Market Sector Diversification (Continued)

Information Technology	6.4%
Communication Services	6.1%
Utilities	1.2%
Real Estate	1.0%
Other+	8.0%

+ Includes liabilities (Net of cash and other assets), and cash equivalents

See Accompanying Notes to Financial Statements.

ALL DATA IS AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Stocks	97.3%
Information Technology	25.3%
Consumer Discretionary	20.8%
Industrials	18.0%
Health Care	17.9%
Financials	5.2%
Materials	4.1%
Communication Services	3.6%
Consumer Staples	2.4%
Cash and Other Assets (Net of Liabilities), and Cash Equivalents+	2.7%

Top 10 Equity Holdings

Company	Sector	Industry
CoStar Group, Inc.	Industrials	Research & Consulting Services
Tractor Supply Co.	Consumer Discretionary	Specialty Stores
Zoetis, Inc.	Health Care	Pharmaceuticals
Chipotle Mexican Grill, Inc., Class A	Consumer Discretionary	Restaurants
Electronic Arts, Inc.	Communication Services	Interactive Home Entertainment
ServiceNow, Inc.	Information Technology	Systems Software
Keysight Technologies, Inc.	Information Technology	Electronic Equipment & Instruments
TransUnion	Industrials	Research & Consulting Services
MarketAxess Holdings, Inc.	Financials	Financial Exchanges & Data
Guidewire Software, Inc.	Information Technology	Application Software

See your advisor or www.ivyinvestments.com for more information on the Portfolio's most recently published Top 10 Equity Holdings.

+ Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

SCHEDULE OF INVESTMENTS

MID CAP GROWTH *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS	Shares	Value	COMMON STOCKS (Continued)	Shares	Value	COMMON STOCKS (Continued)	Shares	Value
Communication Services			Regional Banks – 2.6%			Trading Companies & Distributors – 1.9%		
Interactive Home Entertainment – 2.7%			First Republic Bank	85	\$ 8,340	Fastenal Co. (C)	309	\$ 10,080
Electronic Arts, Inc. (A)	137	\$ 13,899	SVB Financial Group (A)	22	4,994			
					13,334			
Interactive Media & Services – 0.9%			Total Financials – 5.2%		26,858	Total Industrials – 18.0%		92,877
Twitter, Inc. (A)	137	4,774	Health Care			Information Technology		
			Biotechnology – 1.9%			Application Software – 3.6%		
Total Communication Services – 3.6%		18,673	BioMarin Pharmaceutical, Inc. (A)	56	4,790	DocuSign, Inc. (A)	62	3,079
Consumer Discretionary			Seattle Genetics, Inc. (A)	74	5,135	Guidewire Software, Inc. (A)	102	10,314
Apparel, Accessories & Luxury Goods – 2.9%					9,925	Tyler Technologies, Inc. (A)	25	5,469
Burberry Group plc (B)	235	5,568	Health Care Equipment – 8.0%					18,862
Burberly Group plc (B)	235	5,568	Abiomed, Inc. (A)	29	7,673	Communications Equipment – 1.6%		
lululemon athletica, Inc. (A)	52	9,424	DexCom, Inc. (A)	61	9,168	Arista Networks, Inc. (A)	31	8,176
		14,992	Edwards Lifesciences Corp. (A)	52	9,664	Data Processing & Outsourced Services – 2.8%		
Auto Parts & Equipment – 1.7%			Glaukos Corp. (A)	87	6,554	Jack Henry & Associates, Inc.	31	4,108
BorgWarner, Inc.	206	8,640	Intuitive Surgical, Inc. (A)	16	8,403	Square, Inc., Class A (A)	140	10,131
Automotive Retail – 1.6%					41,462			14,239
O'Reilly Automotive, Inc. (A)	23	8,410	Health Care Services – 1.4%			Electronic Components – 1.7%		
Department Stores – 0.3%			Laboratory Corp. of America			Maxim Integrated Products, Inc.	144	8,628
Nordstrom, Inc.	57	1,810	Holdings (A)	41	7,018	Electronic Equipment & Instruments – 3.2%		
Internet & Direct Marketing Retail – 3.5%			Health Care Supplies – 0.9%			Coherent, Inc. (A)	25	3,388
GrubHub, Inc. (A)	107	8,371	National Vision Holdings, Inc. (A)	156	4,800	Keysight Technologies, Inc. (A)	126	11,351
MercadoLibre, Inc. (A)	16	9,699	Health Care Technology – 1.8%			Novanta, Inc. (A)	20	1,875
		18,070	Cerner Corp.	126	9,204			16,614
Restaurants – 4.5%			Life Sciences Tools & Services – 1.1%			Internet Services & Infrastructure – 1.4%		
Chipotle Mexican Grill, Inc.,			Agilent Technologies, Inc.	78	5,855	Twilio, Inc., Class A (A)	55	7,455
Class A (A)	19	13,934	Pharmaceuticals – 2.8%			Semiconductor Equipment – 1.9%		
Dunkin Brands Group, Inc.	114	9,070	Zoetis, Inc.	126	14,288	Teradyne, Inc.	208	9,975
		23,004	Total Health Care – 17.9%		92,552	Semiconductors – 4.5%		
Specialty Stores – 6.3%			Industrials			Microchip Technology, Inc. (C)	101	8,789
Tiffany & Co.	78	7,310	Aerospace & Defense – 1.6%			Monolithic Power Systems, Inc.	57	7,761
Tractor Supply Co.	137	14,947	Harris Corp.	43	8,218	Universal Display Corp.	36	6,746
Ulta Beauty, Inc. (A)	30	10,292	Building Products – 2.6%					23,296
		32,549	A. O. Smith Corp.	154	7,281	Systems Software – 4.6%		
Total Consumer Discretionary – 20.8%		107,475	Trex Co., Inc. (A)	82	5,915	CrowdStrike Holdings, Inc.,		
Consumer Staples					13,196	Class A (A)	4	256
Food Retail – 1.2%			Industrial Conglomerates – 1.8%			Palo Alto Networks, Inc. (A)	34	6,885
Sprouts Farmers Market, Inc. (A)	318	6,001	Fortive Corp.	117	9,539	Proofpoint, Inc. (A)	37	4,422
Packaged Foods & Meats – 1.2%			Industrial Machinery – 4.5%			ServiceNow, Inc. (A)	44	12,091
Hershey Foods Corp.	46	6,108	Gardner Denver Holdings, Inc. (A)	113	3,916			23,654
			IDEX Corp.	54	9,379	Total Information Technology – 25.3%		130,899
Total Consumer Staples – 2.4%		12,109	Middleby Corp. (A)	72	9,796	Materials		
Financials					23,091	Fertilizers & Agricultural Chemicals – 1.2%		
Financial Exchanges & Data – 2.6%			Research & Consulting Services – 5.6%			Scotts Miracle-Gro Co. (The)	63	6,194
Chicago Board Options			CoStar Group, Inc. (A)	32	17,494			
Exchange, Inc.	25	2,613	TransUnion	153	11,259			
MarketAxess Holdings, Inc.	34	10,911			28,753			
		13,524						

SCHEDULE OF INVESTMENTS

MID CAP GROWTH *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS (Continued)	Shares	Value	SHORT-TERM SECURITIES	Principal	Value	Value	
Specialty Chemicals – 2.9%			Commercial Paper (D) – 1.0%			TOTAL SHORT-TERM SECURITIES – 1.8%	\$ 9,281
Axalta Coating Systems Ltd. (A)	295	\$ 8,782	Prudential Funding LLC (GTD by			(Cost: \$9,282)	
RPM International, Inc.	102	6,233	Prudential Financial, Inc.),			TOTAL INVESTMENT SECURITIES – 99.1%	\$ 511,933
		15,015	2.350%, 7-1-19	\$5,001	\$5,000	(Cost: \$389,483)	
Total Materials – 4.1%		21,209	Master Note – 0.8%			CASH AND OTHER ASSETS, NET OF	
			Toyota Motor Credit Corp. (1-Month			LIABILITIES – 0.9%	4,655
			U.S. LIBOR plus 15 bps),			NET ASSETS – 100.0%	\$516,588
			2.620%, 7-5-19 (E)	4,281	4,281		
TOTAL COMMON STOCKS – 97.3%		\$502,652					
(Cost: \$380,201)							

Notes to Schedule of Investments

- (A) No dividends were paid during the preceding 12 months.
- (B) Listed on an exchange outside the United States.
- (C) All or a portion of securities with an aggregate value of \$10,297 are on loan.
- (D) Rate shown is the yield to maturity at June 30, 2019.
- (E) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Common Stocks			
Communication Services	\$ 18,673	\$ —	\$—
Consumer Discretionary	101,907	5,568	—
Consumer Staples	12,109	—	—
Financials	26,858	—	—
Health Care	92,552	—	—
Industrials	92,877	—	—
Information Technology	130,899	—	—
Materials	21,209	—	—
Total Common Stocks	\$497,084	\$ 5,568	\$—
Short-Term Securities	—	9,281	—
Total	\$497,084	\$14,849	\$—

The following acronyms are used throughout this schedule:

- GTD = Guaranteed
- LIBOR = London Interbank Offered Rate

See Accompanying Notes to Financial Statements.

ALL DATA IS AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Stocks	96.6%
Energy	63.5%
Materials	27.0%
Industrials	6.1%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	3.4%

Country Weightings

North America	75.3%
United States	65.1%
Canada	10.2%
Europe	14.6%
United Kingdom	9.3%
Other Europe	5.3%
Pacific Basin	4.8%
Australia	4.8%
Other Pacific Basin	0.0%
Other	1.9%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	3.4%

Top 10 Equity Holdings

Company	Country	Sector	Industry
Chevron Corp.	United States	Energy	Integrated Oil & Gas
BHP Group plc	Australia	Materials	Diversified Metals & Mining
Rio Tinto plc	United Kingdom	Materials	Diversified Metals & Mining
Phillips 66	United States	Energy	Oil & Gas Refining & Marketing
EOG Resources, Inc.	United States	Energy	Oil & Gas Exploration & Production
Halliburton Co.	United States	Energy	Oil & Gas Equipment & Services
Concho Resources, Inc.	United States	Energy	Oil & Gas Exploration & Production
Diamondback Energy, Inc.	United States	Energy	Oil & Gas Exploration & Production
Valero Energy Corp.	United States	Energy	Oil & Gas Refining & Marketing
Marathon Petroleum Corp.	United States	Energy	Oil & Gas Refining & Marketing

See your advisor or www.ivyinvestments.com for more information on the Portfolio's most recently published Top 10 Equity Holdings.

+ Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

SCHEDULE OF INVESTMENTS

NATURAL RESOURCES *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS	Shares	Value	COMMON STOCKS (Continued)	Shares	Value	SHORT-TERM SECURITIES (Continued)	Shares	Value
Australia			Materials – 6.2%			Money Market Funds – 1.5%		
Materials – 4.8%			Croda International plc	22	\$ 1,419	Dreyfus Institutional Preferred		
BHP Group plc	171	\$ 4,370	Rio Tinto plc	68	4,209	Government Money Market Fund		
					5,628	– Institutional Shares		
Total Australia – 4.8%		\$ 4,370	Total United Kingdom – 9.3%		\$ 8,418	2.360%, (E)(F)	1,360	\$ 1,360
Canada			United States			TOTAL SHORT-TERM SECURITIES – 4.0%		
Industrials – 2.9%			Energy – 55.1%			\$ 3,613		
Canadian Pacific Railway Ltd.	11	2,693	Cabot Oil & Gas Corp.	85	1,950	(Cost: \$3,613)		
			Centennial Resource Development, Inc., Class A (A)	126	955	TOTAL INVESTMENT SECURITIES – 100.6%		\$ 90,949
Materials – 7.3%			Chevron Corp.	44	5,457	(Cost: \$109,167)		
Barrick Gold Corp.	176	2,777	Cimarex Energy Co.	30	1,762	LIABILITIES, NET OF CASH AND OTHER		
Nutrien Ltd.	54	2,866	Concho Resources, Inc.	36	3,679	ASSETS – (0.6)%		(542)
West Fraser Timber Co. Ltd.	20	894	Continental Resources, Inc. (A)	29	1,200	NET ASSETS – 100.0%		\$ 90,407
		6,537	Diamondback Energy, Inc.	32	3,503			
Total Canada – 10.2%		\$ 9,230	Enterprise Products Partners L.P.	89	2,565			
France			EOG Resources, Inc.	44	4,141			
Energy – 2.2%			Halliburton Co.	167	3,787			
Total S.A. ADR	36	1,997	Magellan Midstream Partners L.P.	33	2,087			
			Marathon Petroleum Corp.	58	3,263			
Total France – 2.2%		\$ 1,997	Noble Energy, Inc.	57	1,271			
Hong Kong			Parsley Energy, Inc., Class A (A)	86	1,629			
Materials – 0.0%			Phillips 66	45	4,163			
China Metal Recycling (Holdings) Ltd. (A)(B)	1,900	—*	RPC, Inc. (C)	150	1,079			
			Schlumberger Ltd.	43	1,695			
Total Hong Kong – 0.0%		\$ —*	Valero Energy Corp.	40	3,412			
Netherlands			WPX Energy, Inc. (A)	188	2,159			
Energy – 1.6%					49,757			
Core Laboratories N.V. (C)	29	1,511	Industrials – 3.2%					
			Union Pacific Corp.	17	2,875			
Total Netherlands – 1.6%		\$ 1,511						
Portugal			Materials – 6.8%					
Energy – 1.5%			Air Products and Chemicals, Inc.	7	1,528			
Galp Energia SGPS S.A., Class B	86	1,321	Dow Chemical Co. (The) (A)	14	1,038			
			Ingevity Corp. (A)	8	885			
Total Portugal – 1.5%		\$ 1,321	PPG Industries, Inc.	15	1,792			
South Africa			Sherwin-Williams Co. (The)	1	435			
Materials – 1.9%			Southern Copper Corp.	11	441			
Mondi plc	76	1,738			6,119			
			Total United States – 65.1%		\$ 58,751			
Total South Africa – 1.9%		\$ 1,738	TOTAL COMMON STOCKS – 96.6%		\$ 87,336			
United Kingdom			(Cost: \$105,554)					
Energy – 3.1%			SHORT-TERM SECURITIES	Principal				
BP plc	400	2,790	Master Note – 2.5%					
			Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps)					
			2.620%, 7-5-19 (D)	\$ 2,253	2,253			

JUNE 30, 2019 (UNAUDITED)

Notes to Schedule of Investments

*Not shown due to rounding.

(A) No dividends were paid during the preceding 12 months.

(B) Securities whose value was determined using significant unobservable inputs.

(C) All or a portion of securities with an aggregate value of \$2,291 are on loan.

(D) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

(E) Rate shown is the annualized 7-day yield at June 30, 2019.

(F) Investment made with cash collateral received from securities on loan.

The following forward foreign currency contracts were outstanding at June 30, 2019:

	Currency to be Delivered	Currency to be Received	Settlement Date	Counterparty	Unrealized Appreciation	Unrealized Depreciation	
Euro	2,717	U.S. Dollar	3,086	7-5-19	Morgan Stanley International	\$ —	\$ 3
British Pound	11,290	U.S. Dollar	14,809	7-5-19	UBS AG	468	—
Canadian Dollar	1,189	U.S. Dollar	889	7-5-19	UBS AG	—	19
						<u>\$468</u>	<u>\$22</u>

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Common Stocks			
Energy	\$53,265	\$ 4,111	\$—
Industrials	5,568	—	—
Materials	12,656	11,736	—*
Total Common Stocks	\$ 71,489	\$15,847	\$—*
Short-Term Securities	1,360	2,253	—
Total	\$72,849	\$18,100	\$—*
Forward Foreign Currency Contracts	\$ —	\$ 468	\$—
Liabilities			
Forward Foreign Currency Contracts	\$ —	\$ 22	\$—

The following acronyms are used throughout this schedule:

ADR = American Depositary Receipts

LIBOR = London Interbank Offered Rate

Market Sector Diversification

(as a % of net assets)

Energy	63.5%
Materials	27.0%
Industrials	6.1%
Other+	3.4%

+ Includes liabilities (net of cash and other assets), and cash equivalents

See Accompanying Notes to Financial Statements.

ALL DATA AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Stocks	95.6%
Information Technology	58.7%
Health Care	15.1%
Communication Services	13.9%
Consumer Discretionary	5.8%
Real Estate	1.3%
Industrials	0.5%
Materials	0.3%
Warrants	0.0%
Bonds	0.1%
Corporate Debt Securities	0.1%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	4.3%

Country Weightings

North America	81.3%
United States	81.3%
Pacific Basin	9.7%
India	5.1%
China	4.4%
Other Pacific Basin	0.2%
Europe	4.6%
Other	0.1%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	4.3%

Top 10 Equity Holdings

Company	Country	Sector	Industry
Microsoft Corp.	United States	Information Technology	Systems Software
Euronet Worldwide, Inc.	United States	Information Technology	Data Processing & Outsourced Services
Aspen Technology, Inc.	United States	Information Technology	Application Software
WNS (Holdings) Ltd. ADR	India	Information Technology	Data Processing & Outsourced Services
Universal Display Corp.	United States	Information Technology	Semiconductors
Vertex Pharmaceuticals, Inc.	United States	Health Care	Biotechnology
Apple, Inc.	United States	Information Technology	Technology Hardware, Storage & Peripherals
ACI Worldwide, Inc.	United States	Information Technology	Application Software
Alibaba Group Holding Ltd. ADR	China	Consumer Discretionary	Internet & Direct Marketing Retail
Cerner Corp.	United States	Health Care	Health Care Technology

See your advisor or www.ivyinvestments.com for more information on the Portfolio's most recently published Top 10 Equity Holdings.

+ Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

SCHEDULE OF INVESTMENTS

SCIENCE AND TECHNOLOGY *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS	Shares	Value	COMMON STOCKS (Continued)	Shares	Value	CORPORATE DEBT SECURITIES	Principal	Value
Communication Services			Data Processing & Outsourced Services – 12.5%			Materials		
Interactive Home Entertainment – 2.2%			Euronet Worldwide, Inc. (A)	204	\$ 34,292	Fertilizers & Agricultural Chemicals – 0.1%		
Electronic Arts, Inc. (A)	57	\$ 5,812	Fiserv, Inc. (A)(B)	62	5,661	Marrone Bio Innovations, Inc.,		
Take-Two Interactive Software,			WNS (Holdings) Ltd. ADR (A)	469	27,735	8.000%, 8-20-20 (D)	\$ 288	\$ 290
Inc. (A)	55	6,188			<u>67,688</u>			
		<u>12,000</u>	Electronic Equipment & Instruments – 0.3%			Total Materials – 0.1%		290
Interactive Media & Services – 9.0%			Keysight Technologies, Inc. (A)	17	1,491			
Alphabet, Inc., Class A (A)	11	12,236	Internet Services & Infrastructure – 0.5%			TOTAL CORPORATE DEBT		
Alphabet, Inc., Class C (A)	15	16,142	Baidu.com, Inc. ADR (A)	23	2,711	SECURITIES – 0.1%		\$ 290
Facebook, Inc., Class A (A)	105	20,226				(Cost: \$288)		
		<u>48,604</u>	Semiconductor Equipment – 2.3%			SHORT-TERM SECURITIES		
Movies & Entertainment – 2.7%			ASML Holding N.V., NY Registry			Commercial Paper (F) – 1.5%		
Netflix, Inc. (A)	21	7,751	Shares	59	12,247	McCormick & Co., Inc.,		
Walt Disney Co. (The)	46	6,451				3.100%, 7-11-19	3,000	2,997
		<u>14,202</u>	Semiconductors – 18.4%			Northern Illinois Gas Co.,		
Total Communication Services – 13.9%		74,806	Cypress Semiconductor Corp.	505	11,236	2.451%, 7-2-19	5,000	4,999
Consumer Discretionary			Infineon Technologies AG (C)	545	9,683			<u>7,996</u>
Internet & Direct Marketing Retail – 5.8%			Microchip Technology, Inc. (B)	83	7,205	Master Note – 1.2%		
Alibaba Group Holding Ltd. ADR (A)	124	20,944	Micron Technology, Inc. (A)	452	17,442	Toyota Motor Credit Corp. (1-Month		
Amazon.com, Inc. (A)	6	10,604	QUALCOMM, Inc.	204	15,495	U.S. LIBOR plus 15 bps),		
		<u>31,548</u>	Semtech Corp. (A)	198	9,495	2.620%, 7-5-19 (G)	6,513	6,513
Total Consumer Discretionary – 5.8%		31,548	Taiwan Semiconductor					
Health Care			Manufacturing Co. Ltd. ADR	31	1,207			
Biotechnology – 10.3%			Universal Display Corp.	145	27,287			
CRISPR Therapeutics AG (A)(B)	61	2,859			<u>99,050</u>			
Evogene Ltd. (A)	137	208	Systems Software – 10.1%					
Ionis Pharmaceuticals, Inc. (A)	201	12,937	Microsoft Corp.	408	54,656	Money Market Funds – 1.2%		
Moderna, Inc. (A)(B)	107	1,572	Technology Hardware, Storage & Peripherals – 4.7%			Dreyfus Institutional Preferred		
Sage Therapeutics, Inc. (A)(B)	23	4,193	Apple, Inc.	128	25,373	Government Money Market		
Sarepta Therapeutics, Inc. (A)	51	7,719	Total Information Technology – 58.7%		316,503	Fund - Institutional Shares,		
Vertex Pharmaceuticals, Inc. (A)	141	25,930	Materials			2.360%, (H)(I)	6,572	6,572
		<u>55,418</u>	Fertilizers & Agricultural Chemicals – 0.3%					
Health Care Services – 0.5%			Marrone Bio Innovations, Inc. (A)	1,116	1,674			
Teladoc Health, Inc. (A)(B)	44	2,929	Total Materials – 0.3%		1,674			
Health Care Technology – 3.8%			Real Estate					
Cerner Corp.	277	20,333	Specialized REITs – 1.3%					
Pharmaceuticals – 0.5%			QTS Realty Trust, Inc., Class A	156	7,190			
Elanco Animal Health, Inc. (A)	81	2,745	Total Real Estate – 1.3%		7,190			
		<u>81,425</u>	TOTAL COMMON STOCKS – 95.6%		\$ 516,012			
Total Health Care – 15.1%		81,425	(Cost: \$272,570)					
Industrials			WARRANTS					
Trucking – 0.5%			Fertilizers & Agricultural Chemicals – 0.0%					
Lyft, Inc., Class A (A)(B)	44	2,866	Marrone Bio Innovations, Inc.,					
		<u>2,866</u>	expires 12-31-20 (D)(E)	230	57			
Total Industrials – 0.5%		2,866	Marrone Bio Innovations, Inc.,					
Information Technology			expires 8-20-23 (D)(E)	230	—			
Application Software – 9.9%					<u>57</u>			
ACI Worldwide, Inc. (A)	705	24,193	TOTAL WARRANTS – 0.0%		\$ 57			
Aspen Technology, Inc. (A)	234	29,094	(Cost: \$—)					
		<u>53,287</u>						

JUNE 30, 2019 (UNAUDITED)

Notes to Schedule of Investments

*Not shown due to rounding.

(A) No dividends were paid during the preceding 12 months.

(B) All or a portion of securities with an aggregate value of \$18,736 are on loan.

(C) Listed on an exchange outside the United States.

(D) Restricted securities. At June 30, 2019, the Portfolio owned the following restricted securities:

Security	Acquisition Date(s)	Principal	Cost	Market Value
Marrone Bio Innovations, Inc., 8.000%, 08-20-20	8-20-15	\$288	\$288	\$290
		Shares		
Marrone Bio Innovations, Inc., expires 12-31-20	2-6-18	230	\$ —	\$ 57
Marrone Bio Innovations, Inc., expires 8-20-23	8-20-15	230	—	—*
			\$288	\$ 347

The total value of these securities represented 0.1% of net assets at June 30, 2019.

(E) Warrants entitle the Portfolio to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.

(F) Rate shown is the yield to maturity at June 30, 2019.

(G) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

(H) Investment made with cash collateral received from securities on loan.

(I) Rate shown is the annualized 7-day yield at June 30, 2019.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Common Stocks			
Communication Services	\$ 74,806	\$ —	\$—
Consumer Discretionary	31,548	—	—
Health Care	81,425	—	—
Industrials	2,866	—	—
Information Technology	306,820	9,683	—
Materials	1,674	—	—
Real Estate	7,190	—	—
Total Common Stocks	\$506,329	\$ 9,683	\$—
Warrants	—	57	—
Corporate Debt Securities	—	290	—
Short-Term Securities	6,572	18,344	—
Total	\$ 512,901	\$28,374	\$—

The following acronyms are used throughout this schedule:

ADR = American Depositary Receipts
 GTD = Guaranteed
 LIBOR = London Interbank Offered Rate
 REIT = Real Estate Investment Trust
 TB = Treasury Bill

JUNE 30, 2019 (UNAUDITED)

Country Diversification

(as a % of net assets)

United States	81.3%
India	5.1%
China	4.4%
Netherlands	2.3%
Germany	1.8%
Other Countries	0.8%
Other+	4.3%

+Includes liabilities (net of cash and other assets), and cash equivalents

ALL DATA AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Stocks	98.9%
Information Technology	19.3%
Financials	18.3%
Industrials	14.6%
Health Care	11.5%
Consumer Discretionary	9.8%
Real Estate	6.9%
Utilities	6.0%
Consumer Staples	4.7%
Communication Services	4.7%
Energy	3.1%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	1.1%

Top 10 Equity Holdings

Company	Sector	Industry
Webster Financial Corp.	Financials	Regional Banks
Vonage Holdings Corp.	Communication Services	Alternative Carriers
Nomad Foods Ltd.	Consumer Staples	Packaged Foods & Meats
Grand Canyon Education, Inc.	Consumer Discretionary	Education Services
Chemed Corp.	Health Care	Health Care Services
PROS Holdings, Inc.	Information Technology	Systems Software
Brink's Co. (The)	Industrials	Security & Alarm Services
Cardtronics plc, Class A	Information Technology	Data Processing & Outsourced Services
MGIC Investment Corp.	Financials	Thriffs & Mortgage Finance
Q2 Holdings, Inc.	Information Technology	Application Software

See your advisor or www.ivyinvestments.com for more information on the Portfolio's most recently published Top 10 Equity Holdings.

+ Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

SCHEDULE OF INVESTMENTS

SMALL CAP CORE *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS	Shares	Value	COMMON STOCKS (Continued)	Shares	Value	COMMON STOCKS (Continued)	Shares	Value
Communication Services			Specialized Finance – 0.7%			Information Technology		
Alternative Carriers – 4.7%			Thunder Bridge Acquisition Ltd.,			Application Software – 6.3%		
Vonage Holdings Corp. (A)	828	\$ 9,380	Class A (A)	145	\$ 1,517	Everbridge, Inc. (A)	41	\$ 3,639
Total Communication Services – 4.7%		9,380	Thriffs & Mortgage Finance – 2.6%			Pluralsight, Inc., Class A (A)	136	4,129
Consumer Discretionary			MGIC Investment Corp. (A)	398	5,231	Q2 Holdings, Inc.(A)	63	4,834
Apparel Retail – 1.2%			Total Financials – 18.3%		36,752			12,602
Boot Barn Holdings, Inc. (A)	69	2,452	Health Care			Data Processing & Outsourced Services – 4.7%		
Casinos & Gaming – 2.2%			Health Care Equipment – 4.9%			Cardtronics plc, Class A (A)	208	5,674
Red Rock Resorts, Inc., Class A	203	4,369	AtriCure, Inc. (A)	78	2,334	EVERTEC, Inc.	112	3,659
Education Services – 4.1%			Insulet Corp. (A)	23	2,734			9,333
Grand Canyon Education, Inc. (A)	71	8,250	Integer Holdings Corp. (A)	25	2,065	Internet Services & Infrastructure – 1.0%		
Specialized Consumer Services – 2.3%			Tandem Diabetes Care, Inc. (A)	43	2,761	Fastly, Inc., Class A (A)(B)	104	2,103
OneSpaWorld Holdings Ltd. (A)	293	4,539						
Total Consumer Discretionary – 9.8%		19,610	Health Care Services – 4.3%			IT Consulting & Other Services – 2.1%		
Consumer Staples			Chemed Corp.	21	7,408	Switch, Inc., Class A	323	4,232
Food Retail – 0.2%			LHC Group, Inc. (A)	10	1,208			
Grocery Outlet Holding Corp. (A)	9	287			8,616	Systems Software – 3.6%		
Packaged Foods & Meats – 4.5%			Health Care Supplies – 1.1%			PROS Holdings, Inc. (A)	113	7,159
Nomad Foods Ltd. (A)	425	9,072	ICU Medical, Inc. (A)	9	2,141	Technology Distributors – 1.6%		
Total Consumer Staples – 4.7%		9,359				Avnet, Inc.	71	3,223
Energy			Life Sciences Tools & Services – 1.2%			Total Information Technology – 19.3%		38,652
Oil & Gas Exploration & Production – 1.9%			Adaptive Biotechnologies Corp. (A)	5	256	Real Estate		
Magnolia Oil & Gas Corp. (A)	322	3,729	Cambrex Corp. (A)	32	1,484	Health Care REITs – 0.8%		
Oil & Gas Storage & Transportation – 1.2%			Medpace Holdings, Inc. (A)	9	615	Physicians Realty Trust	86	1,500
Scorpio Tankers, Inc.	81	2,385			2,355	Hotel & Resort REITs – 1.3%		
Total Energy – 3.1%		6,114	Total Health Care – 11.5%		23,006	Gaylord Entertainment Co.	33	2,651
Financials			Industrials			Industrial REITs – 3.5%		
Consumer Finance – 2.7%			Aerospace & Defense – 0.8%			Americold Realty Trust	86	2,798
Encore Capital Group, Inc. (A)	63	2,124	Cubic Corp.	25	1,642	STAG Industrial, Inc.	138	4,182
Green Dot Corp., Class A (A)	66	3,232						6,980
		5,356	Airlines – 1.1%			Retail REITs – 1.3%		
Insurance Brokers – 0.9%			Spirit Airlines, Inc. (A)	48	2,272	Agree Realty Corp.	42	2,661
eHealth, Inc. (A)	20	1,748	Environmental & Facilities Services – 1.6%			Total Real Estate – 6.9%		13,792
Multi-Line Insurance – 2.3%			Clean Harbors, Inc. (A)	45	3,214	Utilities		
Kemper Corp.	55	4,737				Electric Utilities – 3.2%		
Property & Casualty Insurance – 3.4%			Industrial Machinery – 6.6%			ALLETE, Inc.	30	2,496
Argo Group International			Crane Co.	54	4,464	IDACORP, Inc.	26	2,561
Holdings Ltd.	49	3,598	Gardner Denver Holdings, Inc. (A)	134	4,628	Portland General Electric Co.	24	1,322
Old Republic International Corp.	143	3,189	RBC Bearings, Inc. (A)	24	4,020			6,379
		6,787			13,112	Gas Utilities – 1.9%		
Regional Banks – 5.7%			Research & Consulting Services – 1.1%			ONE Gas, Inc.	42	3,836
Chemical Financial Corp.	44	1,789	ICF International, Inc.	31	2,235	Independent Power Producers & Energy Traders – 0.9%		
Webster Financial Corp.	201	9,587	Security & Alarm Services – 3.4%			Black Hills Corp.	23	1,829
		11,376	Brink's Co. (The)	83	6,754	Total Utilities – 6.0%		12,044
			Total Industrials – 14.6%		29,229	TOTAL COMMON STOCKS – 98.9%		\$197,938
						(Cost: \$179,756)		

SCHEDULE OF INVESTMENTS

SMALL CAP CORE *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

SHORT-TERM SECURITIES	Principal	Value
Master Note – 1.4%		
Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps), 2.620%, 7-5-19 (C)	\$2,826	\$ 2,826
	Shares	
Money Market Funds – 0.5%		
Dreyfus Institutional Preferred Government Money Market Fund – Institutional Shares, 2.360%, (D)(E)	1,095	1,095
TOTAL SHORT-TERM SECURITIES – 1.9%	\$	3,921
(Cost: \$3,921)		
TOTAL INVESTMENT SECURITIES – 100.8%		\$ 201,859
(Cost: \$183,677)		
LIABILITIES, NET OF CASH AND OTHER ASSETS – (0.8)%		(1,525)
NET ASSETS – 100.0%		\$200,334

Notes to Schedule of Investments

- (A) No dividends were paid during the preceding 12 months.
- (B) All or a portion of securities with an aggregate value of \$1,073 are on loan.
- (C) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.
- (D) Investment made with cash collateral received from securities on loan.
- (E) Rate shown is the annualized 7-day yield at June 30, 2019.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Common Stocks	\$197,938	\$ —	\$—
Short-Term Securities	1,095	2,826	—
Total	\$199,033	\$2,826	\$—

The following acronyms are used throughout this schedule:

- LIBOR = London Interbank Offered Rate
- REIT = Real Estate Investment Trust

See Accompanying Notes to Financial Statements.

ALL DATA AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Stocks	95.2%
Information Technology	25.8%
Health Care	23.0%
Industrials	17.0%
Consumer Discretionary	16.6%
Financials	5.3%
Consumer Staples	3.2%
Energy	2.1%
Communication Services	1.9%
Real Estate	0.3%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	4.8%

Top 10 Equity Holdings

Company	Sector	Industry
Teladoc Health, Inc.	Health Care	Health Care Services
Mercury Computer Systems, Inc.	Industrials	Aerospace & Defense
Grand Canyon Education, Inc.	Consumer Discretionary	Education Services
Proofpoint, Inc.	Information Technology	Systems Software
InterXion Holding N.V.	Information Technology	IT Consulting & Other Services
Mimecast Ltd.	Information Technology	Application Software
Nexstar Broadcasting Group, Inc.	Communication Services	Broadcasting
Woodward, Inc.	Industrials	Industrial Machinery
CareDx, Inc.	Health Care	Health Care Technology
Five9, Inc.	Information Technology	Application Software

See your advisor or www.ivyinvestments.com for more information on the Portfolio's most recently published Top 10 Equity Holdings.

+ Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

SCHEDULE OF INVESTMENTS

SMALL CAP GROWTH *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS	Shares	Value	COMMON STOCKS (Continued)	Shares	Value	COMMON STOCKS (Continued)	Shares	Value
Communication Services			Packaged Foods & Meats – 2.1%			Health Care Supplies – 2.2%		
Broadcasting – 1.9%			Calavo Growers, Inc. (B)	3	\$ 261	Merit Medical Systems, Inc. (A)	99	\$ 5,917
Nexstar Broadcasting Group, Inc.	74	\$ 7,436	J&J Snack Foods Corp.	25	4,098	STAAR Surgical Co. (A)	102	2,985
			Nomad Foods Ltd. (A)	182	3,887			8,902
					8,246			
Total Communication Services – 1.9%		7,436	Total Consumer Staples – 3.2%		12,864	Health Care Technology – 3.7%		
Consumer Discretionary			Energy			CareDx, Inc. (A)	205	7,367
Auto Parts & Equipment – 0.6%			Oil & Gas Equipment & Services – 0.8%			Evolent Health, Inc., Class A (A)	112	889
Dorman Products, Inc. (A)	29	2,547	Dril-Quip, Inc. (A)	30	1,447	HMS Holdings Corp. (A)	128	4,151
			ProPetro Holding Corp. (A)	95	1,971	Omnicell, Inc. (A)	29	2,453
					3,418			14,860
Automotive Retail – 1.0%			Oil & Gas Exploration & Production – 1.3%			Managed Health Care – 1.0%		
Carvana Co. (A)(B)	63	3,934	Magnolia Oil & Gas Corp. (A)	151	1,753	HealthEquity, Inc. (A)	61	4,006
			Matador Resources Co. (A)	166	3,302			
					5,055	Pharmaceuticals – 0.8%		
Casinos & Gaming – 1.9%			Total Energy – 2.1%		8,473	Aerie Pharmaceuticals, Inc. (A)	107	3,168
Eldorado Resorts, Inc. (A)(B)	93	4,290	Financials					
PlayAGS, Inc. (A)	170	3,309	Insurance Brokers – 0.6%			Total Health Care – 23.0%		92,368
		7,599	eHealth, Inc. (A)	29	2,514	Industrials		
Distributors – 1.5%						Aerospace & Defense – 2.3%		
Pool Corp.	33	6,214	Investment Banking & Brokerage – 2.6%			Mercury Computer Systems, Inc. (A)	130	9,172
			Evercore Partners, Inc.	47	4,173			
Education Services – 2.2%			LPL Investment Holdings, Inc.	74	6,066	Air Freight & Logistics – 1.2%		
Grand Canyon Education, Inc. (A)	74	8,641			10,239	Air Transport Services Group, Inc. (A)	206	5,034
			Regional Banks – 1.3%					
General Merchandise Stores – 0.8%			Heritage Financial Corp.	58	1,711	Building Products – 0.5%		
Ollie's Bargain Outlet Holdings, Inc. (A)	37	3,217	Seacoast Banking Corp. of Florida (A)	131	3,328	PGT Innovations, Inc. (A)	124	2,075
					5,039			
Homebuilding – 1.3%			Thriffs & Mortgage Finance – 0.8%			Diversified Support Services – 0.7%		
Installed Building Products, Inc. (A)	89	5,297	Essent Group Ltd. (A)	71	3,324	Healthcare Services Group, Inc.	96	2,899
Hotels, Resorts & Cruise Lines – 1.2%			Total Financials – 5.3%		21,116	Electrical Components & Equipment – 0.7%		
Hilton Grand Vacations, Inc. (A)	147	4,675	Health Care			EnerSys	39	2,690
			Biotechnology – 1.1%			Environmental & Facilities Services – 1.5%		
Internet & Direct Marketing Retail – 1.9%			Vericel Corp. (A)	223	4,215	Clean Harbors, Inc. (A)	87	6,208
Etsy, Inc. (A)	108	6,617						
RealReal, Inc. (The) (A)	31	892	Health Care Distributors – 1.6%			Industrial Machinery – 7.4%		
Revolve Group, Inc. (A)(B)	8	268	PetIQ, Inc. (A)	197	6,494	Crane Co.	36	3,005
		7,777				John Bean Technologies Corp.	57	6,939
Leisure Facilities – 1.4%			Health Care Equipment – 7.1%			RBC Bearings, Inc. (A)	34	5,735
SeaWorld Entertainment, Inc. (A)	182	5,654	Inogen, Inc. (A)	58	3,858	Timken Co. (The)	126	6,474
			Insulet Corp. (A)	56	6,660	Woodward, Inc.	66	7,435
Leisure Products – 0.1%			iRhythm Technologies, Inc. (A)	69	5,418			29,588
Malibu Boats, Inc., Class A (A)	6	238	NovoCure Ltd. (A)	44	2,799	Security & Alarm Services – 1.5%		
			Penumbra, Inc. (A)	24	3,773	Brink's Co. (The)	75	6,097
Restaurants – 1.8%			Tactile Systems Technology, Inc. (A)	104	5,937			
Wingstop, Inc.	76	7,219			28,445	Trucking – 1.2%		
			Health Care Services – 5.5%			Knight Transportation, Inc.	143	4,709
Specialty Stores – 0.9%			AMN Healthcare Services, Inc. (A)	96	5,223			
Five Below, Inc. (A)	30	3,583	LHC Group, Inc. (A)	43	5,093	Total Industrials – 17.0%		68,472
			Teladoc Health, Inc. (A)(B)	180	11,962	Information Technology		
Total Consumer Discretionary – 16.6%		66,595			22,278	Application Software – 13.9%		
Consumer Staples			Health Care Services – 5.5%			Coupa Software, Inc. (A)	8	1,057
Distillers & Vintners – 0.2%			AMN Healthcare Services, Inc. (A)	96	5,223	Envestnet, Inc. (A)	73	4,962
MGP Ingredients, Inc. (B)	13	835	LHC Group, Inc. (A)	43	5,093	Five9, Inc. (A)	143	7,348
			Teladoc Health, Inc. (A)(B)	180	11,962	Globant S.A. (A)	54	5,420
Food Retail – 0.9%					22,278	HubSpot, Inc. (A)	24	4,134
Grocery Outlet Holding Corp. (A)	18	578						
Sprouts Farmers Market, Inc. (A)	170	3,205						
		3,783						

SCHEDULE OF INVESTMENTS

SMALL CAP GROWTH *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS (Continued)	Shares	Value
Application Software (Continued)		
Mimecast Ltd. (A)	160	\$ 7,488
New Relic, Inc. (A)	45	3,875
Paycom Software, Inc. (A)	16	3,691
Pluralsight, Inc., Class A (A)	163	4,955
Q2 Holdings, Inc. (A)	90	6,857
RealPage, Inc. (A)	59	3,458
Smartsheet, Inc., Class A (A)	56	2,695
		<u>55,940</u>
Communications Equipment – 0.8%		
Viavi Solutions, Inc. (A)	247	3,277
Data Processing & Outsourced Services – 1.1%		
EVO Payments, Inc., Class A (A)	136	4,290
Internet Services & Infrastructure – 1.3%		
8x8, Inc. (A)	222	5,339
IT Consulting & Other Services – 3.2%		
Booz Allen Hamilton Holding Corp.	78	5,187
InterXion Holding N.V. (A)	100	7,641
		<u>12,828</u>
Semiconductors – 1.4%		
Monolithic Power Systems, Inc.	41	5,628

COMMON STOCKS (Continued)	Shares	Value
Systems Software – 4.1%		
Proofpoint, Inc. (A)	68	\$ 8,152
Tufin Software Technologies		
Ltd. (A)	43	1,102
Varonis Systems, Inc. (A)	87	5,400
Zscaler, Inc. (A)	22	1,652
		<u>16,306</u>
Total Information Technology – 25.8%		103,608
Real Estate		
Health Care REITs – 0.3%		
Community Healthcare		
Trust, Inc.	34	1,333
Total Real Estate – 0.3%		1,333
TOTAL COMMON STOCKS – 95.2%		\$382,265
(Cost: \$295,664)		
SHORT-TERM SECURITIES	Principal	
Commercial Paper (C) – 4.2%		
Florida Power & Light Co.,		
2.320%, 7-17-19	\$5,000	4,993
J.M. Smucker Co. (The),		
2.501%, 7-1-19	2,695	2,694
McCormick & Co., Inc.,		
3.100%, 7-11-19	5,000	4,995

SHORT-TERM SECURITIES (Continued)	Principal	Value
Commercial Paper (C) (Continued)		
Wisconsin Gas LLC,		
2.940%, 7-17-19	\$4,000	\$ 3,995
		<u>16,677</u>
Master Note – 1.0%		
Toyota Motor Credit Corp. (1-Month		
U.S. LIBOR plus 15 bps),		
2.620%, 7-5-19 (D)	4,152	4,152
		<u>4,152</u>
	Shares	
Money Market Funds – 1.2%		
Dreyfus Institutional Preferred		
Government Money Market		
Fund – Institutional Shares,		
2.360%, (E)(F)	5,005	5,005
		<u>5,005</u>
TOTAL SHORT-TERM SECURITIES – 6.4%		\$ 25,834
(Cost: \$25,839)		
TOTAL INVESTMENT SECURITIES – 101.6%		\$408,099
(Cost: \$321,503)		
LIABILITIES, NET OF CASH AND OTHER		
ASSETS – (1.6%)		
		<u>(6,244)</u>
NET ASSETS – 100.0%		\$ 401,855

Notes to Schedule of Investments

*Not shown due to rounding.

(A) No dividends were paid during the preceding 12 months.

(B) All or a portion of securities with an aggregate value of \$17,656 are on loan.

(C) Rate shown is the yield to maturity at June 30, 2019.

(D) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

(E) Investment made with cash collateral received from securities on loan.

(F) Rate shown is the annualized 7-day yield at June 30, 2019.

The following total return swap agreements were outstanding at June 30, 2019:

Underlying Security	Long/Short	Counterparty	Maturity Date	Notional Amount	Financing Fee ⁽¹⁾⁽²⁾	Value	Upfront Payments/ (Receipts)	Unrealized Appreciation
Biotech Custom Index	Long	Goldman Sachs International	02/28/2020	\$11,951	1-Month LIBOR plus 10 bps	\$525	\$—	\$525

(1) The Portfolio pays the financing fee multiplied by the notional amount if long on the swap agreement. If the Portfolio is short on the swap agreement, the Portfolio receives the financing fee multiplied by the notional amount.

(2) At the termination date, a net cash flow is exchanged where the market-linked total return is equivalent to the return of the underlying security less a financing rate, if any. If the Portfolio is long on the swap agreement, the Portfolio would receive payments on any net positive total return, and would owe payments in the event of a negative total return. If the Portfolio is short on the swap agreement, the Portfolio would owe payments on any net positive total return, and would receive payments in the event of a negative total return.

SCHEDULE OF INVESTMENTS

SMALL CAP GROWTH *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

The following table represents security positions within the total return basket swap as of June 30, 2019:

Reference Entity	Shares	Notional Amount	Value	% of Value	Reference Entity	Shares	Notional Amount	Value	% of Value
Array BioPharma, Inc.	1	\$907	\$40	7.7%	Esperion Therapeutics, Inc.	—*	\$101	\$ 4	0.8%
Horizon Therapeutics plc	1	385	17	3.3	Aerie Pharmaceuticals, Inc.	—*	101	4	0.8
Blueprint Medicines Corp.	—*	372	16	3.1	Innoviva, Inc.	—*	96	4	0.8
FibroGen, Inc.	—*	328	14	2.7	Radius Health, Inc.	—*	93	4	0.8
Repligen Corp.	—*	318	14	2.7	Momenta Pharmaceuticals, Inc.	—*	92	4	0.8
Ultragenyx Pharmaceutical, Inc.	—*	289	13	2.4	Denali Therapeutics, Inc.	—*	88	4	0.7
Global Blood Therapeutics, Inc.	—*	252	11	2.1	Aimmune Therapeutics, Inc.	—*	87	4	0.7
ACADIA Pharmaceuticals, Inc.	—*	249	11	2.1	Natera, Inc.	—*	86	4	0.7
Iovance Biotherapeutics, Inc.	—*	247	11	2.1	Apellis Pharmaceuticals, Inc.	—*	85	4	0.7
Amicus Therapeutics, Inc.	1	228	10	1.9	Athenex, Inc.	—*	83	4	0.7
Ligand Pharmaceuticals, Inc.	—*	226	10	1.9	Dicerna Pharmaceuticals, Inc.	—*	79	3	0.7
Arena Pharmaceuticals, Inc.	—*	223	10	1.9	Retrophin, Inc.	—*	79	3	0.7
Medicines Co. (The)	—*	220	10	1.8	Atara Biotherapeutics, Inc.	—*	79	3	0.7
Arrowhead Pharmaceuticals, Inc.	—*	219	10	1.8	Spectrum Pharmaceuticals, Inc.	—*	77	3	0.6
Emergent BioSolutions, Inc.	—*	211	9	1.8	Vericel Corp.	—*	76	3	0.6
Halozyme Therapeutics, Inc.	1	203	9	1.7	Veracyte, Inc.	—*	76	3	0.6
Mirati Therapeutics, Inc.	—*	195	9	1.6	Madrigal Pharmaceuticals, Inc.	—*	69	3	0.6
PTC Therapeutics, Inc.	—*	192	8	1.6	Vanda Pharmaceuticals, Inc.	—*	69	3	0.6
Insmed, Inc.	—*	185	8	1.5	Omeros Corp.	—*	69	3	0.6
Xencor, Inc.	—*	182	8	1.5	Theravance Biopharma, Inc.	—*	68	3	0.6
Spark Therapeutics, Inc.	—*	180	8	1.5	Clovis Oncology, Inc.	—*	67	3	0.6
Immunomedics, Inc.	1	176	8	1.5	Intersect ENT, Inc.	—*	65	3	0.5
Reata Pharmaceuticals, Inc.	—*	168	7	1.4	MacroGenics, Inc.	—*	63	3	0.5
Intercept Pharmaceuticals, Inc.	—*	166	7	1.4	ANI Pharmaceuticals, Inc.	—*	62	3	0.5
Pacira BioSciences, Inc.	—*	165	7	1.4	Amneal Pharmaceuticals, Inc.	—*	60	3	0.5
Myriad Genetics, Inc.	—*	164	7	1.4	Phibro Animal Health Corp.	—*	59	3	0.5
MyoKardia, Inc.	—*	162	7	1.4	Cara Therapeutics, Inc.	—*	57	3	0.5
REGENXBIO, Inc.	—*	156	7	1.3	Alder Biopharmaceuticals, Inc.	—*	53	2	0.4
Portola Pharmaceuticals, Inc.	—*	156	7	1.3	Intrexon Corp.	—*	53	2	0.4
Supernus Pharmaceuticals, Inc.	—*	153	7	1.3	Epizyme, Inc.	—*	53	2	0.4
Ironwood Pharmaceuticals, Inc.	1	147	7	1.2	CytomX Therapeutics, Inc.	—*	47	2	0.4
Invitae Corp.	—*	144	6	1.2	Viking Therapeutics, Inc.	—*	46	2	0.4
Zogenix, Inc.	—*	142	6	1.2	Allogene Therapeutics, Inc.	—*	46	2	0.4
Enanta Pharmaceuticals, Inc.	—*	134	6	1.1	TherapeuticsMD, Inc.	1	45	2	0.4
Accelaron Pharma, Inc.	—*	125	5	1.0	WaVe Life Sciences Ltd.	—*	44	2	0.4
Audentes Therapeutics, Inc.	—*	124	5	1.0	Revance Therapeutics, Inc.	—*	41	2	0.3
Heron Therapeutics, Inc.	—*	121	5	1.0	Flexion Therapeutics, Inc.	—*	40	2	0.3
Biohaven Pharmaceutical Holding Co. Ltd.	—*	117	5	1.0	Akebia Therapeutics, Inc.	—*	37	2	0.3
Genomic Health, Inc.	—*	116	5	1.0	Puma Biotechnology, Inc.	—*	34	2	0.3
Fate Therapeutics, Inc.	—*	114	5	1.0	BioCryst Pharmaceuticals, Inc.	—*	33	1	0.3
AnaptysBio, Inc.	—*	112	5	0.9	ImmunoGen, Inc.	1	30	1	0.3
CareDx, Inc.	—*	112	5	0.9	Dynavax Technologies Corp.	—*	21	1	0.2
Coherus Biosciences, Inc.	—*	108	5	0.9	Karyopharm Therapeutics, Inc.	—*	17	1	0.1
Editas Medicine, Inc.	—*	108	5	0.9	Cyclerion Therapeutics, Inc.	—*	15	1	0.1
Corcept Therapeutics, Inc.	—*	106	5	0.9					
Sangamo Therapeutics, Inc.	—*	103	5	0.9					
								<u>\$525</u>	

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Common Stocks	\$382,265	\$ —	\$—
Short-Term Securities	5,005	20,829	—
Total	\$387,270	\$20,829	\$—
Total Return Swaps	\$ —	\$ 525	\$—

The following acronyms are used throughout this schedule:

LIBOR = London Interbank Offered Rate
REIT = Real Estate Investment Trust

See Accompanying Notes to Financial Statements.

STATEMENTS OF ASSETS AND LIABILITIES

IVY VIP

AS OF JUNE 30, 2019 (UNAUDITED)

(In thousands, except per share amounts)	Asset Strategy ⁽¹⁾	Balanced	Energy	Growth	High Income	International Core Equity	Mid Cap Growth
ASSETS							
Investments in unaffiliated securities at value+ [^]	\$ 738,567	\$ 328,917	\$ 43,436	\$ 772,462	\$ 905,627	\$ 727,347	\$ 511,933
Investments in affiliated securities at value+	—	—	—	—	957	—	—
Bullion at value+	41,231	—	—	—	—	—	—
Investments at Value	779,798	328,917	43,436	772,462	906,584	727,347	511,933
Cash	415	32	1	1	2,132	1	1
Cash denominated in foreign currencies at value+	—*	—	—	—	—	1,108	—
Investment securities sold receivable	8,513	—	361	—	734	649	595
Dividends and interest receivable	3,305	1,065	18	179	12,575	2,146	190
Capital shares sold receivable	40	85	17	53	313	11	4,298
Receivable from affiliates	—	—	—	—	—	—	144
Unrealized appreciation on forward foreign currency contracts	—	—	—	—	—	1,704	—
Receivable from securities lending income — net	25	—*	—*	—*	14	13	2
Prepaid and other assets	—	—	—	1	1	—	—
Total Assets	792,096	330,099	43,833	772,696	922,353	732,979	517,163
LIABILITIES							
Cash collateral on securities loaned at value	—	671	1,185	—	2,597	8,253	—
Investment securities purchased payable	8,672	—	—	—	15,447	3,412	246
Capital shares redeemed payable	517	187	2	501	228	365	228
Independent Trustees and Chief Compliance Officer fees payable	158	89	8	277	80	80	36
Distribution and service fees payable	16	7	1	16	18	15	6
Shareholder servicing payable	1	1	—*	1	1	1	1
Investment management fee payable	45	19	3	44	45	50	36
Accounting services fee payable	19	8	2	17	18	14	11
Unrealized depreciation on forward foreign currency contracts	—	—	—	—	3	—	—
Other liabilities	25	7	6	13	51	24	11
Total Liabilities	9,453	989	1,207	869	18,488	12,214	575
Commitments and Contingencies (See Note 2 and Note 12)							
Total Net Assets	\$782,643	\$ 329,110	\$42,626	\$ 771,827	\$903,865	\$720,765	\$516,588
NET ASSETS							
Capital paid in (shares authorized — unlimited)	\$ 712,359	\$ 289,523	\$ 90,850	\$ 488,758	\$ 982,698	\$ 752,038	\$ 375,915
Accumulated earnings gain (loss)	70,284	39,587	(48,224)	283,069	(78,833)	(31,273)	140,673
Total Net Assets	\$782,643	\$ 329,110	\$42,626	\$ 771,827	\$903,865	\$720,765	\$516,588
CAPITAL SHARES OUTSTANDING:							
Class I	33	N/A	52	N/A	13,802	N/A	18,536
Class II	82,316	43,386	10,038	75,112	253,419	48,818	25,611
NET ASSET VALUE PER SHARE:							
Class I	\$ 9.51	N/A	\$ 4.24	N/A	\$ 3.39	N/A	\$ 11.74
Class II	\$ 9.50	\$ 7.59	\$ 4.23	\$ 10.28	\$ 3.38	\$ 14.77	\$ 11.68
+COST							
Investments in unaffiliated securities at cost	\$ 692,171	\$ 304,300	\$ 59,253	\$ 528,214	\$ 941,713	\$ 743,461	\$ 389,483
Investments in affiliated securities at cost	—	—	—	—	1,085	—	—
Bullion at cost	36,084	—	—	—	—	—	—
Cash denominated in foreign currencies at cost	—	—	—	—	—	1,099	—
[^] Securities loaned at value	—	4,554	1,155	—	4,642	7,855	10,297

*Not shown due to rounding.

⁽¹⁾Consolidated Statement of Assets and Liabilities (See Note 5 in Notes to Financial Statements).

See Accompanying Notes to Financial Statements.

STATEMENTS OF ASSETS AND LIABILITIES

IVY VIP

AS OF JUNE 30, 2019 (UNAUDITED)

(In thousands, except per share amounts)	Natural Resources	Science and Technology	Small Cap Core	Small Cap Growth
ASSETS				
Investments in unaffiliated securities at value+^	\$ 90,949	\$ 541,275	\$ 201,859	\$ 408,099
Investments at Value	90,949	541,275	201,859	408,099
Cash	1	1	110	1
Investment securities sold receivable	334	5,580	795	817
Dividends and interest receivable	89	269	108	38
Capital shares sold receivable	30	117	9	134
Receivable from affiliates	—	—	—	54
Unrealized appreciation on forward foreign currency contracts	468	—	—	—
Swap agreements, at value	—	—	—	525
Receivable from securities lending income — net	1	51	1	2
Total Assets	91,872	547,293	202,882	409,670
LIABILITIES				
Cash collateral on securities loaned at value	1,360	6,572	1,095	5,005
Investment securities purchased payable	—	843	1,229	2,447
Capital shares redeemed payable	48	324	161	190
Independent Trustees and Chief Compliance Officer fees payable	18	92	32	121
Distribution and service fees payable	2	11	4	7
Shareholder servicing payable	—*	1	—*	—*
Investment management fee payable	6	38	14	28
Accounting services fee payable	4	11	6	10
Unrealized depreciation on forward foreign currency contracts	22	—	—	—
Other liabilities	5	13	7	7
Total Liabilities	1,465	7,905	2,548	7,815
Commitments and Contingencies (See Note 2 and Note 12)				
Total Net Assets	\$ 90,407	\$ 539,388	\$ 200,334	\$ 401,855
NET ASSETS				
Capital paid in (shares authorized — unlimited)	\$150,523	\$ 267,706	\$ 181,423	\$ 293,018
Accumulated earnings gain (loss)	(60,116)	271,682	18,911	108,837
Total Net Assets	\$ 90,407	\$ 539,388	\$ 200,334	\$ 401,855
CAPITAL SHARES OUTSTANDING:				
Class I	N/A	26	N/A	6,229
Class II	23,459	18,581	15,158	36,908
NET ASSET VALUE PER SHARE:				
Class I	N/A	\$ 29.12	N/A	\$ 9.33
Class II	\$ 3.85	\$ 28.99	\$ 13.22	\$ 9.31
+COST				
Investments in unaffiliated securities at cost	\$ 109,167	\$ 297,776	\$ 183,677	\$ 321,503
^Securities loaned at value	2,291	18,736	1,073	17,656

*Not shown due to rounding.

See Accompanying Notes to Financial Statements.

STATEMENTS OF OPERATIONS

IVY VIP

FOR THE SIX MONTHS ENDED JUNE 30, 2019 (UNAUDITED)

(In thousands)	Asset Strategy ⁽¹⁾	Balanced	Energy	Growth	High Income	International Core Equity	Mid Cap Growth
INVESTMENT INCOME							
Dividends from unaffiliated securities	\$ 7,145	\$ 2,059	\$ 292	\$ 3,340	\$ 852	\$ 14,545	\$ 1,498
Foreign dividend withholding tax	(633)	(1)	(5)	(14)	—	(1,515)	—
Interest and amortization from unaffiliated securities	6,117	1,904	16	57	32,193	500	96
Interest and amortization from affiliated securities	—	—	—	—	41	—	—
Securities lending income — net	140	9	4	6	86	108	8
Total Investment Income	12,769	3,971	307	3,389	33,172	13,638	1,602
EXPENSES							
Investment management fee	2,698	1,138	190	2,573	2,716	3,045	2,038
Distribution and service fees:							
Class II	963	406	56	919	1,049	896	339
Shareholder servicing:							
Class I	—*	N/A	—*	N/A	—*	N/A	1
Class II	16	5	3	9	12	7	8
Custodian fees	24	4	4	6	12	51	5
Independent Trustees and Chief Compliance Officer fees	19	9	1	20	22	18	12
Accounting services fee	101	48	14	92	107	84	67
Professional fees	58	24	19	23	42	40	20
Other	57	12	10	24	36	30	25
Total Expenses	3,936	1,646	297	3,666	3,996	4,171	2,515
Less:							
Expenses in excess of limit	—	—	—	—	—	—	(144)
Total Net Expenses	3,936	1,646	297	3,666	3,996	4,171	2,371
Net Investment Income (Loss)	8,833	2,325	10	(277)	29,176	9,467	(769)
REALIZED AND UNREALIZED GAIN (LOSS)							
Net realized gain (loss) on:							
Investments in unaffiliated securities	14,034	12,971	(1,924)	39,406	402	(23,837)	19,198
Investments in affiliated securities	—	—	—	—	1	—	—
Written options	—	—	—	—	—	—	135
Swap agreements	569	—	—	—	—	201	—
Forward foreign currency contracts	—	—	—	—	34	(2,621)	—
Foreign currency exchange transactions	(150)	—	—	—	1	(101)	2
Net change in unrealized appreciation (depreciation) on:							
Investments in unaffiliated securities	83,724	23,295	5,690	116,722	41,479	95,263	92,596
Investments in affiliated securities	—	—	—	—	(34)	—	—
Swap agreements	—	—	—	—	—	(46)	—
Forward foreign currency contracts	—	—	—	—	(17)	2,052	—
Foreign currency exchange transactions	28	—	—	—	—*	29	—*
Net Realized and Unrealized Gain	98,205	36,266	3,766	156,128	41,866	70,940	111,931
Net Increase in Net Assets Resulting from Operations	\$107,038	\$ 38,591	\$ 3,776	\$155,851	\$71,042	\$80,407	\$ 111,162

*Not shown due to rounding.

(1) Consolidated Statement of Operations (See Note 5 in Notes to Financial Statements).

See Accompanying Notes to Financial Statements.

STATEMENTS OF OPERATIONS

IVY VIP

FOR THE SIX MONTHS ENDED JUNE 30, 2019 (UNAUDITED)

(In thousands)	Natural Resources	Science and Technology	Small Cap Core	Small Cap Growth
INVESTMENT INCOME				
Dividends from unaffiliated securities	\$ 1,591	\$ 1,474	\$ 860	\$ 135
Foreign dividend withholding tax	(24)	(29)	(1)	—
Interest and amortization from unaffiliated securities	26	202	106	219
Securities lending income — net	5	273	4	21
Total Investment Income	1,598	1,920	969	375
EXPENSES				
Investment management fee	394	2,112	828	1,671
Distribution and service fees:				
Class II	116	620	244	420
Shareholder servicing:				
Class I	N/A	—*	N/A	—*
Class II	4	8	4	7
Custodian fees	2	2	7	3
Independent Trustees and Chief Compliance Officer fees	2	12	5	10
Accounting services fee	22	68	35	63
Professional fees	26	25	20	21
Other	13	32	7	30
Total Expenses	579	2,879	1,150	2,225
Less:				
Expenses in excess of limit	—	—	—	(54)
Total Net Expenses	579	2,879	1,150	2,171
Net Investment Income (Loss)	1,019	(959)	(181)	(1,796)
REALIZED AND UNREALIZED GAIN (LOSS)				
Net realized gain (loss) on:				
Investments in unaffiliated securities	(298)	32,274	1,329	22,474
Written options	—	(2,701)	—	—
Swap agreements	—	—	—	547
Forward foreign currency contracts	183	—	—	—
Foreign currency exchange transactions	4	(3)	—	—
Net change in unrealized appreciation (depreciation) on:				
Investments in unaffiliated securities	7,845	108,693	33,323	56,855
Swap agreements	—	—	—	1,837
Forward foreign currency contracts	20	—	—	—
Foreign currency exchange transactions	—*	—	—	—
Net Realized and Unrealized Gain	7,754	138,263	34,652	81,713
Net Increase in Net Assets Resulting from Operations	\$8,773	\$137,304	\$ 34,471	\$ 79,917

*Not shown due to rounding.

See Accompanying Notes to Financial Statements.

STATEMENTS OF CHANGES IN NET ASSETS

IVY VIP

(In thousands)	Asset Strategy ⁽¹⁾		Balanced		Energy	
	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18
INCREASE (DECREASE) IN NET ASSETS						
Operations:						
Net investment income (loss)	\$ 8,833	\$ 14,508	\$ 2,325	\$ 5,385	\$ 10	\$ (601)
Net realized gain (loss) on investments	14,453	83,992	12,971	26,007	(1,924)	6,108
Net change in unrealized appreciation (depreciation)	83,752	(139,114)	23,295	(40,922)	5,690	(28,418)
Net Increase (Decrease) in Net Assets Resulting from Operations	107,038	(40,614)	38,591	(9,530)	3,776	(22,911)
Distributions to Shareholders From:						
Accumulated earnings: (combined net investment income and net realized gains)						
Class I	—*	(18)	N/A	N/A	—	—
Class II	(1,322)	(49,202)	(31,681)	(10,863)	—	—
Total Distributions to Shareholders	(1,322)	(49,220)	(31,681)	(10,863)	—	—
Capital Share Transactions	(76,415)	(92,730)	11,882	(31,749)	(348)	(106,411)
Net Increase (Decrease) in Net Assets	29,301	(182,564)	18,792	(52,142)	3,428	(129,322)
Net Assets, Beginning of Period	753,342	935,906	310,318	362,460	39,198	168,520
Net Assets, End of Period	\$ 782,643	\$ 753,342	\$ 329,110	\$ 310,318	\$ 42,626	\$ 39,198

(In thousands)	Growth		High Income		International Core Equity	
	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18
INCREASE (DECREASE) IN NET ASSETS						
Operations:						
Net investment income (loss)	\$ (277)	\$ (200)	\$ 29,176	\$ 57,825	\$ 9,467	\$ 13,342
Net realized gain (loss) on investments	39,406	187,073	438	(24,107)	(26,358)	58,736
Net change in unrealized appreciation (depreciation)	116,722	(147,341)	41,428	(51,073)	97,298	(216,635)
Net Increase (Decrease) in Net Assets Resulting from Operations	155,851	39,532	71,042	(17,355)	80,407	(144,557)
Distributions to Shareholders From:						
Accumulated earnings: (combined net investment income and net realized gains)						
Class I	N/A	N/A	(3,156)	(3,506)	N/A	N/A
Class II	(186,937)	(99,828)	(55,287)	(56,012)	(70,370)	(32,980)
Total Distributions to Shareholders	(186,937)	(99,828)	(58,443)	(59,518)	(70,370)	(32,980)
Capital Share Transactions	133,722	(153,936)	44,212	(19,488)	34,852	18,832
Net Increase (Decrease) in Net Assets	102,636	(214,232)	56,811	(96,361)	44,889	(158,705)
Net Assets, Beginning of Period	669,191	883,423	847,054	943,415	675,876	834,581
Net Assets, End of Period	\$ 771,827	\$ 669,191	\$ 903,865	\$ 847,054	\$ 720,765	\$ 675,876

*Not shown due to rounding.

⁽¹⁾Consolidated Statements of Changes in Net Assets (See Note 5 in Notes to Financial Statements).

See Accompanying Notes to Financial Statements.

STATEMENTS OF CHANGES IN NET ASSETS

IVY VIP

(In thousands)	Mid Cap Growth		Natural Resources		Science and Technology	
	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18
INCREASE (DECREASE) IN NET ASSETS						
Operations:						
Net investment income (loss)	\$ (769)	\$ (2,364)	\$ 1,019	\$ 837	\$ (959)	\$ (2,425)
Net realized gain (loss) on investments	19,335	158,437	(111)	2,092	29,570	136,933
Net change in unrealized appreciation (depreciation)	92,596	(136,340)	7,865	(30,405)	108,693	(144,970)
Net Increase (Decrease) in Net Assets Resulting from Operations	111,162	19,733	8,773	(27,476)	137,304	(10,462)
Distributions to Shareholders From:						
Accumulated earnings: (combined net investment income and net realized gains)						
Class I	(35,378)	(6,483)	N/A	N/A	—	(85)
Class II	(46,820)	(23,180)	(870)	(351)	—	(65,600)
Total Distributions to Shareholders	(82,198)	(29,663)	(870)	(351)	—	(65,685)
Capital Share Transactions	73,610	(291,936)	(5,936)	(15,129)	(27,582)	(138,951)
Net Increase (Decrease) in Net Assets	102,574	(301,866)	1,967	(42,956)	109,722	(215,098)
Net Assets, Beginning of Period	414,014	715,880	88,440	131,396	429,666	644,764
Net Assets, End of Period	\$ 516,588	\$ 414,014	\$ 90,407	\$ 88,440	\$ 539,388	\$ 429,666

(In thousands)	Small Cap Core		Small Cap Growth	
	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18
INCREASE (DECREASE) IN NET ASSETS				
Operations:				
Net investment loss	\$ (181)	\$ (857)	\$ (1,796)	\$ (1,836)
Net realized gain on investments	1,329	37,591	23,021	67,357
Net change in unrealized appreciation (depreciation)	33,323	(48,670)	58,692	(77,892)
Net Increase (Decrease) in Net Assets Resulting from Operations	34,471	(11,936)	79,917	(12,371)
Distributions to Shareholders From:				
Accumulated earnings: (combined net investment income and net realized gains)				
Class I	N/A	N/A	(855)	—
Class II	(36,690)	(56,235)	(5,061)	(117,993)
Total Distributions to Shareholders	(36,690)	(56,235)	(5,916)	(117,993)
Capital Share Transactions	27,196	(72,013)	(24,173)	105,572
Net Increase (Decrease) in Net Assets	24,977	(140,184)	49,828	(24,792)
Net Assets, Beginning of Period	175,357	315,541	352,027	376,819
Net Assets, End of Period	\$ 200,334	\$ 175,357	\$ 401,855	\$ 352,027

See Accompanying Notes to Financial Statements.



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FOR A SHARE OF CAPITAL STOCK OUTSTANDING THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽¹⁾	Net Realized and Unrealized Gain (Loss) on Investments	Total from Investment Operations	Distributions From Net Investment Income	Distributions From Net Realized Gains	Total Distributions
Asset Strategy							
Class I Shares							
Six-month period ended 6-30-2019 (unaudited)	\$ 8.29	\$ 0.11	\$ 1.12	\$ 1.23	\$ — [*]	\$ (0.01)	\$ (0.01)
Year ended 12-31-2018	9.37	0.18	(0.67)	(0.49)	(0.20)	(0.39)	(0.59)
Year ended 12-31-2017 ⁽⁴⁾	8.57	0.08	0.88	0.96	(0.16)	—	(0.16)
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	8.29	0.10	1.12	1.22	— [*]	(0.01)	(0.01)
Year ended 12-31-2018	9.37	0.16	(0.67)	(0.51)	(0.18)	(0.39)	(0.57)
Year ended 12-31-2017	8.04	0.03	1.44	1.47	(0.14)	—	(0.14)
Year ended 12-31-2016	8.30	0.06	(0.27)	(0.21)	(0.05)	—	(0.05)
Year ended 12-31-2015	10.87	0.08	(0.77)	(0.69)	(0.04)	(1.84)	(1.88)
Year ended 12-31-2014	13.25	0.11	(0.78)	(0.67)	(0.06)	(1.65)	(1.71)
Balanced							
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	7.46	0.06	0.86	0.92	(0.14)	(0.65)	(0.79)
Year ended 12-31-2018	7.95	0.12	(0.36)	(0.24)	(0.13)	(0.12)	(0.25)
Year ended 12-31-2017	7.47	0.12	0.70	0.82	(0.12)	(0.22)	(0.34)
Year ended 12-31-2016	8.76	0.11	0.00 [*]	0.11	(0.12)	(1.28)	(1.40)
Year ended 12-31-2015	10.19	0.12	(0.09)	0.03	(0.09)	(1.37)	(1.46)
Year ended 12-31-2014	10.46	0.09	0.64	0.73	(0.10)	(0.90)	(1.00)
Energy							
Class I Shares							
Six-month period ended 6-30-2019 (unaudited)	3.88	0.01	0.35	0.36	—	—	—
Year ended 12-31-2018	5.87	0.00 [*]	(1.99)	(1.99)	—	—	—
Year ended 12-31-2017 ⁽⁴⁾	5.84	0.06	0.02	0.08	(0.05)	—	(0.05)
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	3.87	0.00 [*]	0.36	0.36	—	—	—
Year ended 12-31-2018	5.87	(0.02)	(1.98)	(2.00)	—	—	—
Year ended 12-31-2017	6.77	0.04	(0.90)	(0.86)	(0.04)	—	(0.04)
Year ended 12-31-2016	5.04	(0.02)	1.76	1.74	(0.01)	—	(0.01)
Year ended 12-31-2015	6.51	0.00 [*]	(1.44)	(1.44)	—	(0.03)	(0.03)
Year ended 12-31-2014	7.50	(0.01)	(0.73)	(0.74)	—	(0.25)	(0.25)
Growth							
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	11.02	0.00 [*]	2.52	2.52	—	(3.26)	(3.26)
Year ended 12-31-2018	12.09	0.00 [*]	0.36	0.36	— [*]	(1.43)	(1.43)
Year ended 12-31-2017	10.30	0.01	2.84	2.85	(0.03)	(1.03)	(1.06)
Year ended 12-31-2016	11.42	0.03	0.03	0.06	—	(1.18)	(1.18)
Year ended 12-31-2015	12.08	0.00 [*]	0.85	0.85	(0.01)	(1.50)	(1.51)
Year ended 12-31-2014	13.33	0.01	1.28	1.29	(0.06)	(2.48)	(2.54)
High Income							
Class I Shares							
Six-month period ended 6-30-2019 (unaudited)	3.35	0.12	0.16	0.28	(0.24)	—	(0.24)
Year ended 12-31-2018	3.65	0.23	(0.29)	(0.06)	(0.24)	—	(0.24)
Year ended 12-31-2017 ⁽⁴⁾	3.73	0.16	(0.03)	0.13	(0.21)	—	(0.21)
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	3.34	0.11	0.16	0.27	(0.23)	—	(0.23)
Year ended 12-31-2018	3.64	0.22	(0.29)	(0.07)	(0.23)	—	(0.23)
Year ended 12-31-2017	3.61	0.23	0.01	0.24	(0.21)	—	(0.21)
Year ended 12-31-2016	3.35	0.24	0.28	0.52	(0.26)	—	(0.26)
Year ended 12-31-2015	3.85	0.26	(0.48)	(0.22)	(0.24)	(0.04)	(0.28)
Year ended 12-31-2014	4.00	0.25	(0.17)	0.08	(0.20)	(0.03)	(0.23)
International Core Equity							
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	14.66	0.20	1.49	1.69	(0.25)	(1.33)	(1.58)
Year ended 12-31-2018	18.58	0.30	(3.45)	(3.15)	(0.28)	(0.49)	(0.77)
Year ended 12-31-2017	15.30	0.23	3.29	3.52	(0.24)	—	(0.24)
Year ended 12-31-2016	15.53	0.24	(0.11)	0.13	(0.20)	(0.16)	(0.36)
Year ended 12-31-2015	18.00	0.20	(0.06)	0.14	(0.24)	(2.37)	(2.61)
Year ended 12-31-2014	19.75	0.24	0.10	0.34	(0.51)	(1.58)	(2.09)

^{*}Not shown due to rounding.

(1)Based on average weekly shares outstanding.

(2)Based on net asset value. Total returns do not reflect a sales charge or contingent deferred sales charge, if applicable. Total returns for periods less than one year are not annualized.

(3)Ratios excluding expense waivers are included only for periods in which the class had waived or reimbursed expenses.

(4)For the period from April 28, 2017 (commencement of operations of the class) through December 31, 2017.

(5)Annualized.

(6)Portfolio turnover is calculated at the fund level. Percentage indicated was calculated for the period ended December 31, 2017.

	Net Asset Value, End of Period	Total Return ⁽²⁾	Net Assets, End of Period (in millions)	Ratio of Expenses to Average Net Assets Including Expense Waiver	Ratio of Net Investment Income (Loss) to Average Net Assets Including Expense Waiver	Ratio of Expenses to Average Net Assets Excluding Expense Waiver ⁽³⁾	Ratio of Net Investment Income (Loss) to Average Net Assets Excluding Expense Waiver ⁽³⁾	Portfolio Turnover Rate
Asset Strategy								
Class I Shares								
Six-month period ended 6-30-2019 (unaudited)	\$ 9.51	14.95%	\$ 1	0.77% ⁽⁵⁾	2.56% ⁽⁵⁾	—%	—%	25%
Year ended 12-31-2018	8.29	-5.20	—	0.78	1.91	0.78	1.91	58
Year ended 12-31-2017 ⁽⁴⁾	9.37	11.16	—	0.74 ⁽⁵⁾	1.30 ⁽⁵⁾	—	—	39 ⁽⁶⁾
Class II Shares								
Six-month period ended 6-30-2019 (unaudited)	9.50	14.81	782	1.02 ⁽⁵⁾	2.29 ⁽⁵⁾	—	—	25
Year ended 12-31-2018	8.29	-5.44	753	1.03	1.65	—	—	58
Year ended 12-31-2017	9.37	18.27	936	1.02	0.35	—	—	39
Year ended 12-31-2016	8.04	-2.57	954	1.01	0.70	1.02	0.69	68
Year ended 12-31-2015	8.30	-8.35	1,268	0.98	0.81	0.99	0.80	70
Year ended 12-31-2014	10.87	-5.26	1,600	0.97	0.94	0.98	0.93	130
Balanced								
Class II Shares								
Six-month period ended 6-30-2019 (unaudited)	7.59	12.66	329	1.01 ⁽⁵⁾	1.43 ⁽⁵⁾	—	—	28
Year ended 12-31-2018	7.46	-3.24	310	1.01	1.55	—	—	54
Year ended 12-31-2017	7.95	11.37	362	1.01	1.54	—	—	48
Year ended 12-31-2016	7.47	2.03	361	1.01	1.53	—	—	54
Year ended 12-31-2015	8.76	-0.32	383	1.00	1.28	—	—	44
Year ended 12-31-2014	10.19	7.57	415	1.01	0.90	—	—	43
Energy								
Class I Shares								
Six-month period ended 6-30-2019 (unaudited)	4.24	9.45	—	1.08 ⁽⁵⁾	0.28 ⁽⁵⁾	—	—	14
Year ended 12-31-2018	3.88	-33.96	—	0.94	-0.09	0.94	-0.09	37
Year ended 12-31-2017 ⁽⁴⁾	5.87	1.55	—	0.92 ⁽⁵⁾	1.70 ⁽⁵⁾	—	—	22 ⁽⁶⁾
Class II Shares								
Six-month period ended 6-30-2019 (unaudited)	4.23	9.31	43	1.33 ⁽⁵⁾	0.04 ⁽⁵⁾	—	—	14
Year ended 12-31-2018	3.87	-34.14	39	1.19	-0.41	—	—	37
Year ended 12-31-2017	5.87	-12.64	169	1.19	0.75	—	—	22
Year ended 12-31-2016	6.77	34.55	196	1.19	-0.27	—	—	31
Year ended 12-31-2015	5.04	-22.14	117	1.20	0.08	—	—	34
Year ended 12-31-2014	6.51	-10.56	118	1.18	-0.10	—	—	21
Growth								
Class II Shares								
Six-month period ended 6-30-2019 (unaudited)	10.28	23.92	772	1.00 ⁽⁵⁾	-0.08 ⁽⁵⁾	—	—	10
Year ended 12-31-2018	11.02	2.28	669	1.00	-0.02	—	—	37
Year ended 12-31-2017	12.09	29.34	883	0.99	0.05	—	—	41
Year ended 12-31-2016	10.30	1.22	835	0.98	0.26	1.00	0.24	53
Year ended 12-31-2015	11.42	7.17	897	0.96	0.03	0.99	—	30
Year ended 12-31-2014	12.08	11.81	871	0.96	0.10	0.99	0.07	26
High Income								
Class I Shares								
Six-month period ended 6-30-2019 (unaudited)	3.39	8.51	47	0.67 ⁽⁵⁾	6.83 ⁽⁵⁾	—	—	21
Year ended 12-31-2018	3.35	-1.86	44	0.66	6.50	0.66	6.50	42
Year ended 12-31-2017 ⁽⁴⁾	3.65	3.42	56	0.66 ⁽⁵⁾	6.53 ⁽⁵⁾	—	—	52 ⁽⁶⁾
Class II Shares								
Six-month period ended 6-30-2019 (unaudited)	3.38	8.38	857	0.92 ⁽⁵⁾	6.58 ⁽⁵⁾	—	—	21
Year ended 12-31-2018	3.34	-2.11	803	0.91	6.27	—	—	42
Year ended 12-31-2017	3.64	6.68	887	0.91	6.22	—	—	52
Year ended 12-31-2016	3.61	16.19	845	0.89	6.97	0.92	6.94	36
Year ended 12-31-2015	3.35	-6.50	725	0.89	7.01	0.92	6.98	44
Year ended 12-31-2014	3.85	1.90	818	0.88	6.31	0.91	6.28	55
International Core Equity								
Class II Shares								
Six-month period ended 6-30-2019 (unaudited)	14.77	11.96	721	1.16 ⁽⁵⁾	2.64 ⁽⁵⁾	—	—	33
Year ended 12-31-2018	14.66	-17.81	676	1.16	1.70	—	—	51
Year ended 12-31-2017	18.58	23.16	835	1.16	1.33	—	—	59
Year ended 12-31-2016	15.30	1.08	736	1.17	1.60	—	—	77
Year ended 12-31-2015	15.53	-0.94	675	1.16	1.18	—	—	87
Year ended 12-31-2014	18.00	1.44	656	1.16	1.28	—	—	102

See Accompanying Notes to Financial Statements.

FOR A SHARE OF CAPITAL STOCK OUTSTANDING THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽¹⁾	Net Realized and Unrealized Gain (Loss) on Investments	Total from Investment Operations	Distributions From Net Investment Income	Distributions From Net Realized Gains	Total Distributions
Mid Cap Growth							
Class I Shares							
Six-month period ended 6-30-2019 (unaudited)	\$ 11.10	\$ (0.01)	\$ 2.91	\$ 2.90	\$ —	\$ (2.26)	\$ (2.26)
Year ended 12-31-2018	11.63	(0.02)	0.09	0.07	—	(0.60)	(0.60)
Year ended 12-31-2017 ⁽⁴⁾	10.30	0.00 [*]	1.64	1.64	—	(0.31)	(0.31)
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	11.07	(0.03)	2.90	2.87	—	(2.26)	(2.26)
Year ended 12-31-2018	11.61	(0.05)	0.09	0.04	—	(0.58)	(0.58)
Year ended 12-31-2017	9.44	(0.04)	2.52	2.48	—	(0.31)	(0.31)
Year ended 12-31-2016	9.42	(0.01)	0.55	0.54	—	(0.52)	(0.52)
Year ended 12-31-2015	10.84	(0.01)	(0.52)	(0.53)	—	(0.89)	(0.89)
Year ended 12-31-2014	10.72	(0.04)	0.82	0.78	—	(0.66)	(0.66)
Natural Resources							
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	3.55	0.04	0.30	0.34	(0.04)	—	(0.04)
Year ended 12-31-2018	4.63	0.03	(1.10)	(1.07)	(0.01)	—	(0.01)
Year ended 12-31-2017	4.50	0.00 [*]	0.14	0.14	(0.01)	—	(0.01)
Year ended 12-31-2016	3.66	0.01	0.86	0.87	(0.03)	—	(0.03)
Year ended 12-31-2015	4.72	0.02	(1.08)	(1.06)	—	—	—
Year ended 12-31-2014	5.43	0.01	(0.72)	(0.71)	—	—	—
Science and Technology							
Class I Shares							
Six-month period ended 6-30-2019 (unaudited)	21.91	(0.02)	7.23	7.21	—	—	—
Year ended 12-31-2018	27.04	(0.03)	(1.24)	(1.27)	—	(3.86)	(3.86)
Year ended 12-31-2017 ⁽⁴⁾	25.22	(0.04)	4.16	4.12	—	(2.30)	(2.30)
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	21.84	(0.05)	7.20	7.15	—	—	—
Year ended 12-31-2018	27.04	(0.11)	(1.23)	(1.34)	—	(3.86)	(3.86)
Year ended 12-31-2017	22.34	(0.13)	7.08	6.95	—	(2.25)	(2.25)
Year ended 12-31-2016	22.96	(0.11)	0.34	0.23	—	(0.85)	(0.85)
Year ended 12-31-2015	25.02	(0.15)	(0.41)	(0.56)	—	(1.50)	(1.50)
Year ended 12-31-2014	26.58	(0.13)	0.74	0.61	—	(2.17)	(2.17)
Small Cap Core							
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	13.51	(0.01)	2.64	2.63	—	(2.92)	(2.92)
Year ended 12-31-2018	18.32	(0.06)	(1.37)	(1.43)	(0.02)	(3.36)	(3.38)
Year ended 12-31-2017	18.34	0.00 [*]	2.21	2.21	—	(2.23)	(2.23)
Year ended 12-31-2016	15.66	0.01	4.17	4.18	(0.07)	(1.43)	(1.50)
Year ended 12-31-2015	17.98	0.05	(0.95)	(0.90)	(0.02)	(1.40)	(1.42)
Year ended 12-31-2014	19.90	(0.01)	1.19	1.18	(0.02)	(3.08)	(3.10)
Small Cap Growth							
Class I Shares							
Six-month period ended 6-30-2019 (unaudited)	7.69	(0.03)	1.81	1.78	—	(0.14)	(0.14)
Year ended 12-31-2018 ⁽⁵⁾	8.76	0.00 [*]	(1.07)	(1.07)	—	—	—
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	7.68	(0.04)	1.81	1.77	—	(0.14)	(0.14)
Year ended 12-31-2018	11.63	(0.06)	0.03	(0.03)	(0.05)	(3.87)	(3.92)
Year ended 12-31-2017	9.69	(0.07)	2.27	2.20	—	(0.26)	(0.26)
Year ended 12-31-2016	10.60	(0.07)	0.23	0.16	—	(1.07)	(1.07)
Year ended 12-31-2015	12.15	(0.09)	0.51	0.42	—	(1.97)	(1.97)
Year ended 12-31-2014	13.76	(0.10)	0.11	0.01	—	(1.62)	(1.62)

*Not shown due to rounding.

(1)Based on average weekly shares outstanding.

(2)Based on net asset value. Total returns do not reflect a sales charge or contingent deferred sales charge, if applicable. Total returns for periods less than one year are not annualized.

(3)Ratios excluding expense waivers are included only for periods in which the class had waived or reimbursed expenses.

(4)For the period from April 28, 2017 (commencement of operations of the class) through December 31, 2017.

(5)For the period from November 5, 2018 (commencement of operations of the class) through December 31, 2018.

(6)Annualized.

(7)Portfolio turnover is calculated at the fund level. Percentage indicated was calculated for the period ended December 31, 2017.

(8)Portfolio turnover is calculated at the fund level. Percentage indicated was calculated for the period ended December 31, 2018.

(9)Expense ratio based on the period excluding reorganization expenses was 0.89%.

(10)Expense ratio based on the period excluding reorganization expenses was 1.14%.

	Net Asset Value, End of Period	Total Return ⁽²⁾	Net Assets, End of Period (in millions)	Ratio of Expenses to Average Net Assets Including Expense Waiver	Ratio of Net Investment Income (Loss) to Average Net Assets Including Expense Waiver	Ratio of Expenses to Average Net Assets Excluding Expense Waiver ⁽³⁾	Ratio of Net Investment Income (Loss) to Average Net Assets Excluding Expense Waiver ⁽³⁾	Portfolio Turnover Rate
Mid Cap Growth								
Class I Shares								
Six-month period ended 6-30-2019 (unaudited)	\$ 11.74	27.13%	\$ 218	0.85% ⁽⁶⁾	-0.18% ⁽⁶⁾	0.90% ⁽⁶⁾	-0.23% ⁽⁶⁾	11%
Year ended 12-31-2018	11.10	0.20	184	0.85	-0.14	0.90	-0.19	53
Year ended 12-31-2017 ⁽⁴⁾	11.63	16.44	131	0.85 ⁽⁶⁾	0.05 ⁽⁶⁾	0.89 ⁽⁶⁾	0.01 ⁽⁶⁾	25 ⁽⁷⁾
Class II Shares								
Six-month period ended 6-30-2019 (unaudited)	11.68	26.98	299	1.10 ⁽⁶⁾	-0.43 ⁽⁶⁾	1.16 ⁽⁶⁾	-0.49 ⁽⁶⁾	11
Year ended 12-31-2018	11.07	-0.06	230	1.10	-0.42	1.15	-0.47	53
Year ended 12-31-2017	11.61	26.89	585	1.11	-0.39	1.15	-0.43	25
Year ended 12-31-2016	9.44	6.12	615	1.10	-0.09	1.15	-0.14	33
Year ended 12-31-2015	9.42	-5.78	586	1.10	-0.07	1.15	-0.12	42
Year ended 12-31-2014	10.84	7.87	557	1.10	-0.34	1.15	-0.39	43
Natural Resources								
Class II Shares								
Six-month period ended 6-30-2019 (unaudited)	3.85	9.77	90	1.25 ⁽⁶⁾	2.20 ⁽⁶⁾	—	—	10
Year ended 12-31-2018	3.55	-23.23	88	1.21	0.72	—	—	33
Year ended 12-31-2017	4.63	2.97	131	1.36	0.11	—	—	44
Year ended 12-31-2016	4.50	23.81	144	1.36	0.20	—	—	67
Year ended 12-31-2015	3.66	-22.39	114	1.35	0.54	—	—	34
Year ended 12-31-2014	4.72	-13.04	146	1.33	0.12	—	—	31
Science and Technology								
Class I Shares								
Six-month period ended 6-30-2019 (unaudited)	29.12	32.91	— [*]	0.91 ⁽⁶⁾	-0.14 ⁽⁶⁾	—	—	15
Year ended 12-31-2018	21.91	-5.00	1	0.91	-0.11	0.91	-0.11	17
Year ended 12-31-2017 ⁽⁴⁾	27.04	17.24	— [*]	0.90 ⁽⁶⁾	-0.25 ⁽⁶⁾	—	—	27 ⁽⁷⁾
Class II Shares								
Six-month period ended 6-30-2019 (unaudited)	28.99	32.75	539	1.16 ⁽⁶⁾	-0.39 ⁽⁶⁾	—	—	15
Year ended 12-31-2018	21.84	-5.23	429	1.16	-0.38	—	—	17
Year ended 12-31-2017	27.04	32.12	645	1.15	-0.51	—	—	27
Year ended 12-31-2016	22.34	1.54	514	1.15	-0.52	1.17	-0.54	16
Year ended 12-31-2015	22.96	-2.88	582	1.13	-0.60	1.15	-0.62	25
Year ended 12-31-2014	25.02	2.91	586	1.13	-0.51	1.15	-0.53	29
Small Cap Core								
Class II Shares								
Six-month period ended 6-30-2019 (unaudited)	13.22	19.82	200	1.18 ⁽⁶⁾	-0.19 ⁽⁶⁾	—	—	28
Year ended 12-31-2018	13.51	-10.49	175	1.17	-0.34	—	—	112
Year ended 12-31-2017	18.32	13.73	316	1.15	0.01	—	—	112
Year ended 12-31-2016	18.34	28.88	348	1.16	0.08	—	—	182
Year ended 12-31-2015	15.66	-5.58	318	1.15	0.26	—	—	142
Year ended 12-31-2014	17.98	7.05	354	1.15	-0.10	—	—	81
Small Cap Growth								
Class I Shares								
Six-month period ended 6-30-2019 (unaudited)	9.33	23.24	58	0.89 ⁽⁶⁾	-0.71 ⁽⁶⁾	0.91 ⁽⁶⁾	-0.73 ⁽⁶⁾	23
Year ended 12-31-2018 ⁽⁵⁾	7.69	-12.24	52	1.05 ⁽⁶⁾⁽⁹⁾	0.15 ⁽⁶⁾	1.07 ⁽⁶⁾	0.13 ⁽⁶⁾	52 ⁽⁸⁾
Class II Shares								
Six-month period ended 6-30-2019 (unaudited)	9.31	23.08	344	1.14 ⁽⁶⁾	-0.95 ⁽⁶⁾	1.17 ⁽⁶⁾	-0.98 ⁽⁶⁾	23
Year ended 12-31-2018	7.68	-4.11	300	1.16 ⁽¹⁰⁾	-0.52	1.18	-0.54	52
Year ended 12-31-2017	11.63	23.12	377	1.15	-0.69	1.17	-0.71	55
Year ended 12-31-2016	9.69	2.92	426	1.14	-0.79	1.16	-0.81	107
Year ended 12-31-2015	10.60	1.88	430	1.13	-0.76	1.15	-0.78	102
Year ended 12-31-2014	12.15	1.59	426	1.14	-0.80	1.16	-0.82	85

See Accompanying Notes to Financial Statements.

JUNE 30, 2019 (UNAUDITED)

1. ORGANIZATION

Ivy Variable Insurance Portfolios, a Delaware statutory trust (the "Trust"), is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company. Asset Strategy, Balanced, Energy, Growth, High Income, International Core Equity, Mid Cap Growth, Natural Resources, Science and Technology, Small Cap Core and Small Cap Growth (each, a "Portfolio") are eleven series of the Trust and are the only series of the Trust included in these financial statements. The assets belonging to each Portfolio are held separately by the custodian. The investment objective, policies and risk factors of each Portfolio are described more fully in the Prospectus and Statement of Additional Information ("SAI"). Each Portfolio's investment adviser is Ivy Investment Management Company ("IICO").

Each Portfolio offers Class II shares. Asset Strategy, Energy, High Income, Mid Cap Growth, Science and Technology and Small Cap Growth also offer Class I shares. All classes of shares have identical rights and voting privileges with respect to the Portfolio in general and exclusive voting rights on matters that affect that class alone. Net investment income, net assets and net asset value per share ("NAV") may differ due to each class having its own expenses, such as transfer agent and shareholder servicing fees, directly attributable to that class. Class II shares have a distribution and service plan. Class I shares are not included in the plan.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by each Portfolio.

Security Transactions and Related Investment Income. Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Realized gains and losses are calculated on the identified cost basis. Interest income is recorded on the accrual basis and includes paydown gain (loss) and accretion of discounts and amortization of premiums. Dividend income is recorded on the ex-dividend date, except certain dividends from foreign securities where the ex-dividend date may have passed, which are recorded as soon as the Portfolio is informed of the ex-dividend date. All or a portion of the distributions received from a real estate investment trust or publicly traded partnership may be designated as a reduction of cost of the related investment or realized gain.

Foreign Currency Translation. Each Portfolio's accounting records are maintained in U.S. dollars. All assets and liabilities denominated in foreign currencies are translated into U.S. dollars daily, using foreign exchange rates obtained from an independent pricing service approved by the Board of Trustees of the Trust (the "Board"). Purchases and sales of investment securities and accruals of income and expenses are translated at the rate of exchange prevailing on the date of the transaction. For assets and liabilities other than investments in securities, net realized and unrealized gains and losses from foreign currency translation arise from changes in currency exchange rates. Each Portfolio combines fluctuations from currency exchange rates and fluctuations in value when computing net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments. Foreign exchange rates are typically valued as of the close of the New York Stock Exchange ("NYSE"), normally 4:00 P.M. Eastern time, on each day the NYSE is open for trading.

Allocation of Income, Expenses, Gains and Losses. Income, expenses (other than those attributable to a specific class), gains and losses are allocated on a daily basis to each class of shares based upon the relative proportion of net assets represented by such class. Operating expenses directly attributable to a specific class are charged against the operations of that class.

Dividends and Distributions to Shareholders. Dividends and distributions to shareholders are recorded by each Portfolio on the business day following record date. Net investment income dividends and capital gains distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of America ("U.S. GAAP"). If the total dividends and distributions made in any tax year exceeds net investment income and accumulated realized capital gains, a portion of the total distribution may be treated as a tax return of capital.

Income Taxes. It is the policy of each Portfolio to distribute all of its taxable income and capital gains to its shareholders and to otherwise qualify as a regulated investment company under Subchapter M of the Internal Revenue Code. In addition, each Portfolio intends to pay distributions as required to avoid imposition of excise tax. Accordingly, no provision has been made for Federal income taxes. The Portfolios file income tax returns in U.S. federal and applicable state jurisdictions. The Portfolios' tax returns are subject to examination by the relevant taxing authority until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax returns. Management of the Trust periodically reviews all tax positions to assess whether it is more likely than not that the position would be sustained upon examination by the relevant tax authority based on the technical merits of each position. As of the date of these financial statements, management believes that no liability for unrecognized tax positions is required.

Segregation and Collateralization. In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission ("SEC"), the Dodd Frank Wall Street Reform and Consumer Protection Act, or the interpretive rules and regulations of the U.S. Commodities Futures Trading Commission require that a Portfolio either deliver collateral or

segregate assets in connection with certain investments (e.g., dollar rolls, financial futures contracts, foreign currency exchange contracts, options written, securities with extended settlement periods, and swaps), the Portfolio will segregate collateral or designate on its books and records, cash or other liquid securities having a value at least equal to the amount that is required to be physically segregated for the benefit of the counterparty. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, each party has requirements to deliver/deposit cash or securities as collateral for certain investments. Certain countries require that cash reserves be held while investing in companies incorporated in that country. These cash reserves and cash collateral that has been pledged to cover obligations of the Portfolios under derivative contracts, if any, will be reported separately on the Statement of Assets and Liabilities as "Restricted cash". Securities collateral pledged for the same purpose, if any, is noted on the Schedule of Investments.

Concentration of Market and Credit Risk. In the normal course of business, the Portfolios invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by the Portfolios may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Portfolios; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to issuer credit risk, the Portfolios may be exposed to counterparty credit risk, or the risk that an entity with which the Portfolios have unsettled or open transactions may fail to or be unable to perform on its commitments. The Portfolios manage counterparty credit risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Portfolios to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Portfolios' exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded on the Portfolios' Statement of Assets and Liabilities, less any collateral held by the Portfolios.

Certain Portfolios may hold high-yield or non-investment-grade bonds, that may be subject to a greater degree of credit risk. Credit risk relates to the ability of the issuer to meet interest or principal payments or both as they become due. The Portfolios may acquire securities in default and are not obligated to dispose of securities whose issuers subsequently default.

Certain Portfolios may enter into financial instrument transactions (such as swaps, futures, options and other derivatives) that may have off-balance sheet market risk. Off-balance sheet market risk exists when the maximum potential loss on a particular financial instrument is greater than the value of such financial instrument, as reflected on the Statement of Assets and Liabilities.

If a Portfolio invests directly in foreign currencies or in securities that trade in, and receive revenues in, foreign currencies, or in financial derivatives that provide exposure to foreign currencies, it will be subject to the risk that those currencies will decline in value relative to the base currency of the Portfolio, or, in the case of hedging positions, that the Portfolio's base currency will decline in value relative to the currency being hedged. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad.

Inflation-Indexed Bonds. Certain Portfolios may invest in inflation-indexed bonds. Inflation-indexed bonds are fixed-income securities whose principal value is periodically adjusted to the rate of inflation. The interest rate on these bonds is generally fixed at issuance at a rate lower than typical bonds. Over the life of an inflation-indexed bond, however, interest will be paid based on a principal value, which is adjusted for inflation. Any increase or decrease in the principal amount of an inflation-indexed bond will be included as interest income on the Statement of Operations, even though investors do not receive their principal until maturity.

Interest Only Obligations. These securities entitle the owner to receive only the interest portion from a bond, Treasury note or pool of mortgages. These securities are generally created by a third party separating a bond or pool of mortgages into distinct interest-only and principal-only securities. As the principal (par) amount of a bond or pool of mortgages is paid down, the amount of interest income earned by the owner will decline as well.

Loans. Certain Portfolios may invest in loans, the interest rates of which float or adjust periodically based upon a specified adjustment schedule, benchmark indicator, or prevailing interest rates, the debtor of which may be a domestic or foreign corporation, partnership or other entity ("Borrower"). Loans generally pay interest at rates which are periodically redetermined by reference to a base lending rate plus a premium. These base lending rates generally include prime rates of one or more major U.S. banks, the London Interbank Offered Rate ("LIBOR") or certificates of deposit rates. Loans often require prepayments from excess cash flow or permit the Borrower to repay at its election. The degree to which Borrowers repay cannot be predicted with accuracy. As a result, the actual maturity may be substantially less than the stated maturities. Loans are exempt from registration under the Securities Act of 1933, as amended, may contain certain restrictions on resale, and cannot be sold publicly. A Portfolio's investments in loans may be in the form of participations in loans or assignments of all or a portion of loans from third parties.

When a Portfolio purchases assignments, it acquires all the rights and obligations under the loan agreement of the assigning lender. Assignments may, however, be arranged through private negotiations between potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than those held by the assigning lender. When a Portfolio purchases a participation of a loan interest, the Portfolio typically enters into a contractual agreement with the lender or other third party selling the participation. A participation interest in loans includes the right to receive payments of principal, interest and any fees to which it is entitled from the lender and only upon receipt by the lender of payments from the Borrower, but not from the Borrower directly. When investing in a participation interest, if a Borrower is unable to meet its obligations under a loan agreement, a Portfolio generally has no direct right to enforce compliance with the terms of the loan agreement. As a result, the Portfolio assumes the credit risk of the Borrower, the selling participant, and any other persons that are interpositioned between the Portfolio and the Borrower. If the lead lender in a typical lending syndicate becomes insolvent, enters Federal Deposit Insurance Corporation (“FDIC”) receivership or, if not FDIC insured, enters into bankruptcy, the Portfolio may incur certain costs and delays in receiving payment or may suffer a loss of principal and interest.

Payment In-Kind Securities. Certain Portfolios may invest in payment in-kind securities (“PIKs”). PIKs give the issuer the option at each interest payment date of making interest payments in cash or in additional debt securities. Those additional debt securities usually have the same terms, including maturity dates and interest rates, and associated risks as the original bonds. The daily market quotations of the original bonds may include the accrued interest (referred to as a dirty price) and require a pro-rata adjustment from the unrealized appreciation or depreciation on investments to interest receivable on the Statement of Assets and Liabilities.

Securities on a When-Issued or Delayed Delivery Basis. Certain Portfolios may purchase securities on a “when-issued” basis, and may purchase or sell securities on a “delayed delivery” basis. “When-issued” or “delayed delivery” refers to securities whose terms and indenture are available and for which a market exists, but which are not available for immediate delivery. Delivery and payment for securities that have been purchased by a Portfolio on a when-issued basis normally take place within six months and possibly as long as two years or more after the trade date. During this period, such securities do not earn interest, are subject to market fluctuation and may increase or decrease in value prior to their delivery. The purchase of securities on a when-issued basis may increase the volatility of a Portfolio’s NAV to the extent the Portfolio executes such transactions while remaining substantially fully invested. When a Portfolio engages in when-issued or delayed delivery transactions, it relies on the buyer or seller, as the case may be, to complete the transaction. Their failure to do so may cause the Portfolio to lose the opportunity to obtain or dispose of the security at a price and yield IICO, or the Portfolio’s investment subadviser, as applicable, consider advantageous. The Portfolio maintains internally designated assets with a value equal to or greater than the amount of its purchase commitments. The Portfolio may also sell securities that it purchased on a when-issued or delayed delivery basis prior to settlement of the original purchase.

Custodian Fees. “Custodian fees” on the Statement of Operations may include interest expense incurred by a Portfolio on any cash overdrafts of its custodian account during the period. Such cash overdrafts may result from the effects of failed trades in portfolio securities and from cash outflows resulting from unanticipated shareholder redemption activity. A Portfolio pays interest to its custodian on such cash overdrafts, to the extent they are not offset by positive cash balances maintained by that Portfolio. The “Earnings credit” line item, if shown, represents earnings on cash balances maintained by that Portfolio during the period. Such interest expense and other custodian fees may be paid with these earnings.

Indemnification. The Trust’s organizational documents provide current and former Trustees and Officers with a limited indemnification against liabilities arising in connection with the performance of their duties to the Trust. In the normal course of business, the Trust may also enter into contracts that provide general indemnification. The Trust’s maximum exposure under these arrangements is unknown and is dependent on future claims that may be made against the Trust. The risk of material loss from such claims is considered remote.

Basis of Preparation. Each Portfolio is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946 (“ASC 946”). The accompanying financial statements were prepared in accordance with U.S. GAAP, including but not limited to ASC 946. U.S. GAAP requires the use of estimates made by management. Management believes that estimates and valuations are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately realized upon sale or maturity.

New Rule Issuance. In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820). The amendments in the ASU impact disclosure requirements for fair value measurement. It is anticipated that this change will enhance the effectiveness of disclosures in the notes to the financial statements. This ASU is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted and can include the entire standard or certain provisions that exclude or amend disclosures. For the period ended June 30, 2019, the Portfolios have chosen to adopt the standard. The adoption of this ASU is reflected in the disclosures of the financial statements.

Subsequent Events. Management has performed a review for subsequent events through the date this report was issued.

3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

Each Portfolio's investments are reported at fair value. Fair value is defined as the price that each Portfolio would receive upon selling an asset or would pay upon satisfying a liability in an orderly transaction between market participants at the measurement date. Each Portfolio calculates the NAV of its shares as of the close of the NYSE, normally 4:00 P.M. Eastern time, on each day the NYSE is open for trading.

For purposes of calculating the NAV, the portfolio securities and financial instruments are valued on each business day using pricing and valuation methods as adopted by the Board. Where market quotes are readily available, fair value is generally determined on the basis of the last reported sales price, or if no sales are reported, based on quotes obtained from a quotation reporting system, established market makers, or pricing services.

Prices for fixed-income securities are typically based on quotes that are obtained from an independent pricing service approved by the Board. To determine values of fixed-income securities, the independent pricing service utilizes such factors as current quotations by broker/dealers, coupon, maturity, quality, type of issue, trading characteristics, and other yield and risk factors it deems relevant in determining valuations. Securities that cannot be valued by the independent pricing service may be valued using quotes obtained from dealers that make markets in the securities.

Short-term securities with maturities of 60 days or less are valued based on quotes that are obtained from an independent pricing service approved by the Board as described in the preceding paragraph above.

Because many foreign markets close before the NYSE, events may occur between the close of the foreign market and the close of the NYSE that could have a material impact on the valuation of foreign securities. Waddell & Reed Services Company ("WRSCO"), pursuant to procedures adopted by the Board, evaluates the impact of these events and may adjust the valuation of foreign securities to reflect the fair value as of the close of the NYSE. In addition, all securities for which values are not readily available or are deemed unreliable are appraised at fair value as determined in good faith under the supervision of the Board.

Where market quotes are not readily available, portfolio securities or financial instruments are valued at fair value, as determined in good faith by the Board or Valuation Committee pursuant to procedures approved by the Board.

Market quotes are considered not readily available in circumstances where there is an absence of current or reliable market-based data (e.g., trade information or broker quotes), including where events occur after the close of the relevant market, but prior to the NYSE close, that materially affect the values of a Portfolio's securities or financial instruments. In addition, market quotes are considered not readily available when, due to extraordinary circumstances, the exchanges or markets on which the securities trade do not open for trading for the entire day and no other market prices are available.

The Board has delegated to WRSCO the responsibility for monitoring significant events that may materially affect the values of a Portfolio's securities or financial instruments and for determining whether the value of the applicable securities or financial instruments should be re-evaluated in light of such significant events. The Board has established a Valuation Committee to administer and oversee the valuation process, including the use of third party pricing vendors.

The Board has adopted methods for valuing securities and financial instruments in circumstances where market quotes are not readily available. For instances in which daily market quotes are not readily available, investments may be valued, pursuant to procedures established by the Board, with reference to other securities or indices. In the event that the security or financial instrument cannot be valued pursuant to one of the valuation methods established by the Board, the value of the security or financial instrument will be determined in good faith by the Valuation Committee in accordance with the procedures adopted by the Board.

When a Portfolio uses these fair valuation methods applied by WRSCO that use significant unobservable inputs to determine its NAV, securities will be priced by a method that the Board or persons acting at its direction believe accurately reflects fair value and are categorized as Level 3 of the fair value hierarchy. These methods may require subjective determinations about the value of a security. The prices used by a Portfolio may differ from the value that will ultimately be realized at the time the securities are sold.

WRSCO is responsible for monitoring the implementation of the pricing and valuation policies through a series of activities to provide reasonable comfort of the accuracy of prices including: 1) periodic vendor due diligence meetings to review methodologies, new developments, and process at vendors, 2) daily and monthly multi-source pricing comparisons reviewed and submitted to the Valuation Committee, and 3) daily review of unpriced, stale, and variance reports with exceptions reviewed by management and the Valuation Committee.

Accounting standards establish a framework for measuring fair value and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own

assumptions about the factors that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

An individual investment's fair value measurement is assigned a level based upon the observability of the inputs which are significant to the overall valuation.

The three-tier hierarchy of inputs is summarized as follows:

Level 1 – Observable input such as quoted prices, available in active markets, for identical assets or liabilities.

Level 2 – Significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs.

Level 3 – Significant unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available, which may include assumptions made by the Board or persons acting at its direction that are used in determining the fair value of investments.

A description of the valuation techniques applied to the Portfolios' major classes of assets and liabilities measured at fair value on a recurring basis follows:

Asset-Backed Securities and Mortgage-Backed Securities. The fair value of asset-backed securities and mortgage-backed securities are estimated using recently executed transactions and based on models that consider the estimated cash flows of each debt tranche of the issuer, establish a benchmark yield, and develop an estimated tranche specific spread to the benchmark yield based on the unique attributes of the tranche including, but not limited to, the prepayment speed assumptions and attributes of the collateral. To the extent the inputs are observable and timely, the values would be categorized in Level 2 of the fair value hierarchy, and otherwise they would be categorized as Level 3.

Bullion. The fair value of bullion is at the last settlement price at the end of each day on the board of trade or exchange upon which they are traded and are categorized in Level 1 of the fair value hierarchy.

Corporate Bonds. The fair value of corporate bonds, as obtained from an independent pricing service, is estimated using various techniques, which consider recently executed transactions in securities of the issuer or comparable issuers, market price quotations (where observable), bond spreads, fundamental data relating to the issuer, and credit default swap spreads adjusted for any basis difference between cash and derivative instruments. While most corporate bonds are categorized in Level 2 of the fair value hierarchy, in instances where lower relative weight is placed on transaction prices, quotations, or similar observable inputs, they are categorized in Level 3 of the fair value hierarchy.

Derivative Instruments. Forward foreign currency contracts are valued based upon the closing prices of the forward currency rates determined at the close of the NYSE, which are provided by an independent pricing service. Swaps derive their value from underlying asset prices, indices, reference rates and other inputs or a combination of these factors. Swaps are valued by an independent pricing service unless the price is unavailable, in which case they are valued at the price provided by a dealer in that security. Exchange-traded futures contracts are generally valued at the settlement price. Listed options are ordinarily valued at the mean of the last bid and ask price provided by an independent pricing service unless the price is unavailable, in which case they are valued at a quotation obtained from a broker-dealer. Over the counter ("OTC") options are ordinarily valued at the mean of the last bid and ask price for a comparable listed option provided by an independent pricing service unless such a price is unavailable, in which case they are valued at a quotation obtained from a broker-dealer.

Listed derivatives that are actively traded are valued based on quoted prices from the exchange and are categorized in Level 1 of the fair value hierarchy. OTC derivative contracts include forward foreign currency contracts, swap agreements, and option contracts related to interest rates, foreign currencies, credit standing of reference entities, equity prices, or commodity prices. Depending on the product and the terms of the transaction, the fair value of the OTC derivative products are modeled taking into account the counterparties' creditworthiness and using a series of techniques, including simulation models. Many pricing models do not entail material subjectivity because the methodologies employed do not necessitate significant judgments and the pricing inputs are observed from actively quoted markets, as is the case with interest rate swap and option contracts. OTC derivative products valued using pricing models with significant observable inputs are categorized within Level 2 of the fair value hierarchy.

Equity Securities. Equity securities traded on U.S. or foreign securities exchanges or included in a national market system are valued at the official closing price at the close of each business day unless otherwise stated below. OTC equity securities and listed securities for which no price is readily available are valued at the average of the last bid and ask prices.

Mutual funds, including investment funds, typically are valued at the NAV reported as of the valuation date.

Securities that are stated at the last reported sales price or closing price on the day of valuation taken from the primary exchange where the security is principally traded and to the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

Foreign securities, for which the primary trading market closes at the same time or after the NYSE, are valued based on quotations from the primary market in which they are traded and categorized in Level 1. Because many foreign securities markets and exchanges close prior to the close of the NYSE, closing prices for foreign securities in those markets or on those exchanges do not reflect the events that occur after that close. Certain foreign securities may be fair valued using a pricing service that considers the correlation of the trading patterns of the foreign security to the intra-day trading in the U.S. markets for investments such as American Depositary Receipts, financial futures, exchange-traded funds, and the movement of certain indices of securities based on a statistical analysis of their historical relationship; such valuations generally are categorized in Level 2.

Preferred stock, repurchase agreements, and other equities traded on inactive markets or valued by reference to similar instruments are also generally categorized in Level 2.

Loans. Loans are valued using a price or composite price from one or more brokers or dealers as obtained from an independent pricing service. The fair value of loans is estimated using recently executed transactions, market price quotations, credit/market events, and cross-asset pricing. Inputs are generally observable market inputs obtained from independent sources. Loans are generally categorized in Level 2 of the fair value hierarchy, unless key inputs are unobservable in which case they would be categorized as Level 3.

Municipal Bonds. Municipal bonds are fair valued based on pricing models used by and obtained from an independent pricing service that take into account, among other factors, information received from market makers and broker-dealers, current trades, bid-wants lists, offerings, market movements, the callability of the bond, state of issuance, benchmark yield curves, and bond insurance. To the extent that these inputs are observable and timely, the fair values of municipal bonds would be categorized as Level 2; otherwise the fair values would be categorized as Level 3.

Restricted Securities. Restricted securities that are deemed to be Rule 144A securities and illiquid, as well as restricted securities held in non-public entities, are included in Level 3 of the fair value hierarchy to the extent that significant inputs to valuation are unobservable, because they trade infrequently, if at all and, therefore, the inputs are unobservable. Restricted securities that are valued at a discount to similar publicly traded securities may be categorized as Level 2 of the fair value hierarchy to the extent that the discount is considered to be insignificant to the fair value measurement in its entirety; otherwise they may be categorized as Level 3.

U.S. Government and Agency Securities. U.S. government and agency securities are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, quoted market prices, and reference data. Accordingly, U.S. government and agency securities are normally categorized in Level 2 of the fair value hierarchy depending on the liquidity and transparency of the market.

Transfers from Level 2 to Level 3 occurred primarily due to the lack of observable market data due to decreased market activity or information for these securities. Transfers from Level 3 to Level 2 occurred primarily due to the increased availability of observable market data due to increased market activity or information. Transfers between levels represent the values as of the beginning of the reporting period.

For fair valuations using unobservable inputs, U.S. GAAP requires a reconciliation of the beginning to ending balances for reported fair values that presents changes attributable to total realized and unrealized gains or losses, purchases and sales, and transfers in or out of the Level 3 category during the period. In accordance with the requirements of U.S. GAAP, a fair value hierarchy and Level 3 reconciliation, if any, have been included in the Notes to the Schedule of Investments for each respective Portfolio.

Net realized gain (loss) and net unrealized appreciation (depreciation), shown on the reconciliation of Level 3 investments, if applicable, are included on the Statement of Operations in net realized gain (loss) on investments in unaffiliated and/or affiliated securities and in net change in unrealized appreciation (depreciation) on investments in unaffiliated and/or affiliated securities, respectively. Additionally, the net change in unrealized appreciation (depreciation) for all Level 3 investments still held as of June 30, 2019, if applicable, is included on the Statement of Operations in net change in unrealized appreciation (depreciation) on investments in unaffiliated and/or affiliated securities.

4. DERIVATIVE INSTRUMENTS (\$ amounts in thousands unless indicated otherwise)

The following disclosures contain information on why and how the Portfolios use derivative instruments, the associated risks of investing in derivative instruments, and how derivative instruments affect the Portfolios' financial positions and results of operations.

Forward Foreign Currency Contracts. All Portfolios are authorized to enter into forward foreign currency contracts ("forward contracts") for the purchase or sale of a foreign currency at a negotiated rate at a future date. Forward contracts

are reported on a schedule following the Schedule of Investments. Forward contracts are valued daily based upon the closing prices of the forward currency rates provided by an independent pricing service determined at the close of the NYSE. The resulting unrealized appreciation and depreciation is reported on the Statement of Assets and Liabilities as a receivable or payable and on the Statement of Operations within the change in unrealized appreciation (depreciation). At contract close, the difference between the original cost of the contract and the value at the close date is recorded as a realized gain (loss) on the Statement of Operations.

Risks to a Portfolio related to the use of such contracts include both market and credit risk. Market risk is the risk that the value of the forward contract will depreciate due to unfavorable changes in the exchange rates. Credit risk arises from the possibility that the counterparty will default. If the counterparty defaults, a Portfolio's maximum loss will consist of the aggregate unrealized gain on appreciated contracts that is not collateralized.

High Income, International Core Equity and Natural Resources enter into forward foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio instruments or to obtain exposure to, or hedge exposure away from foreign currencies (foreign currency exchange rate risk).

Option Contracts. Options purchased by a Portfolio are accounted for in the same manner as portfolio securities. The cost of the underlying instruments acquired through the exercise of call options is increased by the premium paid to purchase the call. The proceeds from instruments sold through the exercise of put options are decreased by the premium paid to purchase the put.

When a Portfolio writes (sells) an option, an amount equal to the premium received by the Portfolio is recorded as a liability. The amount of the liability is subsequently adjusted to reflect the current value of the option written. When an option expires on its stipulated expiration date or a Portfolio enters into a closing purchase transaction, the Portfolio realizes a gain (or loss if the cost of a closing purchase transaction exceeds the premium received when the call option was sold), and the liability related to such option is extinguished. When a written call option is exercised, the premium is added to the proceeds from the sale of the underlying instrument in determining whether a Portfolio has realized a gain or loss. When a written put is exercised, the cost basis of the instruments purchased by a Portfolio is reduced by the amount of the premium received.

Investments in options, whether purchased or written, involve certain risks. Writing put options and purchasing call options may increase a Portfolio's exposure to the underlying instrument. With written options, there may be times when a Portfolio will be required to purchase or sell instruments to meet its obligation under the option contract where the required action is not beneficial to the Portfolio, due to unfavorable movement of the market price of the underlying instrument.

Option contracts can be traded on a regulated exchange or traded OTC. Unlike the trades on a regulated exchange where the clearinghouse guarantees the performances of both the buyer and the seller, to the extent a Portfolio enters into OTC option transactions with counterparties, the Portfolio will be exposed to the risk that counterparties to these OTC transactions will be unable to meet their obligations under the terms of the transaction.

Asset Strategy, Mid Cap Growth and Science and Technology purchase and write call and put options to increase or decrease hedging exposure to underlying instruments (which include credit risk, equity risk, foreign currency exchange rate risk, event risk and/or interest rate risk), increase exposure to various equity markets or certain sectors, gain exposure to or facilitate trading in certain securities and/or, in the case of options written, to generate returns from options premiums.

Swap Agreements. All Portfolios are authorized to invest in swap agreements. Swap agreements are bilaterally negotiated agreements between a Portfolio and counterparty to exchange or swap investment cash flows, assets, foreign currencies or market-linked returns at specified, future intervals. Swap agreements are privately negotiated in the over-the-counter market ("OTC swaps"). If the OTC swap entered is one of the swaps identified by a relevant regulator as a swap that is required to be cleared, then it will be cleared through a third party, known as a central counterparty or derivatives clearing organization ("centrally cleared swaps").

Swaps are marked to market daily and changes in value are recorded as unrealized appreciation (depreciation) on the Statement of Operations. Payments received or made by the Portfolio are recorded as realized gain or loss on the Statement of Operations. Any upfront premiums paid are recorded as assets and any upfront fees received are recorded as liabilities and are shown as swap premiums paid and swap premiums received, respectively, if any, on the Statement of Assets and Liabilities and amortized over the term of the swap. An early termination payment received or made at an early termination or a final payment made at the maturity of the swap is recorded as realized gain or loss on the Statement of Operations.

After a centrally cleared swap is accepted for clearing, a Portfolio may be required to deposit initial margin with a Clearing Member in the form of cash or securities. Securities deposited as initial margin, if any, are designated on the Schedule of Investments. Cash deposited as initial margin is identified on the Schedule of Investments and is recorded as restricted cash on the Statement of Assets and Liabilities.

Total return swaps involve a commitment of one party to pay periodic interest payments in exchange for a market-linked return based on a security or a basket of securities including a variety of securities or representing a particular index. To the

extent the total return of the security, a basket of securities, or an index exceeds or falls short of the offsetting interest rate obligation, the Portfolio will receive a payment from or make a payment to the counterparty.

Asset Strategy, International Core Equity and Small Cap Growth enter into total return swaps to hedge exposure to a security or market.

The creditworthiness of the counterparty with which a Portfolio enters into a swap agreement is monitored by IICO. If a counterparty creditworthiness declines, the value of the agreement would likely decline, potentially resulting in losses. If a default occurs by the counterparty to such a transaction, the Portfolio will have contractual remedies pursuant to the agreement related to the transaction. The maximum loss a Portfolio may incur consists of the aggregate unrealized gain on appreciated contracts that is not collateralized due to facts specific to certain situations (i.e., collateral may not have been posted by the counterparty due to the required collateral amount being less than the pre-agreed thresholds. Additionally, regulatory developments called stay resolutions and the ensuing required contractual amendments to the transactional documentation, including derivatives, permit the relevant regulators to preclude parties to a transaction from terminating trades, among other rights it may have in the trade agreements should a counterparty that it regulates experience financial distress. A relevant regulator also has the authority to reduce the value of certain liabilities owed by the counterparty to a Fund and/or convert cash liabilities of a regulated entity into equity holdings. The power given to the relevant regulators includes the ability to amend transactional agreements unilaterally, modify the maturity of eligible liabilities, reduce the amount of interest payable or change the date on which interest becomes payable, among other powers.

To prevent incurring losses due to the counterparty credit risk, IICO actively monitors the creditworthiness of the counterparties with which it has entered financial transactions. IICO consistently and frequently risk manages the credit risk of the counterparties it faces in transactions.

Collateral and rights of offset. A Portfolio mitigates credit risk with respect to OTC derivative counterparties through credit support annexes (“CSA”) included with an International Swaps and Derivatives Association, Inc. (“ISDA”) Master Agreement which is the standard contract governing all OTC derivative transactions between the Portfolio and each of its counterparties. Although it is not possible to eliminate credit risk entirely, the CSA allows the Portfolio and its counterparty to reduce their exposure to the risk of payment default by the other party by holding an amount in collateral equivalent to the realized and unrealized amount of exposure to the counterparty, which is generally held by the Portfolio’s custodian. An amount of collateral is moved to/from applicable counterparties only if the amount of collateral required to be posted surpasses both the threshold and the minimum transfer amount pre-agreed in the CSA between the Portfolio and the counterparty. See Note 2 “Segregation and Collateralization” for additional information with respect to collateral practices.

Offsetting of Assets and Liabilities. The following tables present financial instruments that are either (1) offset or (2) subject to an enforceable master netting arrangement or similar agreement as of June 30, 2019:

Assets

Portfolio	Gross Amounts of Recognized Assets	Gross Amounts Offset on the Statement of Assets and Liabilities	Net Amounts of Assets Presented on the Statement of Assets and Liabilities	Gross Amounts Not Offset on the Statement of Assets and Liabilities			
				Financial Instruments and Derivatives Available for Offset	Non-Cash Collateral Received	Cash Collateral Received	Net Amount Receivable
High Income							
Unrealized appreciation on forward foreign currency contracts ⁽¹⁾	\$ 178	\$—	\$ 178	\$ —*	\$ —	\$ (178)	\$—
International Core Equity							
Unrealized appreciation on forward foreign currency contracts	\$1,704	\$—	\$1,704	\$(1,704)	\$ —	\$ —	\$—
Natural Resources							
Unrealized appreciation on forward foreign currency contracts ⁽¹⁾	\$ 483	\$—	\$ 483	\$ (19)	\$(464)	\$ —	\$—
Small Cap Growth							
Swap agreements, at value	\$ 525	\$—	\$ 525	\$ —	\$ —	\$(525)	\$—

*Not shown due to rounding.

⁽¹⁾Amounts include forward contracts that have an offset to an open and close contract, but have not settled. These amounts are included on the Statement of Assets and Liabilities line item for Investment securities sold receivable.

Liabilities

Portfolio	Gross Amounts of Recognized Liabilities	Gross Amounts Offset on the Statement of Assets and Liabilities	Net Amounts of Liabilities Presented on the Statement of Assets and Liabilities	Gross Amounts Not Offset on the Statement of Assets and Liabilities			
				Financial Instruments and Derivatives Available for Offset	Non-Cash Collateral Pledged	Cash Collateral Pledged	Net Amount Payable
High Income							
Unrealized depreciation on forward foreign currency contracts ⁽¹⁾	\$ 5	\$—	\$ 5	\$ —*	\$ —	\$—	\$ 5
International Core Equity							
Unrealized depreciation on forward foreign currency contracts ⁽¹⁾	\$2,878	\$—	\$2,878	\$(1,704)	\$(881)	\$—	\$293
Natural Resources							
Unrealized depreciation on forward foreign currency contracts	\$ 22	\$—	\$ 22	\$ (19)	\$ —	\$—	\$ 3

*Not shown due to rounding.

(1)Amounts include forward contracts that have an offset to an open and close contract, but have not settled. These amounts are included on the Statement of Assets and Liabilities line item for Investment securities purchased payable.

Additional Disclosure Related to Derivative Instruments

Fair values of derivative instruments as of June 30, 2019:

Portfolio	Type of Risk Exposure	Assets		Liabilities	
		Statement of Assets & Liabilities Location	Value	Statement of Assets & Liabilities Location	Value
High Income	Foreign currency		\$ —	Unrealized depreciation on forward foreign currency contracts	\$ 3
International Core Equity	Foreign currency	Unrealized appreciation on forward foreign currency contracts	1,704		—
Natural Resources	Foreign currency	Unrealized appreciation on forward foreign currency contracts	468	Unrealized depreciation on forward foreign currency contracts	22
Small Cap Growth	Equity	Swap agreements, at value	525		—

Amount of realized gain (loss) on derivatives recognized on the Statement of Operations for the period ended June 30, 2019:

Portfolio	Type of Risk Exposure	Net realized gain (loss) on:					Forward foreign currency contracts	Total
		Investments in unaffiliated securities*	Swap agreements	Futures contracts	Written options			
Asset Strategy	Equity	\$ 267	\$569	\$—	\$ —	\$ —	\$ 836	
High Income	Foreign currency	—	—	—	—	34	34	
International Core Equity	Equity	—	201	—	—	—	201	
	Foreign currency	—	—	—	—	(2,621)	(2,621)	
Mid Cap Growth	Equity	(278)	—	—	135	—	(143)	
Natural Resources	Foreign currency	—	—	—	—	183	183	
Science and Technology	Equity	4,085	—	—	(2,701)	—	1,384	
Small Cap Growth	Equity	—	547	—	—	—	547	

*Purchased options are reported as investments in unaffiliated securities and are reflected on the accompanying Schedule of Investments.

Change in unrealized appreciation (depreciation) on derivatives recognized on the Statement of Operations for the period ended June 30, 2019:

Portfolio	Type of Risk Exposure	Net change in unrealized appreciation (depreciation) on:					Forward foreign currency contracts	Total
		Investments in unaffiliated securities*	Swap agreements	Futures contracts	Written options			
High Income	Foreign currency	\$—	\$ —	\$—	\$—	\$ (17)	\$ (17)	
International Core Equity	Equity	—	(46)	—	—	—	(46)	
	Foreign currency	—	—	—	—	2,052	2,052	
Natural Resources	Foreign currency	—	—	—	—	20	20	
Small Cap Growth	Equity	—	1,837	—	—	—	1,837	

*Purchased options are reported as investments in unaffiliated securities and are reflected on the accompanying Schedule of Investments.

During the period ended June 30, 2019, the average derivative volume was as follows:

Portfolio	Forward foreign currency contracts ⁽¹⁾	Long futures contracts ⁽²⁾	Short futures contracts ⁽²⁾	Swap agreements ⁽³⁾	Purchased options ⁽²⁾	Written options ⁽²⁾
Asset Strategy	\$ —	\$—	\$—	\$ 1,798	\$ 43	\$ —
High Income	3	—	—	—	—	—
International Core Equity	856	—	—	313	—	—
Mid Cap Growth	—	—	—	—	—	8
Natural Resources	54	—	—	—	—	—
Science and Technology	—	—	—	—	843	336
Small Cap Growth	—	—	—	11,557	—	—

⁽¹⁾Average absolute value of unrealized appreciation/depreciation during the period.

⁽²⁾Average value outstanding during the period.

⁽³⁾Average notional amount outstanding during the period.

5. BASIS FOR CONSOLIDATION OF THE ASSET STRATEGY PORTFOLIO (\$ amounts in thousands)

Ivy VIP ASF II, Ltd. (the “Subsidiary”), a Cayman Islands exempted company, was incorporated as a wholly owned subsidiary acting as an investment vehicle for Ivy VIP Asset Strategy (referred to as “the Portfolio” in this subsection). VIP ASF III (SBP), LLC (the “Company”), a Delaware limited liability company, was incorporated as a wholly owned company acting as an investment vehicle for the Portfolio. The Subsidiary and the Company act as an investment vehicle for the Portfolio, in order to effect certain investments for the Portfolio consistent with the Portfolio’s investment objectives and policies as specified in its prospectus and SAI.

The Portfolio’s investment portfolio has been consolidated and includes the portfolio holdings of the Portfolio, its Subsidiary and the Company. The consolidated financial statements include the accounts of the Portfolio, its Subsidiary and the Company. All inter-company transactions and balances have been eliminated. A subscription agreement was entered into between the Portfolio and its Subsidiary and the Company comprising the entire issued share capital of the Subsidiary and the Company with the intent that the Portfolio will remain the sole shareholder and retain all rights. Under the Articles of Association, shares issued by the Subsidiary and the Company confer upon a shareholder the right to receive notice of, to attend and to vote at general meetings of the Subsidiary and the Company and shall confer upon the shareholder rights in a winding-up or repayment of capital and the right to participate in the profits or assets of the Subsidiary and the Company.

See the table below for details regarding the structure, incorporation and relationship as of June 30, 2019 of the Subsidiary and the Company to the Portfolio (amounts in thousands).

Subsidiary/Company	Date of Incorporation	Subscription Agreement	Portfolio Net Assets	Subsidiary/Company Net Assets	Percentage of Portfolio Net Assets
Ivy VIP ASF II, Ltd.	1-31-13	4-10-13	\$782,643	\$41,240	5.27%
VIP ASF III (SBP), LLC	4-9-13	4-23-13	782,643	604	0.08

6. INVESTMENT MANAGEMENT AND PAYMENTS TO AFFILIATED PERSONS (\$ amounts in thousands unless indicated otherwise)

Management Fees. IICO, a wholly owned subsidiary of Waddell & Reed, Inc. (“W&R”), serves as each Portfolio’s investment adviser. The management fee is accrued daily by each Portfolio at the following annual rates as a percentage of average daily net assets:

Portfolio (M – Millions)	\$0 to \$500M	\$500 to \$1,000M	\$1,000 to \$1,500M	\$1,500 to \$2,000M	\$2,000 to \$3,000M	\$3,000 to \$5,000M	\$5,000 to \$10,000M	Over \$10,000M
Asset Strategy	0.700	0.700	0.650	0.650	0.600	0.550	0.550	0.550
Balanced	0.700	0.700	0.650	0.650	0.600	0.550	0.550	0.550
Energy	0.850	0.850	0.830	0.830	0.800	0.760	0.760	0.760
Growth	0.700	0.700	0.650	0.650	0.600	0.550	0.550	0.550
High Income	0.625	0.600	0.550	0.500	0.500	0.500	0.500	0.500
International Core Equity	0.850	0.850	0.830	0.830	0.800	0.760	0.760	0.760
Mid Cap Growth	0.850	0.850	0.830	0.830	0.800	0.760	0.760	0.760
Natural Resources	0.850	0.850	0.830	0.830	0.800	0.760	0.730	0.700
Science and Technology	0.850	0.850	0.830	0.830	0.800	0.760	0.760	0.760
Small Cap Core	0.850	0.850	0.830	0.830	0.800	0.760	0.760	0.760
Small Cap Growth	0.850	0.850	0.830	0.830	0.800	0.760	0.760	0.760

IICO has voluntarily agreed to waive a Portfolio’s investment management fee on any Portfolio that is not subadvised on any day that the Portfolio’s net assets are less than \$25 million, subject to IICO’s right to change or modify this waiver. See Expense Reimbursements and/or Waivers for more information.

Independent Trustees and Chief Compliance Officer Fees. Fees paid to the Independent Trustees can be paid in cash or deferred to a later date, at the election of the Trustees according to the Deferred Fee Agreement entered into between the Trust and the Trustee(s). Each Portfolio records its portion of the deferred fees as a liability on the Statement of Assets and Liabilities. All fees paid in cash plus any appreciation (depreciation) in the underlying deferred plan are shown on the Statement of Operations. Additionally, fees paid to the Chief Compliance Officer of the Portfolios are shown on the Statement of Operations.

Accounting Services Fees. The Trust has an Accounting and Administrative Services Agreement with Waddell & Reed Services Company (“WRSCO”), doing business as WI Services Company (“WISC”), an affiliate of W&R. Under the agreement, WISC acts as the agent in providing bookkeeping and accounting services and assistance to the Trust, including maintenance of Portfolio records, pricing of Portfolio shares and preparation of certain shareholder reports. For these services, each Portfolio pays WISC a monthly fee of one-twelfth of the annual fee based on the average net asset levels shown in the following table:

(M – Millions)	\$0 to \$10M	\$10 to \$25M	\$25 to \$50M	\$50 to \$100M	\$100 to \$200M	\$200 to \$350M	\$350 to \$550M	\$550 to \$750M	\$750 to \$1,000M	Over \$1,000M
Annual Fee Rate	\$0.00	\$11.50	\$23.10	\$35.50	\$48.40	\$63.20	\$82.50	\$96.30	\$121.60	\$148.50

Each Portfolio also pays WISC a monthly administrative fee at the annual rate of 0.01%, or one basis point, for the first \$1 billion of net assets with no fee charged for net assets in excess of \$1 billion. This fee is voluntarily waived by WISC until a Portfolio’s net assets are at least \$10 million and is included in “Accounting services fee” on the Statement of Operations.

Shareholder Servicing. Under the Transfer Agency Agreement between the Trust and WISC, each Portfolio reimburses WISC for certain out-of-pocket costs.

Service Plan. Class II. Under a Service Plan adopted by the Trust pursuant to Rule 12b-1 under the 1940 Act, each Portfolio may pay a service fee to W&R for Class II shares in an amount not to exceed 0.25% of the Portfolio’s average annual net assets. The fee is to be paid to compensate W&R for amounts it expends in connection with the provision of personal services to Policyowners and/or maintenance of Policyowner accounts.

Expense Reimbursements and/or Waivers. IICO, the Portfolios’ investment manager, IDI, the Portfolios’ distributor, and/or Waddell & Reed Services Company, doing business as WISC, the Portfolios’ transfer agent, have contractually agreed to reimburse sufficient management fees, 12b-1 fees and/or shareholder servicing fees to cap the total annual ordinary fund

operating expenses (which would exclude interest, taxes, brokerage commissions, acquired fund fees and expenses, and extraordinary expenses, if any). Portfolio and class expense limitations and related waivers/reimbursements for the period ended June 30, 2019 were as follows:

Fund Name	Share Class Name	Type of Expense Limit	Commencement Date	End Date	Expense Limit	Amount of Expense Waiver/ Reimbursement	Expense Reduced
Asset Strategy	Class I	Contractual	4-28-2017	4-30-2020	Class II less 0.25%	\$ —	N/A
Energy	Class I	Contractual	4-28-2017	4-30-2020	Class II less 0.25%	\$ —	N/A
High Income	Class I	Contractual	4-28-2017	4-30-2020	Class II less 0.25%	\$ —	N/A
Mid Cap Growth	All Classes	Contractual	4-28-2017	4-30-2020	N/A	\$135 ⁽¹⁾	Investment Management Fee
	Class I	Contractual	4-28-2017	4-30-2020	0.85%	\$ —*	Shareholder Servicing
	Class I	Contractual	4-28-2017	4-30-2020	Class II less 0.25%	\$ —	N/A
	Class II	Contractual	5-1-2012	4-30-2020	1.10%	\$ 9	12b-1 Fees and/or Shareholder Servicing
Science and Technology	Class I	Contractual	4-28-2017	4-30-2020	Class II less 0.25%	\$ —	N/A
Small Cap Growth	All Classes	Contractual	4-28-2017	4-30-2020	N/A	\$ 45 ⁽¹⁾	Investment Management Fee
	Class I	Contractual	11-5-2018	4-30-2020	Class II less 0.25%	\$ —*	Shareholder Servicing
	Class II	Contractual	10-1-2016	4-30-2020	1.14%	\$ 9	12b-1 Fees and/or Shareholder Servicing

*Not shown due to rounding.

⁽¹⁾Due to Class I and/or Class II contractual expense limits, investment management fees were waived for all share classes.

Any amounts due to the Portfolios as a reimbursement but not paid as of June 30, 2019 are shown as a receivable from affiliates on the Statement of Assets and Liabilities.

7. INTERFUND LENDING PROGRAM

Pursuant to an exemptive order issued by the SEC (“Order”), the Ivy Funds, Ivy Variable Insurance Portfolios and InvestEd Portfolios (collectively, the “Funds” only for purposes of this footnote 7) have the ability to lend money to, and borrow money from, each other pursuant to a master interfund lending agreement (“Interfund Lending Program”). Under the Interfund Lending Program, the Funds may lend or borrow money for temporary purposes directly to or from one another (each an “Interfund Loan”), subject to meeting the conditions of the Order. The interest rate to be charged on an Interfund Loan is the average of the overnight repurchase agreement rate and the short-term bank loan rate. The Funds made no Interfund Loans under the Interfund Lending Program during the period ended June 30, 2019.

8. AFFILIATED COMPANY TRANSACTIONS (All amounts in thousands)

A summary of the transactions in affiliated companies during the period ended June 30, 2019 follows:

Portfolio	12-31-18 Share Balance	Gross Additions	Gross Reductions	Realized Gain/ (Loss)	Distributions Received	6-30-19 Share Balance	6-30-19 Value	Net Change in Unrealized Appreciation
High Income								
Larchmont Resources LLC ⁽¹⁾	1	\$—	\$—	\$—	\$—	1	\$252	\$ —
	12-31-18 Principal Balance				Interest Received	6-30-19 Principal Balance		Net Change in Unrealized Depreciation
Larchmont Resources LLC (9.460% Cash or 9.460% PIK), 9.460%, 8-7-20	\$817	\$ —	\$(56)	\$ 1	\$41	\$757	\$705	\$(34)

⁽¹⁾No dividends were paid during the preceding 12 months.

9. INVESTMENT SECURITIES TRANSACTIONS (\$ amounts in thousands)

The cost of purchases and the proceeds from maturities and sales of investment securities (excluding short-term securities) for the period ended June 30, 2019, were as follows:

	Purchases		Sales	
	U.S. Government	Other Issuers	U.S. Government	Other Issuers
Asset Strategy	\$ 2,041	\$175,574	\$ 1,918	\$252,434
Balanced	26,409	61,744	12,568	95,099
Energy	—	7,006	—	6,125
Growth	—	74,841	—	126,263
High Income	—	177,535	—	173,940
International Core Equity	—	218,919	—	265,734
Mid Cap Growth	—	51,496	—	67,588
Natural Resources	—	8,922	—	13,221
Science and Technology	—	73,785	—	116,491
Small Cap Core	—	105,274	—	111,094
Small Cap Growth	—	84,580	—	111,012

10. LOANS OF PORTFOLIO SECURITIES (\$ amounts in thousands)

The Portfolios may lend their portfolio securities only to borrowers that are approved by the Portfolio's securities lending agent, The Bank of New York Mellon ("BNYM"). The borrower pledges and maintains with the Portfolio collateral consisting of cash or securities issued or guaranteed by the U.S. government. The collateral received by the Portfolio is required to have a value of at least 102% of the market value of the loaned securities for securities traded on U.S. exchanges and a value of at least 105% of the market value for all other securities, except in the case of loans of foreign securities which are denominated and payable in U.S. Dollars, in which case the collateral is required to have a value of at least 102% of the market value of the loaned securities. The market value of the loaned securities is determined at the close of each business day and any additional required collateral is delivered to the Portfolio and any excess collateral is returned by the Portfolio on the next business day. During the term of the loan, the Portfolio is entitled to all distributions made on or in respect of the loaned securities but does not receive interest income on securities received as collateral. Loans of securities are terminable at any time and the borrower, after notice, is required to return borrowed securities within the standard time period for settlement of securities transactions.

Cash received as collateral for securities on loan may be reinvested in the Dreyfus Institutional Preferred Government Money Market Fund — Institutional Shares or certain other registered money market funds and are disclosed in the Portfolio's Schedule of Investments and are reflected in the Statement of Assets and Liabilities as cash collateral on securities loaned at value. Non-cash collateral, in the form of securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, is not disclosed in the Portfolio's Statement of Assets and Liabilities as it is held by the lending agent on behalf of the Portfolio and the Portfolio does not have the ability to re-hypothecate these securities. The securities on loan for each Portfolio are also disclosed in its Schedule of Investments. The total value of any securities on loan as of June 30, 2019 and the total value of the related cash collateral are disclosed in the Statement of Assets and Liabilities. Income earned by the Portfolios from securities lending activity is disclosed in the Statements of Operations.

The following is a summary of each Portfolio's securities lending positions and related cash and non-cash collateral received as of June 30, 2019:

Portfolio	Market Value of Securities on Loan	Cash Collateral Received	Non-Cash Collateral Received	Total Collateral Received
Balanced	\$ 4,554	\$ 671	\$ 3,980	\$ 4,651
Energy	1,155	1,185	—	1,185
High Income	4,642	2,597	2,157	4,754
International Core Equity	7,855	8,253	—	8,253
Mid Cap Growth	10,297	—	10,505	10,505
Natural Resources	2,291	1,360	979	2,339
Science and Technology	18,736	6,572	12,606	19,178
Small Cap Core	1,073	1,095	—	1,095
Small Cap Growth	17,656	5,005	13,022	18,027

The cash collateral received amounts presented in the table above are transactions accounted for as secured borrowings and have an overnight and continuous maturity. The proceeds from the cash collateral received is invested in registered money market funds.

The risks of securities lending include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate these risks, the Portfolios benefit from a borrower indemnity provided by BNYM. BNYM's indemnity allows for full replacement of securities lent wherein BNYM will purchase the unreturned loaned securities on the open market by applying the proceeds of the collateral or to the extent such proceeds are insufficient or the collateral is unavailable, BNYM will purchase the unreturned loan securities at BNYM's expense. However, the Portfolio could suffer a loss if the value of the investments purchased with cash collateral falls below the value of the cash collateral received.

11. CAPITAL SHARE TRANSACTIONS (All amounts in thousands)

The Trust has authorized an unlimited number of no par value shares of beneficial interest. Transactions in shares of beneficial interest were as follows:

	Asset Strategy				Balanced			
	Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18		Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18	
	Shares	Value	Shares	Value	Shares	Value	Shares	Value
Shares issued from sale of shares:								
Class I	—	\$ —	1	\$ 9	N/A	N/A	N/A	N/A
Class II	942	8,404	3,140	29,977	756	\$ 5,980	1,416	\$ 11,226
Shares issued in reinvestment of distributions to shareholders:								
Class I	—*	—*	2	18	N/A	N/A	N/A	N/A
Class II	145	1,322	5,872	49,202	4,279	31,681	1,388	10,863
Shares redeemed:								
Class I	—*	—*	—*	—*	N/A	N/A	N/A	N/A
Class II	(9,592)	(86,141)	(18,070)	(171,936)	(3,273)	(25,779)	(6,760)	(53,838)
Net increase (decrease)	(8,505)	\$ (76,415)	(9,055)	\$ (92,730)	1,762	\$ 11,882	(3,956)	\$ (31,749)
	Energy				Growth			
	Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18		Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18	
	Shares	Value	Shares	Value	Shares	Value	Shares	Value
Shares issued from sale of shares:								
Class I	5	\$ 21	8	\$ 32	N/A	N/A	N/A	N/A
Class II	2,137	9,230	5,435	31,159	485	\$ 5,813	1,679	\$ 20,421
Shares issued in reinvestment of distributions to shareholders:								
Class I	—	—	—	—	N/A	N/A	N/A	N/A
Class II	—	—	—	—	18,896	186,937	8,478	99,828
Shares redeemed:								
Class I	(4)	(16)	—*	—*	N/A	N/A	N/A	N/A
Class II	(2,189)	(9,583)	(24,018)	(137,602)	(4,987)	(59,028)	(22,501)	(274,185)
Net increase (decrease)	(51)	\$ (348)	(18,575)	\$ (106,411)	14,394	\$ 133,722	(12,344)	\$ (153,936)

*Not shown due to rounding.

	High Income				International Core Equity			
	Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18		Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18	
	Shares	Value	Shares	Value	Shares	Value	Shares	Value
Shares issued from sale of shares:								
Class I	684	\$ 2,434	1,713	\$ 5,956	N/A	N/A	N/A	N/A
Class II	14,398	50,021	32,626	116,310	818	\$ 12,554	4,963	\$ 83,359
Shares issued in reinvestment of distributions to shareholders:								
Class I	936	3,156	1,015	3,506	N/A	N/A	N/A	N/A
Class II	16,419	55,287	16,234	56,012	4,945	70,370	1,813	32,980
Shares redeemed:								
Class I	(1,111)	(3,882)	(4,836)	(16,926)	N/A	N/A	N/A	N/A
Class II	(18,011)	(62,804)	(52,101)	(184,346)	(3,055)	(48,072)	(5,580)	(97,507)
Net increase (decrease)	13,315	\$ 44,212	(5,349)	\$ (19,488)	2,708	\$ 34,852	1,196	\$ 18,832
	Mid Cap Growth				Natural Resources			
	Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18		Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18	
	Shares	Value	Shares	Value	Shares	Value	Shares	Value
Shares issued from sale of shares:								
Class I	109	\$ 1,367	7,297	\$ 90,379	N/A	N/A	N/A	N/A
Class II	3,277	40,729	7,032	87,767	1,825	\$ 7,032	3,428	\$ 15,087
Shares issued in reinvestment of distributions to shareholders:								
Class I	3,171	35,378	534	6,483	N/A	N/A	N/A	N/A
Class II	4,217	46,820	1,911	23,180	229	870	75	351
Shares redeemed:								
Class I	(1,351)	(17,122)	(2,531)	(31,811)	N/A	N/A	N/A	N/A
Class II	(2,621)	(33,562)	(38,548)	(467,934)	(3,541)	(13,838)	(6,932)	(30,567)
Net increase (decrease)	6,802	\$ 73,610	(24,305)	\$ (291,936)	(1,487)	\$ (5,936)	(3,429)	\$ (15,129)
	Science and Technology				Small Cap Core			
	Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18		Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18	
	Shares	Value	Shares	Value	Shares	Value	Shares	Value
Shares issued from sale of shares:								
Class I	2	\$ 43	6	\$ 184	N/A	N/A	N/A	N/A
Class II	1,088	28,793	2,736	79,209	285	\$ 4,165	841	\$ 13,662
Shares issued in reinvestment of distributions to shareholders:								
Class I	—	—	4	85	N/A	N/A	N/A	N/A
Class II	—	—	2,937	65,600	2,817	36,690	3,561	56,235
Shares redeemed:								
Class I	—*	(9)	(1)	(26)	N/A	N/A	N/A	N/A
Class II	(2,158)	(56,409)	(9,856)	(284,003)	(928)	(13,659)	(8,646)	(141,910)
Net increase (decrease)	(1,068)	\$ (27,582)	(4,174)	\$ (138,951)	2,174	\$ 27,196	(4,244)	\$ (72,013)

*Not shown due to rounding.

Small Cap Growth

	Six months ended		Year ended	
	6-30-19 (Unaudited)		12-31-18	
	Shares	Value	Shares	Value
Shares issued from sale of shares:				
Class I	33	\$ 290	6,845	\$ 58,514
Class II	1,214	10,732	3,202	32,902
Shares issued in connection with merger:				
Class I	N/A	N/A	56	487
Class II	N/A	N/A	9,666	84,646
Shares issued in reinvestment of distributions to shareholders:				
Class I	94	855	—	—
Class II	561	5,061	12,302	117,993
Shares redeemed:				
Class I	(676)	(6,056)	(123)	(980)
Class II	(3,909)	(35,055)	(18,536)	(187,990)
Net increase (decrease)	(2,683)	\$ (24,173)	13,412	\$ 105,572

12. COMMITMENTS

Bridge loan commitments may obligate a Portfolio to furnish temporary financing to a borrower until permanent financing can be arranged. In connection with these commitments, the Portfolio earns a commitment fee, typically set as a percentage of the commitment amount. Such fee income is included in interest income on the Statements of Operations. At June 30, 2019, there were no outstanding bridge loan commitments.

13. FEDERAL INCOME TAX MATTERS (\$ amounts in thousands)

For Federal income tax purposes, cost of investments owned at June 30, 2019 and the related unrealized appreciation (depreciation) were as follows:

Portfolio	Cost of Investments	Gross Appreciation	Gross Depreciation	Net Unrealized Appreciation (Depreciation)
Asset Strategy	\$ 757,118	\$ 101,052	\$ 78,323	\$ 22,729
Balanced	304,643	31,870	7,596	24,274
Energy	59,016	1,846	17,426	(15,580)
Growth	528,234	249,426	5,198	244,228
High Income	957,907	17,543	68,866	(51,323)
International Core Equity	743,625	62,761	79,039	(16,278)
Mid Cap Growth	389,912	133,211	11,190	122,021
Natural Resources	109,062	5,059	23,172	(18,113)
Science and Technology	297,883	248,879	5,487	243,392
Small Cap Core	183,963	24,213	6,317	17,896
Small Cap Growth	321,797	100,186	13,884	86,302

For Federal income tax purposes, the Portfolios' undistributed earnings and profit for the year ended December 31, 2018 and the post-October and late-year ordinary activity updated with information available through the date of this report were as follows:

Portfolio	Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Tax Return of Capital	Post-October Capital Losses Deferred	Late-Year Ordinary Losses Deferred
Asset Strategy	\$ 108	\$ 1,205	\$—	\$ —	\$ —
Balanced	6,219	25,290	—	—	—
Energy	—	—	—	—	—
Growth	4,138	182,791	—	—	—
High Income	58,145	—	—	—	—
International Core Equity	13,997	56,369	—	—	—
Mid Cap Growth	—	82,045	—	—	—
Natural Resources	241	—	—	—	—
Science and Technology	—	—	—	292	—
Small Cap Core	12,735	23,952	—	—	—
Small Cap Growth	—	5,911	—	—	390

Internal Revenue Code regulations permit each Portfolio to elect to defer into its next fiscal year capital losses and certain specified ordinary items incurred between each November 1 and the end of its fiscal year. Each Portfolio is also permitted to defer into its next fiscal certain ordinary losses that generated between each January 1 and the end of its fiscal year.

The tax character of dividends and distributions paid during the two fiscal years ended December 31, 2018 and 2017 were as follows:

Portfolio	December 31, 2018		December 31, 2017	
	Distributed Ordinary Income ⁽¹⁾	Distributed Long-Term Capital Gains	Distributed Ordinary Income ⁽¹⁾	Distributed Long-Term Capital Gains
Asset Strategy	\$15,495	\$33,725	\$ 14,371	\$ —
Balanced	5,473	5,390	5,768	10,204
Energy	—	—	1,272	—
Growth	811	99,017	2,229	79,352
High Income	59,518	—	54,175	—
International Core Equity	28,472	4,508	10,926	—
Mid Cap Growth	2,816	26,847	—	19,650
Natural Resources	351	—	179	—
Science and Technology	—	65,685	3,112	47,869
Small Cap Core	27,706	28,529	34,485	4,780
Small Cap Growth	20,961	97,032	—	10,680

⁽¹⁾Includes short-term capital gains, if any.

Dividends from net investment income and short-term capital gains are treated as ordinary income dividends for federal income tax purposes.

Accumulated capital losses represent net capital loss carryovers as of December 31, 2018 that may be available to offset future realized capital gains and thereby reduce future capital gains distributions. As of December 31, 2018, the capital loss carryovers were as follows:

Portfolio	Short-Term Capital Loss Carryover	Long-Term Capital Loss Carryover
Asset Strategy	\$ —	\$ —
Balanced	—	—
Energy	10,337 ⁽¹⁾	20,061 ⁽¹⁾
Growth	—	—
High Income	280	56,478
International Core Equity	—	—
Mid Cap Growth	—	—
Natural Resources	6,122	36,157
Science and Technology	—	—
Small Cap Core	—	—
Small Cap Growth	—	—

(1)\$29,427 of these Capital Loss Carryovers are subject to an annual limitation of \$3,708 plus any unused limitation from prior years.

(UNAUDITED)

Proxy Voting Guidelines

A description of the policies and procedures Ivy Variable Insurance Portfolios uses to determine how to vote proxies relating to portfolio securities is available (i) without charge, upon request, by calling 1.888.923.3355 and (ii) on the Securities and Exchange Commission's ("SEC") website at www.sec.gov.

Proxy Voting Records

Information regarding how the Portfolio voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available on Form N-PX at www.ivyinvestments.com and on the SEC's website at www.sec.gov.

(UNAUDITED)

Portfolio holdings can be found on the Trust's website at www.ivyinvestments.com. Alternatively, a complete schedule of portfolio holdings of each Portfolio for the first and third quarters of each fiscal year is filed with the SEC and can be found on the Trust's Form N-Q. These holdings may be viewed in the following ways:

- On the SEC's website at www.sec.gov.
- For review and copy at the SEC's Public Reference Room in Washington, DC. Information on the operations of the Public Reference Room may be obtained by calling 1.800.SEC.0330.

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THE IVY VARIABLE INSURANCE PORTFOLIOS FAMILY

Global/International Portfolios

Global Equity Income
Global Growth
International Core Equity

Domestic Equity Portfolios

Core Equity
Growth
Mid Cap Growth
Small Cap Core
Small Cap Growth
Value

Fixed Income Portfolios

Corporate Bond
Global Bond
High Income
Limited-Term Bond

Money Market Portfolio

Government Money Market

Specialty Portfolios

Asset Strategy
Balanced
Energy
Natural Resources
Pathfinder Aggressive
Pathfinder Conservative
Pathfinder Moderate
Pathfinder Moderately Aggressive
Pathfinder Moderately Conservative
Pathfinder Moderate — Managed Volatility
Pathfinder Moderately Aggressive — Managed Volatility
Pathfinder Moderately Conservative — Managed Volatility
Science and Technology
Securian Real Estate Securities

The underlying portfolios discussed in this report are only available as investment options in variable annuity and variable life insurance contracts issued by life insurance companies. They are not offered or made available directly to the general public.

This report is submitted for the general information of the shareholders of Ivy Variable Insurance Portfolios. It is not authorized for distribution to prospective investors in a Portfolio unless accompanied with or preceded by the current Portfolio prospectus as well as the variable product prospectus.



Semiannual Report

VARIABLE INSURANCE PORTFOLIOS

JUNE 30, 2019

Ivy Variable Insurance Portfolios

Core Equity	Class II
Corporate Bond	Class II
Global Bond	Class II
Global Equity Income	Class II
Global Growth	Class II
Limited-Term Bond	Class II
Securian Real Estate Securities	Class II
Value	Class II

Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission (SEC), you may not be receiving paper copies of the Fund's annual or semi-annual shareholder reports by mail, unless you specifically request paper copies of the reports from the insurance company that offers your variable annuity or variable life insurance contract or from your financial intermediary. Instead of delivering paper copies of the report, the insurance company may choose to make the reports available on a website, and will notify you by mail each time a shareholder report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the insurance company or your financial intermediary electronically by following the instructions provided by the insurance company or by contacting your financial intermediary.

You may elect to receive all future Fund shareholder reports in paper free of charge from the insurance company. You can inform the insurance company or your financial intermediary that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by the insurance company or by contacting your financial intermediary. Your election to receive reports in paper will apply to all portfolio companies available under your contract with the insurance company.

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JUNE 30, 2019 (UNAUDITED)



Philip J. Sanders, CFA

Dear Shareholder,

Equity markets roared back following the sharp correction at year-end 2018, with the S&P 500 Index advancing 17% as of June 30, and every sector posting gains. The rally had a pro-cyclical component as information technology, consumer discretionary and industrials delivered the strongest sector returns, while energy and health care were the laggards.

The U.S. economy remains relatively healthy and is now in the longest economic expansion in U.S. history despite uncertainty about trade and signs of global weakening. We believe the underlying fundamentals — a robust job market, rising wages and low inflation — support continued growth during the rest of 2019. However, U.S. trade policy remains a wildcard and poses a major threat to the current expansion.

The U.S. Federal Reserve (Fed) has held steady on interest rates so far in 2019. However, increasing pressures from trade turmoil and uncertainty around the strength of global growth is likely to lead the Fed to become more accommodative, leading to interest rate cuts in second half of the calendar year.

Emerging markets faced multiple headwinds over the period, namely a strong dollar, China's focus on deleveraging and regulation, trade wars, volatile energy prices and geopolitical risks. Despite near-term concerns and likely volatility across the global equity market, we believe the long-term fundamentals in emerging markets will continue to offer opportunities.

Looking ahead, we believe equities face intensifying headwinds as the pace of global growth slows and trade turmoil lingers. As we examine the investment landscape, we continue to put greater emphasis on the fundamentals and quality of asset classes and sectors. We believe it is important to stay focused on the merits of individual market sectors, industries and companies when making investment decisions. Those fundamentals historically have tended to outweigh external factors such as government policies and regulations. While those can affect every business and every investor, we think the innovation and management skill within individual companies are the ultimate drivers of long-term stock prices.

Economic Snapshot

	6/30/2019	12/31/2018
S&P 500 Index	2,941.76	2,506.85
MSCI EAFE Index	1,922.30	1,719.88
10-Year Treasury Yield	2.00%	2.69%
U.S. unemployment rate	3.7%	3.9%
30-year fixed mortgage rate	3.73%	4.55%
Oil price per barrel	\$58.47	\$45.41

Sources: Bloomberg, U.S. Department of Labor, MBA, CME

All government statistics shown are subject to periodic revision. The S&P 500 Index is an unmanaged index that tracks the stocks of 500 primarily large-cap U.S. companies. MSCI EAFE Index is an unmanaged index comprised of securities that represent the securities markets in Europe, Australasia and the Far East. It is not possible to invest directly in any of these indexes. Mortgage rates are from BankRate and reflect the overnight national average rate on a conventional 30-year fixed loan. Oil prices reflect the market price of West Texas intermediate crude grade.

Respectfully,

Philip J. Sanders, CFA
President

The opinions expressed in this letter are those of the President of the Ivy Variable Insurance Portfolios and are current only through the end of the period of the report, as stated on the cover. The President's views are subject to change at any time, based on market and other conditions, and no forecasts can be guaranteed.

(UNAUDITED)

Expense Example

As a shareholder of a Portfolio, you incur ongoing costs, including management fees, distribution and service fees, and other Portfolio expenses. The following table is intended to help you understand your ongoing costs (in dollars) of investing in a Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the six-month period ended June 30, 2019.

Actual Expenses

The first section in the following table provides information about actual investment values and actual expenses for each share class. You may use the information in this section, together with your initial investment in Portfolio shares, to estimate the expenses that you paid over the period. Simply divide the value of that investment by \$1,000 (for example, a \$7,500 initial investment divided by \$1,000 = 7.5), then multiply the result by the number in the first section under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your investment during this period. In addition, there are fees and expenses imposed under the variable annuity or variable life insurance contract through which shares of the Portfolio are held. Additional fees have the effect of reducing investment returns.

Hypothetical Example for Comparison Purposes

The second section in the following table provides information about hypothetical investment values and hypothetical expenses for each share class based on the Portfolio's actual expense ratio and an assumed rate of return of five percent per year before expenses, which is not the Portfolio's actual return. The hypothetical investment values and expenses may not be used to estimate the actual investment value at the end of the period or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolio and other funds. To do so, compare this five percent hypothetical example with the five percent hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs as a shareholder of the Portfolio and do not reflect any fees and expenses imposed under the variable annuity or variable life insurance contract through which shares of the Portfolio are held.

Expenses paid may be impacted by expense reduction arrangements. If those arrangements had not been in place, expenses paid would have been higher. See Note 5 in Notes to Financial Statements for further information.

Portfolio	Actual ⁽¹⁾			Hypothetical ⁽²⁾			Annualized Expense Ratio Based on the Six-Month Period
	Beginning Account Value 12-31-18	Ending Account Value 6-30-19	Expenses Paid During Period*	Beginning Account Value 12-31-18	Ending Account Value 6-30-19	Expenses Paid During Period*	
Core Equity							
Class II	\$1,000	\$ 1,180.30	\$ 5.12	\$1,000	\$ 1,020.10	\$ 4.75	0.95%
Corporate Bond							
Class II	\$1,000	\$ 1,084.80	\$ 3.96	\$1,000	\$ 1,020.95	\$ 3.84	0.77%
Global Bond							
Class II	\$1,000	\$ 1,068.10	\$ 3.00	\$1,000	\$ 1,021.92	\$ 2.93	0.58%
Global Equity Income							
Class II	\$1,000	\$ 1,136.90	\$ 5.45	\$1,000	\$ 1,019.71	\$ 5.15	1.02%
Global Growth							
Class II	\$1,000	\$ 1,179.70	\$ 6.10	\$1,000	\$ 1,019.22	\$ 5.65	1.13%
Limited-Term Bond							
Class II	\$1,000	\$ 1,030.90	\$ 3.96	\$1,000	\$ 1,020.86	\$ 3.94	0.79%
Securian Real Estate Securities							
Class II	\$1,000	\$ 1,157.80	\$ 7.01	\$1,000	\$ 1,018.27	\$ 6.56	1.32%
Value							
Class II	\$1,000	\$ 1,131.70	\$ 5.33	\$1,000	\$ 1,019.81	\$ 5.05	1.01%

(UNAUDITED)

**Portfolio expenses are equal to the Portfolio's annualized expense ratio (provided in the table), multiplied by the average account value over the period, multiplied by 181 days in the six-month period ended June 30, 2019, and divided by 365.*

(1) This section uses the Portfolio's actual total return and actual Portfolio expenses. It is a guide to the actual expenses paid by the Portfolio in the period. The "Ending Account Value" shown is computed using the Portfolio's actual return and the "Expenses Paid During Period" column shows the dollar amount that would have been paid by an investor who started with \$1,000 in the Portfolio. A shareholder may use the information here, together with the dollar amount invested, to estimate the expenses that were paid over the period. For every thousand dollars a shareholder has invested, the expenses are listed in the last column of this section.

(2) This section uses a hypothetical five percent annual return and actual Portfolio expenses. It helps to compare the Portfolio's ongoing costs with other mutual funds. A shareholder can compare the Portfolio's ongoing costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other Portfolios.

The above illustrations are based on ongoing costs only.

ALL DATA IS AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Stocks	97.8%
Information Technology	22.5%
Financials	13.9%
Consumer Discretionary	12.3%
Communication Services	11.9%
Industrials	11.3%
Health Care	10.8%
Consumer Staples	6.8%
Materials	3.6%
Energy	3.4%
Utilities	1.3%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	2.2%

Top 10 Equity Holdings

Company	Sector	Industry
Microsoft Corp.	Information Technology	Systems Software
TE Connectivity Ltd.	Information Technology	Electronic Manufacturing Services
Boeing Co. (The)	Industrials	Aerospace & Defense
Citigroup, Inc.	Financials	Other Diversified Financial Services
JPMorgan Chase & Co.	Financials	Other Diversified Financial Services
Wal-Mart Stores, Inc.	Consumer Staples	Hypermarkets & Super Centers
Amazon.com, Inc.	Consumer Discretionary	Internet & Direct Marketing Retail
AutoZone, Inc.	Consumer Discretionary	Automotive Retail
Blackstone Group L.P. (The)	Financials	Asset Management & Custody Banks
MasterCard, Inc., Class A	Information Technology	Data Processing & Outsourced Services

See your advisor or www.ivyinvestments.com for more information on the Portfolio's most recently published Top 10 Equity Holdings.

+Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

SCHEDULE OF INVESTMENTS

CORE EQUITY *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS	Shares	Value	COMMON STOCKS (Continued)	Shares	Value	COMMON STOCKS (Continued)	Shares	Value
Communication Services			Oil & Gas Storage & Transportation – 1.9%			Information Technology		
Cable & Satellite – 4.3%			Enterprise Products Partners L.P.	461	\$ 13,309	Data Processing & Outsourced Services – 6.2%		
Charter Communications, Inc., Class A (A)	37	\$ 14,543	Total Energy – 3.4%		23,909	First Data Corp., Class A (A)	494	\$ 13,365
Comcast Corp., Class A	362	15,321	Financials			MasterCard, Inc., Class A	65	17,283
		<u>29,864</u>	Asset Management & Custody Banks – 2.6%			Visa, Inc., Class A	70	12,171
Interactive Home Entertainment – 1.8%			Blackstone Group L.P. (The)	402	17,870	Total Information Technology – 22.5%		155,412
Take-Two Interactive Software, Inc. (A)	109	12,326	Financial Exchanges & Data – 3.4%			Materials		
Interactive Media & Services – 3.9%			MSCI, Inc., Class A	29	6,901	Commodity Chemicals – 1.7%		
Alphabet, Inc., Class A (A)	13	13,752	S&P Global, Inc.	74	16,948	LyondellBasell Industries N.V., Class A	140	12,058
Facebook, Inc., Class A (A)	67	12,834	Total Financials – 13.9%		23,849	Specialty Chemicals – 1.9%		
		<u>26,586</u>	Other Diversified Financial Services – 6.1%			Sherwin-Williams Co. (The)	28	12,924
Movies & Entertainment – 1.9%			Citigroup, Inc.	309	21,618	Total Materials – 3.6%		24,982
Walt Disney Co. (The)	95	13,308	JPMorgan Chase & Co.	185	20,685	Utilities		
		<u>13,308</u>	Total Health Care – 10.8%		42,303	Electric Utilities – 1.3%		
Total Communication Services – 11.9%		82,084	Property & Casualty Insurance – 1.8%			NextEra Energy, Inc.	44	9,075
Consumer Discretionary			Progressive Corp. (The)	155	12,375	Total Utilities – 1.3%		9,075
Auto Parts & Equipment – 2.1%			Total Financials – 13.9%		96,397	TOTAL COMMON STOCKS – 97.8%		\$676,509
Aptiv plc	183	14,751	Health Care			(Cost: \$617,914)		
Automotive Retail – 2.6%			Health Care Equipment – 3.4%			SHORT-TERM SECURITIES	Principal	
AutoZone, Inc. (A)	17	18,141	Danaher Corp.	86	12,277	Commercial Paper (B) – 0.7%		
Casinos & Gaming – 1.2%			Zimmer Holdings, Inc.	94	11,079	Sonoco Products Co., 2.531%, 7-1-19	\$ 5,133	5,132
Las Vegas Sands, Inc.	139	8,202	Total Health Care – 3.7%		25,870	Master Note – 0.6%		
Footwear – 1.9%			Managed Health Care – 3.7%			Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps), 2.620%, 7-5-19 (C)	3,878	3,878
NIKE, Inc., Class B	152	12,744	Pharmaceuticals – 3.7%					
Internet & Direct Marketing Retail – 4.5%			Elanco Animal Health, Inc. (A)	261	8,831			
Alibaba Group Holding Ltd. ADR (A)	64	10,862	Zoetis, Inc.	144	16,377			
Amazon.com, Inc. (A)	11	20,262	Total Industrials – 11.3%		78,270			
		<u>31,124</u>	Industrials					
Total Consumer Discretionary – 12.3%		84,962	Aerospace & Defense – 7.1%					
Consumer Staples			Boeing Co. (The)	64	23,297			
Distillers & Vintners – 1.2%			Lockheed Martin Corp.	47	16,977			
Constellation Brands, Inc.	43	8,527	United Technologies Corp.	67	8,763			
Hypermarkets & Super Centers – 4.6%			Total Industrials – 11.3%		49,037			
Costco Wholesale Corp.	42	11,051	Environmental & Facilities Services – 1.4%					
Wal-Mart Stores, Inc.	185	20,474	Waste Connections, Inc.	102	9,730			
		<u>31,525</u>	Railroads – 1.5%					
Tobacco – 1.0%			Norfolk Southern Corp.	52	10,325			
Philip Morris International, Inc.	88	6,932	Trading Companies & Distributors – 1.3%					
Total Consumer Staples – 6.8%		46,984	United Rentals, Inc. (A)	69	9,178			
Energy			Total Industrials – 11.3%		78,270			
Oil & Gas Refining & Marketing – 1.5%								
Marathon Petroleum Corp.	90	5,035						
Phillips 66	60	5,565						
		<u>10,600</u>						

SCHEDULE OF INVESTMENTS

CORE EQUITY *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

SHORT-TERM SECURITIES (Continued)	Principal	Value
United States Government Agency Obligations – 0.9% Overseas Private Investment Corp. (GTD by U.S. Government) (3-Month U.S. TB Rate), 2.350%, 7-7-19 (C)	\$6,000	\$ 6,000
TOTAL SHORT-TERM SECURITIES – 2.2%		\$ 15,010
(Cost: \$15,011)		
TOTAL INVESTMENT SECURITIES – 100.0%		\$691,519
(Cost: \$632,925)		
LIABILITIES, NET OF CASH AND OTHER ASSETS – 0.0%		(278)
NET ASSETS – 100.0%		\$691,241

Notes to Schedule of Investments

(A) No dividends were paid during the preceding 12 months.

(B) Rate shown is the yield to maturity at June 30, 2019.

(C) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Common Stocks	\$676,509	\$ —	\$—
Short-Term Securities	—	15,010	—
Total	<u>\$676,509</u>	<u>\$15,010</u>	<u>\$—</u>

The following acronyms are used throughout this schedule:

- ADR = American Depositary Receipts
- GTD = Guaranteed
- LIBOR = London Interbank Offered Rate
- TB = Treasury Bill

See Accompanying Notes to Financial Statements.

ALL DATA IS AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Bonds	97.7%
Corporate Debt Securities	92.6%
Asset-Backed Securities	1.9%
Municipal Bonds – Taxable	1.2%
United States Government and Government Agency Obligations	1.1%
Other Government Securities	0.8%
Mortgage-Backed Securities	0.1%
Cash and Other Assets (Net of Liabilities), and Cash Equivalents+	2.3%

Quality Weightings

Investment Grade	97.3%
AAA	3.0%
AA	13.8%
A	36.8%
BBB	43.7%
Non-Investment Grade	0.4%
BB	0.3%
Non-rated	0.1%
Cash and Other Assets (Net of Liabilities), and Cash Equivalents+	2.3%

Our preference is to always use ratings obtained from Standard & Poor's, Moody's, and Fitch. It is each Portfolio's general policy to classify such security at the lower rating level if only two ratings are available. If more than two ratings are available and a median exists, the median is used. If more than two ratings exist without a median, the lower of the two middle ratings is used. We do not evaluate these ratings, but simply assign them to the appropriate credit quality category as determined by the rating agency.

+Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

SCHEDULE OF INVESTMENTS

CORPORATE BOND *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

ASSET-BACKED SECURITIES	Principal	Value
AerCap Ireland Capital Ltd. and AerCap Global Aviation Trust, 3.500%, 5-26-22	\$ 1,320	\$ 1,345
Air Canada Enhanced Equipment Trust, Series 2015-2, Class AA, 3.750%, 12-15-27 (A)	855	894
American Airlines Class AA Pass Through Certificates, Series 2016-2, 3.200%, 6-15-28	1,658	1,670
American Airlines, Inc., Class AA Pass Through Certificates, Series 2016-1, 3.575%, 1-15-28	881	913
American Airlines, Inc., Class AA Pass Through Certificates, Series 2017-1, 3.650%, 2-15-29	2,250	2,331
United Airlines Pass-Through Certificates, Series 2016-AA, 3.100%, 7-7-28	2,717	2,727
TOTAL ASSET-BACKED SECURITIES – 1.9%		\$9,880
<i>(Cost: \$9,556)</i>		
CORPORATE DEBT SECURITIES		
Communication Services		
Cable & Satellite – 1.0%		
Charter Communications Operating LLC and Charter Communications Operating Capital Corp., 4.464%, 7-23-22	1,000	1,050
Comcast Corp. (GTD by Comcast Cable Communications and NBCUniversal):		
3.900%, 3-1-38	500	527
4.600%, 10-15-38	3,000	3,432
DIRECTV Holdings LLC and DIRECTV Financing Co., Inc., 3.950%, 1-15-25	815	861
		<u>5,870</u>
Integrated Telecommunication Services – 2.1%		
AT&T, Inc.:		
3.600%, 2-17-23	3,500	3,632
2.950%, 7-15-26	2,000	1,985
Verizon Communications, Inc.:		
4.500%, 8-10-33	3,500	3,940
5.250%, 3-16-37	1,250	1,494
4.812%, 3-15-39	559	643
		<u>11,694</u>
Interactive Home Entertainment – 0.5%		
Activision Blizzard, Inc.:		
2.300%, 9-15-21	1,750	1,746
3.400%, 6-15-27	1,000	1,009
		<u>2,755</u>
Interactive Media & Services – 0.6%		
Alphabet, Inc., 3.375%, 2-25-24	2,950	3,114

CORPORATE DEBT SECURITIES (Continued)	Principal	Value
Movies & Entertainment – 0.5%		
Walt Disney Co. (The), 4.125%, 6-1-44	\$ 2,574	\$ 2,926
Publishing – 0.1%		
Thomson Reuters Corp., 3.350%, 5-15-26	500	502
Wireless Telecommunication Service – 1.2%		
Crown Castle Towers LLC, 3.663%, 5-15-25 (A)	2,450	2,542
Sprint Spectrum L.P., 3.360%, 9-20-21 (A)	1,969	1,969
Vodafone Group plc, 4.125%, 5-30-25	2,000	2,130
		<u>6,641</u>
Total Communication Services – 6.0%		33,502
Consumer Discretionary		
Auto Parts & Equipment – 0.3%		
Lear Corp., 3.800%, 9-15-27	1,750	1,731
Automobile Manufacturers – 0.2%		
General Motors Co., 5.000%, 10-1-28	1,250	1,313
Education Services – 0.2%		
President and Fellows of Harvard College, 3.150%, 7-15-46	500	489
University of Southern California, 3.028%, 10-1-39	500	490
		<u>979</u>
Footwear – 0.9%		
NIKE, Inc., 3.875%, 11-1-45	4,500	4,843
Home Improvement Retail – 0.6%		
Home Depot, Inc. (The), 4.200%, 4-1-43	2,800	3,109
Hotels, Resorts & Cruise Lines – 0.6%		
Royal Caribbean Cruises Ltd., 3.700%, 3-15-28	3,500	3,524
Internet & Direct Marketing Retail – 0.6%		
Amazon.com, Inc., 4.800%, 12-5-34	2,870	3,520
Restaurants – 0.3%		
Starbucks Corp., 3.550%, 8-15-29	1,500	1,569
Total Consumer Discretionary – 3.7%		20,588

CORPORATE DEBT SECURITIES (Continued)	Principal	Value
Consumer Staples		
Agricultural Products – 0.2%		
Archer Daniels Midland Co., 3.375%, 3-15-22	\$ 1,000	\$ 1,034
Brewers – 1.5%		
Anheuser-Busch Inbev Finance, Inc. (GTD by AB INBEV/BBR/COB), 4.700%, 2-1-36	6,000	6,598
Anheuser-Busch Inbev Worldwide, Inc. (GTD by AB INBEV/BBR/COB), 4.750%, 1-23-29	750	850
Molson Coors Brewing Co., 2.250%, 3-15-20	1,000	997
		<u>8,445</u>
Distillers & Vintners – 0.3%		
Constellation Brands, Inc.:		
2.650%, 11-7-22	1,000	1,003
4.500%, 5-9-47	500	521
		<u>1,524</u>
Drug Retail – 0.5%		
CVS Health Corp.:		
2.800%, 7-20-20	75	75
4.100%, 3-25-25	2,500	2,636
		<u>2,711</u>
Household Products – 0.4%		
Procter & Gamble Co. (The), 2.700%, 2-2-26	2,000	2,036
Hypermarkets & Super Centers – 0.5%		
Walmart, Inc., 3.700%, 6-26-28	2,500	2,729
Packaged Foods & Meats – 1.8%		
Mars, Inc.:		
3.200%, 4-1-30 (A)	1,000	1,038
3.875%, 4-1-39 (A)	2,625	2,777
Nestle Holdings, Inc., 3.900%, 9-24-38 (A)	3,500	3,824
Smithfield Foods, Inc.:		
2.650%, 10-3-21 (A)	1,250	1,232
3.350%, 2-1-22 (A)	1,500	1,496
		<u>10,367</u>
Soft Drinks – 0.9%		
Coca-Cola Co. (The), 1.550%, 9-1-21	1,500	1,484
PepsiCo, Inc.:		
1.700%, 10-6-21	1,000	992
3.450%, 10-6-46	2,500	2,567
		<u>5,043</u>
Tobacco – 0.7%		
Altria Group, Inc. (GTD by Philip Morris USA, Inc.), 3.490%, 2-14-22	1,830	1,881

SCHEDULE OF INVESTMENTS

CORPORATE BOND *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

CORPORATE DEBT SECURITIES (Continued)

	Principal	Value
Tobacco (Continued)		
Philip Morris International, Inc., 2.875%, 5-1-24	\$ 1,900	\$ 1,928
		<u>3,809</u>
Total Consumer Staples – 6.8%		37,698
Energy		
Oil & Gas Equipment & Services – 0.9%		
Baker Hughes, a GE Co. LLC and Baker Hughes Co-Obligor, Inc.:		
2.773%, 12-15-22	3,000	3,031
3.337%, 12-15-27	2,000	2,013
		<u>5,044</u>
Oil & Gas Exploration & Production – 1.8%		
BP Capital Markets plc (GTD by BP plc):		
3.216%, 11-28-23	1,500	1,547
3.814%, 2-10-24	3,000	3,181
Canadian Natural Resources Ltd., 3.850%, 6-1-27	3,500	3,634
ConocoPhillips Co. (GTD by ConocoPhillips), 4.150%, 11-15-34	218	234
EQT Corp., 3.000%, 10-1-22	1,450	1,438
		<u>10,034</u>
Oil & Gas Refining & Marketing – 0.4%		
Phillips 66 (GTD by Phillips 66 Co.) (3-Month U.S. LIBOR plus 60 bps), 3.121%, 2-26-21 (B)	2,000	2,000
Oil & Gas Storage & Transportation – 5.3%		
Boardwalk Pipelines L.P. (GTD by Boardwalk Pipeline Partners L.P.), 4.450%, 7-15-27	2,000	2,044
Colonial Pipeline Co., 4.250%, 4-15-48 (A)	1,000	1,076
Colorado Interstate Gas Co., 4.150%, 8-15-26 (A)	1,000	1,034
Enbridge, Inc., 2.900%, 7-15-22	2,000	2,029
Energy Transfer Partners L.P., 4.200%, 4-15-27	2,000	2,077
EQT Midstream Partners L.P., 4.750%, 7-15-23	1,000	1,036
Midwest Connector Capital Co. LLC, 3.900%, 4-1-24 (A)	1,400	1,456
Plains All American Pipeline L.P. and PAA Finance Corp.:		
3.600%, 11-1-24	1,031	1,045
4.500%, 12-15-26	1,750	1,859
Sabal Trail Transmission LLC, 4.246%, 5-1-28 (A)	2,500	2,664
Sabine Pass Liquefaction LLC, 4.200%, 3-15-28	1,500	1,575

CORPORATE DEBT SECURITIES (Continued)

	Principal	Value
Oil & Gas Storage & Transportation (Continued)		
Sunoco Logistics Partners Operations L.P. (GTD by Energy Transfer Partners L.P.), 4.000%, 10-1-27	\$ 2,000	\$ 2,060
Sunoco Logistics Partners Operations L.P. (GTD by Sunoco Logistics Partners L.P.), 4.400%, 4-1-21	500	515
Tennessee Gas Pipeline Co., 7.000%, 3-15-27	2,000	2,427
TransCanada Corp., 5.100%, 3-15-49	3,000	3,472
Transcontinental Gas Pipe Line Co. LLC, 4.600%, 3-15-48	1,000	1,060
Williams Partners L.P.:		
3.750%, 6-15-27	500	517
4.850%, 3-1-48	1,500	1,602
		<u>29,548</u>
Total Energy – 8.4%		46,626
Financials		
Asset Management & Custody Banks – 1.4%		
Ares Capital Corp.:		
3.875%, 1-15-20	280	281
4.250%, 3-1-25	2,000	2,024
BlackRock, Inc., 3.250%, 4-30-29	1,900	1,989
Brookfield Finance, Inc. (GTD by Brookfield Asset Management, Inc.), 4.850%, 3-29-29	2,250	2,460
State Street Corp., 4.375%, 3-7-21	1,250	1,296
		<u>8,050</u>
Consumer Finance – 1.5%		
American Express Credit Corp., 2.200%, 3-3-20	2,000	1,998
Capital One Financial Corp.:		
4.200%, 10-29-25	1,500	1,575
3.750%, 7-28-26	1,000	1,017
Ford Motor Credit Co. LLC:		
5.875%, 8-2-21	1,500	1,581
3.810%, 1-9-24	1,500	1,507
General Motors Financial Co., Inc. (GTD by AmeriCredit Financial Services, Inc.), 3.200%, 7-6-21	500	504
		<u>8,182</u>
Diversified Banks – 11.9%		
Australia and New Zealand Banking Group Ltd., 2.125%, 8-19-20	1,000	998
Banco Santander S.A., 3.500%, 4-11-22	1,250	1,282

CORPORATE DEBT SECURITIES (Continued)

	Principal	Value
Diversified Banks (Continued)		
Bank of America Corp.:		
2.503%, 10-21-22	\$ 4,000	\$ 4,007
4.244%, 4-24-38	2,000	2,179
Bank of America Corp. (3-Month U.S. LIBOR plus 77 bps), 3.335%, 2-5-26 (B)	4,000	3,944
Bank of Montreal, 2.100%, 12-12-19	500	499
Bank of New York Mellon Corp. (The):		
3.550%, 9-23-21	1,250	1,284
2.200%, 8-16-23	3,000	2,983
Barclays plc, 3.684%, 1-10-23	4,400	4,456
BB&T Corp.:		
2.050%, 5-10-21	1,000	995
2.750%, 4-1-22	3,500	3,541
Citizens Bank N.A., 3.250%, 2-14-22	1,050	1,070
Commonwealth Bank of Australia, 2.000%, 9-6-21 (A)	1,500	1,490
Danske Bank A.S., 2.700%, 3-2-22 (A)	1,500	1,503
Fifth Third Bank N.A.:		
2.250%, 6-14-21	500	500
3.350%, 7-26-21	1,500	1,531
HSBC Holdings plc, 3.803%, 3-11-25	2,250	2,343
Huntington Bancshares, Inc., 2.300%, 1-14-22	500	500
ING Groep N.V., 3.550%, 4-9-24	1,325	1,370
KeyBank N.A., 3.300%, 2-1-22	750	770
Mitsubishi UFJ Financial Group, Inc.:		
2.998%, 2-22-22	500	508
3.218%, 3-7-22	2,000	2,041
Mizuho Financial Group, Inc., 2.953%, 2-28-22	3,000	3,034
Royal Bank of Canada, 3.200%, 4-30-21	3,000	3,052
Santander Holdings USA, Inc., 3.400%, 1-18-23	2,500	2,536
Toronto-Dominion Bank, 3.250%, 3-11-24	1,875	1,942
U.S. Bancorp, 3.375%, 2-5-24	1,000	1,043
U.S. Bank N.A., 3.450%, 11-16-21	7,000	7,186
Wells Fargo & Co.:		
2.100%, 7-26-21	1,000	995
3.069%, 1-24-23	1,500	1,523
3.900%, 5-1-45	1,000	1,073
4.750%, 12-7-46	500	569
Westpac Banking Corp.:		
2.150%, 3-6-20	2,500	2,498
2.000%, 8-19-21	1,000	994
		<u>66,239</u>

SCHEDULE OF INVESTMENTS

CORPORATE BOND *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

CORPORATE DEBT SECURITIES

(Continued)	Principal	Value
Diversified Capital Markets – 0.4%		
Credit Suisse Group AG, 3.574%, 1-9-23 (A)	\$2,000	\$ 2,041
Financial Exchanges & Data – 0.6%		
Intercontinental Exchange, Inc., 4.250%, 9-21-48	2,750	3,083
Insurance Brokers – 0.5%		
Marsh & McLennan Cos., Inc.:		
3.500%, 12-29-20	1,000	1,017
2.750%, 1-30-22	2,000	2,018
		<u>3,035</u>
Investment Banking & Brokerage – 2.6%		
Cantor Fitzgerald L.P., 4.875%, 5-1-24 (A)	875	902
Credit Suisse Group Funding (Guernsey) Ltd., 3.125%, 12-10-20	1,000	1,007
Daiwa Securities Group, Inc., 3.129%, 4-19-22 (A)	1,000	1,014
Goldman Sachs Group, Inc. (The):		
3.000%, 4-26-22	1,000	1,009
2.905%, 7-24-23	1,000	1,009
3.272%, 9-29-25	2,500	2,557
3.750%, 2-25-26	1,000	1,044
3.500%, 11-16-26	2,000	2,049
4.017%, 10-31-38	1,500	1,544
Morgan Stanley, 3.875%, 1-27-26	1,000	1,063
Morgan Stanley (3-Month U.S. LIBOR plus 140 bps), 3.981%, 10-24-23 (B)	1,500	1,529
		<u>14,727</u>
Life & Health Insurance – 4.6%		
Aflac, Inc., 4.750%, 1-15-49	2,750	3,248
Athene Holding Ltd., 4.125%, 1-12-28	3,000	3,023
MetLife Global Funding I, 1.950%, 9-15-21 (A)	2,000	1,984
Metropolitan Life Insurance Co., 3.450%, 10-9-21 (A)	3,000	3,070
New York Life Global Funding, 2.900%, 1-17-24 (A)	5,500	5,627
Northwestern Mutual Life Insurance Co. (The), 3.850%, 9-30-47 (A)	3,000	3,083
Principal Life Global Funding II, 3.000%, 4-18-26 (A)	1,000	1,013
Protective Life Global Funding: 2.262%, 4-8-20 (A)	2,500	2,496
2.700%, 11-25-20 (A)	1,000	1,005
Sumitomo Life Insurance Co., 4.000%, 9-14-77 (A)	1,000	1,012
		<u>25,561</u>
Other Diversified Financial Services – 3.3%		
Citigroup, Inc.:		
2.700%, 3-30-21	3,000	3,014

CORPORATE DEBT SECURITIES

(Continued)	Principal	Value
Other Diversified Financial Services (Continued)		
3.500%, 5-15-23	\$2,000	\$ 2,063
3.980%, 3-20-30	1,875	2,004
Fidelity National Information Services, Inc., 3.750%, 5-21-29	725	770
JPMorgan Chase & Co.:		
2.295%, 8-15-21	6,000	5,998
2.700%, 5-18-23	3,000	3,030
3.625%, 12-1-27	1,500	1,545
		<u>18,424</u>
Property & Casualty Insurance – 0.5%		
Aon Corp. (GTD by Aon plc), 3.750%, 5-2-29	2,500	2,607
Regional Banks – 1.1%		
PNC Bank N.A.:		
2.450%, 11-5-20	264	265
3.300%, 10-30-24	1,000	1,042
PNC Financial Services Group, Inc. (The), 3.450%, 4-23-29	2,000	2,104
SunTrust Banks, Inc., 3.200%, 4-1-24	2,500	2,578
		<u>5,989</u>
Reinsurance – 0.3%		
Reinsurance Group of America, Inc., 3.900%, 5-15-29	1,700	1,764
Specialized Finance – 1.6%		
Dell International LLC and EMC Corp., 5.450%, 6-15-23 (A)	3,500	3,772
Diamond 1 Finance Corp. and Diamond 2 Finance Corp.:		
4.420%, 6-15-21 (A)	3,000	3,090
8.100%, 7-15-36 (A)	500	613
John Deere Capital Corp., 3.200%, 1-10-22	1,500	1,540
		<u>9,015</u>
Total Financials – 30.3%		168,717
Health Care		
Biotechnology – 1.4%		
Amgen, Inc.:		
2.200%, 5-11-20	2,000	1,996
3.875%, 11-15-21	2,500	2,578
3.625%, 5-22-24	1,500	1,576
4.950%, 10-1-41	1,500	1,693
		<u>7,843</u>
Health Care Distributors – 0.5%		
McKesson Corp., 3.650%, 11-30-20	2,500	2,539
Health Care Equipment – 0.4%		
Boston Scientific Corp., 4.550%, 3-1-39	1,875	2,070

CORPORATE DEBT SECURITIES

(Continued)	Principal	Value
Health Care Facilities – 0.3%		
HCA, Inc. (GTD by HCA Holdings, Inc.), 4.125%, 6-15-29	\$ 1,675	\$ 1,714
Health Care Services – 0.2%		
Cigna Corp., 4.375%, 10-15-28 (A)	1,250	1,348
Health Care Supplies – 1.3%		
Abbott Laboratories:		
3.400%, 11-30-23	700	730
4.750%, 11-30-36	3,000	3,555
Medtronic, Inc. (GTD by Medtronic Global Holdings SCA and Medtronic plc), 4.375%, 3-15-35	1,752	2,016
Shire Acquisitions Investments Ireland Designated Activity Co., 2.400%, 9-23-21	1,000	998
		<u>7,299</u>
Managed Health Care – 1.6%		
Halfmoon Parent, Inc., 3.400%, 9-17-21 (A)	2,500	2,548
Humana, Inc., 2.900%, 12-15-22	5,000	5,068
UnitedHealth Group, Inc., 3.500%, 2-15-24	1,500	1,572
		<u>9,188</u>
Pharmaceuticals – 3.8%		
Bayer U.S. Finance II LLC, 4.375%, 12-15-28 (A)	2,500	2,634
Bayer U.S. Finance LLC, 3.000%, 10-8-21 (A)	1,500	1,510
Bristol-Myers Squibb Co.:		
2.900%, 7-26-24 (A)	1,875	1,916
3.400%, 7-26-29 (A)	825	863
Eli Lilly and Co., 3.875%, 3-15-39	2,500	2,710
Merck & Co., Inc., 3.900%, 3-7-39	3,750	4,104
Perrigo Finance Unlimited Co. (GTD by Perrigo Co. plc), 3.500%, 3-15-21	1,000	997
Pfizer, Inc., 3.900%, 3-15-39	2,500	2,693
Zoetis, Inc., 3.900%, 8-20-28	3,500	3,728
		<u>21,155</u>
Total Health Care – 9.5%		53,156
Industrials		
Aerospace & Defense – 2.5%		
BAE Systems Holdings, Inc.:		
3.850%, 12-15-25 (A)	1,500	1,567
4.750%, 10-7-44 (A)	1,000	1,108
Boeing Co. (The), 1.650%, 10-30-20	500	496

SCHEDULE OF INVESTMENTS

CORPORATE BOND *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

CORPORATE DEBT SECURITIES (Continued)			CORPORATE DEBT SECURITIES (Continued)			CORPORATE DEBT SECURITIES (Continued)		
	Principal	Value		Principal	Value		Principal	Value
Aerospace & Defense (Continued)			Information Technology			Technology Hardware, Storage & Peripherals (Continued)		
General Dynamics Corp., 1.875%, 8-15-23	\$3,000	\$ 2,968	Application Software – 0.2%			3.200%, 5-11-27	\$3,750	\$ 3,908
Huntington Ingalls Industries, Inc., 3.483%, 12-1-27	1,000	1,016	NXP Semiconductors N.V., NXP B.V. and NXP Funding LLC, 4.300%, 6-18-29 (A)	\$ 925	\$ 954	4.500%, 2-23-36	1,500	1,762
Northrop Grumman Corp.: 3.250%, 1-15-28	2,250	2,309	Communications Equipment – 0.5%					<u>9,707</u>
4.030%, 10-15-47	3,000	3,192	L-3 Communications Corp., 3.850%, 12-15-26	500	523	Total Information Technology – 8.9%		
Rockwell Collins, Inc., 2.800%, 3-15-22	1,500	1,515	Motorola Solutions, Inc., 4.600%, 5-23-29	2,075	2,181	49,828		
		<u>14,171</u>			<u>2,704</u>	Materials		
Agricultural & Farm Machinery – 0.2%			Data Processing & Outsourced Services – 1.2%			Diversified Metals & Mining – 0.3%		
CNH Industrial N.V., 3.850%, 11-15-27	1,000	998	Fiserv, Inc., 3.500%, 7-1-29	2,425	2,487	Anglo American Capital plc, 3.750%, 4-10-22 (A)	1,500	1,533
Air Freight & Logistics – 0.4%			Visa, Inc.:			Specialty Chemicals – 0.2%		
FedEx Corp.: 4.750%, 11-15-45	1,000	1,046	2.800%, 12-14-22	3,000	3,070	Methanex Corp., 5.250%, 3-1-22	1,404	1,462
4.400%, 1-15-47	1,000	995	4.150%, 12-14-35	1,000	1,150	Total Materials – 0.5%		
		<u>2,041</u>			<u>6,707</u>	2,995		
Airlines – 1.1%			Electronic Components – 0.6%			Real Estate		
Aviation Capital Group Corp., 2.875%, 1-20-22 (A)	3,000	3,020	Maxim Integrated Products, Inc., 3.450%, 6-15-27	3,500	3,524	Health Care REITs – 0.3%		
Aviation Capital Group LLC, 3.500%, 11-1-27 (A)	2,000	2,000	Electronic Equipment & Instruments – 0.5%			Senior Housing Properties Trust,		
Sydney Airport Finance, 3.625%, 4-28-26 (A)	1,000	1,026	Keysight Technologies, Inc., 4.600%, 4-6-27	2,500	2,672	4.750%, 2-15-28	1,500	1,456
		<u>6,046</u>	IT Consulting & Other Services – 0.5%			Hotel & Resort REITs – 0.6%		
Environmental & Facilities Services – 1.0%			International Business Machines Corp.,			Hospitality Properties Trust,		
Waste Connections, Inc., 3.500%, 5-1-29	2,000	2,081	3.000%, 5-15-24	2,625	2,696	3.950%, 1-15-28	3,700	3,485
Waste Management, Inc. (GTD by Waste Management Holdings, Inc.): 2.400%, 5-15-23	1,000	1,003	Semiconductor Equipment – 0.3%			Industrial REITs – 0.1%		
4.100%, 3-1-45	2,500	2,725	Lam Research Corp., 3.750%, 3-15-26	1,875	1,968	Aircastle Ltd., 5.500%, 2-15-22	598	634
		<u>5,809</u>	Semiconductors – 2.0%			Specialized REITs – 3.1%		
Industrial Conglomerates – 0.5%			Intel Corp.:			American Tower Corp.:		
Ingersoll-Rand Luxembourg Finance S.A., 3.800%, 3-21-29	2,575	2,701	3.100%, 7-29-22	1,000	1,031	3.070%, 3-15-23 (A)	1,500	1,524
			4.000%, 12-15-32	1,500	1,692	3.000%, 6-15-23	2,500	2,523
Railroads – 0.2%			4.100%, 5-19-46	3,000	3,301	4.400%, 2-15-26	1,000	1,080
Burlington Northern Santa Fe LLC, 4.550%, 9-1-44	1,000	1,157	QUALCOMM, Inc.:			3.125%, 1-15-27	1,000	992
			4.650%, 5-20-35	1,500	1,673	American Tower Trust I,		
Research & Consulting Services – 0.4%			4.800%, 5-20-45	500	560	3.652%, 3-23-28 (A)	1,000	1,045
RELX Capital, Inc. (GTD by RELX plc), 4.000%, 3-18-29	1,875	1,980	Texas Instruments, Inc.,			Crown Castle International Corp.:		
			3.875%, 3-15-39	2,500	2,716	2.250%, 9-1-21	500	498
Trucking – 0.3%					<u>10,973</u>	5.250%, 1-15-23	1,027	1,118
J.B. Hunt Transport Services, Inc. (GTD by J.B. Hunt Transport, Inc.), 3.875%, 3-1-26	1,875	1,962	Systems Software – 1.4%			3.200%, 9-1-24	1,250	1,276
			CA, Inc., 5.375%, 12-1-19	1,080	1,090	4.000%, 3-1-27	2,000	2,098
Total Industrials – 6.6%			Microsoft Corp.:			CubeSmart L.P. (GTD by CubeSmart),		
		<u>36,865</u>	2.650%, 11-3-22	2,000	2,044	4.375%, 2-15-29	1,375	1,466
			3.500%, 2-12-35	4,500	4,789	Public Storage, Inc.,		
					<u>7,923</u>	3.385%, 5-1-29	1,500	1,566
			Technology Hardware, Storage & Peripherals – 1.7%			Ventas Realty L.P. (GTD by Ventas, Inc.),		
			Apple, Inc.:			2.650%, 1-15-25	1,875	1,866
			2.400%, 5-3-23	4,000	4,037			<u>17,052</u>
						Total Real Estate – 4.1%		
						22,627		
			Utilities			Electric Utilities – 5.1%		
						AEP Transmission Co. LLC, 4.250%, 9-15-48	1,500	1,644

SCHEDULE OF INVESTMENTS

CORPORATE BOND *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

CORPORATE DEBT SECURITIES (Continued)

	Principal	Value
Electric Utilities (Continued)		
CenterPoint Energy, Inc., 4.250%, 11-1-28	\$5,000	\$ 5,401
Commonwealth Edison Co., 3.650%, 6-15-46	3,000	3,044
Consumers Energy Co., 4.350%, 4-15-49	1,500	1,735
Duke Energy Carolinas LLC, 3.750%, 6-1-45	1,625	1,668
Duke Energy Indiana LLC, 3.750%, 5-15-46	1,000	1,011
Entergy Arkansas, Inc., 4.000%, 6-1-28	1,800	1,917
Florida Power & Light Co., 3.990%, 3-1-49	1,875	2,054
Kansas City Power & Light Co., 4.200%, 3-15-48	1,000	1,094
National Rural Utilities Cooperative Finance Corp., 4.400%, 11-1-48	2,000	2,283
Southern California Edison Co., 4.125%, 3-1-48	3,000	3,021
Virginia Electric and Power Co., Series B, 4.600%, 12-1-48	1,500	1,726
Wisconsin Electric Power Co.: 4.250%, 6-1-44	250	269
4.300%, 10-15-48	1,250	1,374
		<u>28,241</u>
Gas Utilities – 0.3%		
Southern California Gas Co., 4.300%, 1-15-49	1,500	1,653
Independent Power Producers & Energy Traders – 0.4%		
Black Hills Corp., 4.350%, 5-1-33	2,000	2,204
Multi-Utilities – 1.7%		
Baltimore Gas and Electric Co., 4.250%, 9-15-48	1,500	1,661
Berkshire Hathaway Energy Co., 2.800%, 1-15-23	1,500	1,528
Dominion Resources, Inc., 2.750%, 1-15-22	3,000	3,021
Public Service Electric and Gas Co.: 1.900%, 3-15-21	2,000	1,993
2.250%, 9-15-26	1,500	1,456
		<u>9,659</u>
Water Utilities – 0.3%		
American Water Capital Corp., 4.150%, 6-1-49	1,500	1,620
Total Utilities – 7.8%		43,377
TOTAL CORPORATE DEBT SECURITIES – 92.6%		\$515,979
(Cost: \$492,263)		

MORTGAGE-BACKED SECURITIES

	Principal	Value
Non-Agency REMIC/CMO – 0.1%		
MASTR Adjustable Rate Mortgage Trust 2005-1 (Mortgage spread to 10-year U.S. Treasury index), 4.411%, 3-25-35 (B)	\$ 968	\$ 739
Structured Adjustable Rate Mortgage Loan Trust, Mortgage Pass- Through Certificates, Series 2004-1 (Mortgage spread to 3-year U.S. Treasury index), 4.617%, 2-25-34 (B)		
	8	—*
		<u>739</u>
TOTAL MORTGAGE-BACKED SECURITIES – 0.1%		\$ 739
(Cost: \$971)		
MUNICIPAL BONDS – TAXABLE		
New York – 0.7%		
NYC Indl Dev Agy, Rental Rev Bonds (Yankee Stadium Proj), Ser 2009, 11.000%, 3-1-29 (A)	3,005	4,071
Ohio – 0.4%		
OH State Univ, Gen Receipts Bonds (Multiyear Debt Issuance Prog), Ser 2016A, 3.798%, 12-1-46	2,000	2,184
Pennsylvania – 0.1%		
Cmnwlth of PA, GO Bonds, Third Ser B of 2010 (Federally Taxable – Build America Bonds), 4.750%, 7-15-22	750	768
TOTAL MUNICIPAL BONDS – TAXABLE – 1.2%		\$7,023
(Cost: \$5,770)		
OTHER GOVERNMENT SECURITIES (C)		
Canada – 0.6%		
Province de Quebec, 7.140%, 2-27-26	2,500	3,158
South Korea – 0.2%		
Korea Development Bank, 3.000%, 3-19-22	1,125	1,144
TOTAL OTHER GOVERNMENT SECURITIES – 0.8%		\$4,302
(Cost: \$3,831)		
UNITED STATES GOVERNMENT AGENCY OBLIGATIONS		
Agency Obligations – 0.2%		
Tennessee Valley Authority, 2.875%, 2-1-27	1,000	1,045

UNITED STATES GOVERNMENT AGENCY OBLIGATIONS (Continued)

	Principal	Value
Mortgage-Backed Obligations – 0.9%		
Federal Home Loan Mortgage Corp. Agency REMIC/CMO (Mortgage spread to 5-year U.S. Treasury index), 4.479%, 12-25-44 (A)(B)	\$5,000	\$ 5,225
Government National Mortgage Association Agency REMIC/ CMO, 0.018%, 6-17-45 (D)	12	—*
		<u>5,225</u>
TOTAL UNITED STATES GOVERNMENT AGENCY OBLIGATIONS – 1.1%		\$ 6,270
(Cost: \$6,247)		
SHORT-TERM SECURITIES		
Commercial Paper (E) – 1.3%		
McCormick & Co., Inc., 2.492%, 7-9-19	2,642	2,640
Sonoco Products Co., 2.531%, 7-1-19	4,825	4,824
		<u>7,464</u>
Master Note – 0.6%		
Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps), 2.620%, 7-5-19 (F)	3,380	3,380
TOTAL SHORT-TERM SECURITIES – 1.9%		\$ 10,844
(Cost: \$10,845)		
TOTAL INVESTMENT SECURITIES – 99.6%		\$555,037
(Cost: \$529,483)		
CASH AND OTHER ASSETS, NET OF LIABILITIES – 0.4%		
		2,462
NET ASSETS – 100.0%		\$557,499

JUNE 30, 2019 (UNAUDITED)

Notes to Schedule of Investments

*Not shown due to rounding.

(A) Securities were purchased pursuant to an exemption from registration available under Rule 144A under the Securities Act of 1933 and may only be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2019 the total value of these securities amounted to \$89,609 or 16.1% of net assets.

(B) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Description of the reference rate and spread, if applicable, are included in the security description.

(C) Other Government Securities may include emerging markets sovereign, quasi-sovereign, corporate and supranational agency and organization debt securities.

(D) Interest-only security. Amount shown as principal represents notional amount for computation of interest.

(E) Rate shown is the yield to maturity at June 30, 2019.

(F) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Asset-Backed Securities	\$—	\$ 9,880	\$—
Corporate Debt Securities	—	515,979	—
Mortgage-Backed Securities	—	739	—
Municipal Bonds	—	7,023	—
Other Government Securities	—	4,302	—
United States Government Agency Obligations	—	6,270	—
Short-Term Securities	—	10,844	—
Total	\$—	\$555,037	\$—

The following acronyms are used throughout this schedule:

CMO = Collateralized Mortgage Obligation

GTD = Guaranteed

LIBOR = London Interbank Offered Rate

REIT = Real Estate Investment Trust

REMIC = Real Estate Mortgage Investment Conduit

ALL DATA IS AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Stocks	0.1%
Bonds	99.3%
Corporate Debt Securities	75.9%
Other Government Securities	15.8%
United States Government Obligations	7.6%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	0.6%

Quality Weightings

Investment Grade	70.6%
AAA	7.6%
AA	5.9%
A	14.1%
BBB	43.0%
Non-Investment Grade	28.7%
BB	17.1%
B	10.9%
CCC	0.2%
Non-rated	0.5%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+ and Equities	0.7%

Country Weightings

North America	31.9%
United States	22.8%
Mexico	7.4%
Other North America	1.7%
Europe	23.2%
United Kingdom	6.6%
Netherlands	5.1%
Other Europe	11.5%
Pacific Basin	18.3%
Indonesia	5.0%
Other Pacific Basin	13.3%
South America	15.7%
Argentina	4.4%
Other South America	11.3%
Other	7.4%
Bahamas/Caribbean	1.8%
Middle East	1.1%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	0.6%

Our preference is to always use ratings obtained from Standard & Poor's, Moody's, and Fitch. It is each Portfolio's general policy to classify such security at the lower rating level if only two ratings are available. If more than two ratings are available and a median exists, the median is used. If more than two ratings exist without a median, the lower of the two middle ratings is used. We do not evaluate these ratings, but simply assign them to the appropriate credit quality category as determined by the rating agency.

+Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

SCHEDULE OF INVESTMENTS

GLOBAL BOND (in thousands)

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS		Shares	Value	CORPORATE DEBT SECURITIES (Continued)		Principal	Value	CORPORATE DEBT SECURITIES (Continued)		Principal	Value
Panama				Financials – 0.0%				China			
Financials – 0.1%				Banco Cruzeiro do Sul S.A.				Communication Services – 1.8%			
Banco Latinoamericano de Comercio Exterior S.A.		1	\$ 18	7.000%, 7-8-13 (C)		\$ 96	\$ 1	Tencent Holdings Ltd.			
Total Panama – 0.1%			\$ 18	Materials – 1.5%				2.985%, 1-19-23 (A)		200	\$202
TOTAL COMMON STOCKS – 0.1%			\$ 18	Fibria Overseas Finance Ltd.				Weibo Corp.			
(Cost: \$23)				4.000%, 1-14-25		150	151	3.500%, 7-5-24		200	201
CORPORATE DEBT SECURITIES		Principal		Vale Overseas Ltd.							403
Argentina				6.250%, 8-10-26		150	171	Energy – 1.0%			
Energy – 1.8%							322	Sinopec Group Overseas			
Pampa Energia S.A.				Utilities – 0.9%				Development (2018) Ltd.			
7.500%, 1-24-27 (A)(B)		\$ 150	138	Aegea Finance S.a.r.l.				4.125%, 9-12-25 (A)		200	213
Pan American Energy LLC				5.750%, 10-10-24 (A)		200	206	Total China – 2.8%			\$ 616
7.875%, 5-7-21		67	69	Total Brazil – 3.4%			\$ 738	Columbia			
YPF Sociedad Anonima				Canada				Financials – 1.0%			
8.500%, 3-23-21 (A)(B)		200	204	Energy – 0.5%				Banco de Bogota S.A.			
			411	TransCanada PipeLines Ltd.				5.375%, 2-19-23 (A)(B)		200	211
Total Argentina – 1.8%			\$ 411	4.250%, 5-15-28		100	108	Utilities – 0.9%			
Australia				Financials – 0.3%				Emgesa S.A. E.S.P.			
Utilities – 0.9%				Royal Bank of Canada				8.750%, 1-25-21 (D)		COP302,000	98
Ausgrid Finance Pty Ltd.				4.650%, 1-27-26		50	55	Empresas Publicas de Medellin			
3.850%, 5-1-23 (A)		200	207	Materials – 0.9%				E.S.P.			
Total Australia – 0.9%			\$ 207	First Quantum Minerals Ltd.				8.375%, 2-1-21 (D)		274,000	88
Austria				7.250%, 5-15-22 (A)(B)		200	198	Total Columbia – 1.9%			\$ 397
Consumer Staples – 0.9%				Total Canada – 1.7%			\$ 361	Denmark			
ESAL GmbH (GTD by JBS S.A. and JBS Hungary Holdings Kft.)				Cayman Islands				Financials – 0.9%			
6.250%, 2-5-23 (A)		200	204	Industrials – 0.4%				Danske Bank A.S.			
Materials – 1.0%				Guanay Finance Ltd.				2.700%, 3-2-22 (A)		200	200
Klabn Austria GmbH				6.000%, 12-15-20 (A)		83	84	Total Denmark – 0.9%			\$ 200
5.750%, 4-3-29 (A)(B)		200	213	Materials – 0.9%				France			
Total Austria – 1.9%			\$ 417	Braskem Finance Ltd. (GTD by Braskem S.A.)				Financials – 1.0%			
Bermuda				5.750%, 4-15-21 (A)		200	208	BNP Paribas S.A.			
Consumer Staples – 0.5%				Total Cayman Islands – 1.3%			\$ 292	7.625%, 12-29-49 (A)		200	212
Bacardi Ltd.				Chile				Total France – 1.0%			\$ 212
4.450%, 5-15-25 (A)		100	106	Industrials – 0.9%				Hong Kong			
Total Bermuda – 0.5%			\$ 106	LATAM Airlines Group S.A.				Financials – 1.0%			
Brazil				7.250%, 6-9-20 (A)		200	206	Bangkok Bank Public Co. Ltd.			
Consumer Staples – 1.0%				Materials – 1.0%				4.050%, 3-19-24 (A)		200	211
Cosan Ltd.				Celulosa Arauco y Constitucion S.A.				Total Hong Kong – 1.0%			\$ 211
5.950%, 9-20-24 (A)		200	209	4.500%, 8-1-24		200	210	India			
Energy – 0.0%				Utilities – 0.4%				Industrials – 0.9%			
Lancer Finance Co. (SPV) Ltd.				Enel Chile S.A.				Adani Ports and Special			
5.850%, 12-12-16 (A)(C)		15	—*	4.875%, 6-12-28		80	87	Economic Zone Ltd.			
				Total Chile – 2.3%			\$ 503	3.500%, 7-29-20 (A)		200	201

SCHEDULE OF INVESTMENTS

GLOBAL BOND *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

CORPORATE DEBT SECURITIES (Continued)		Principal	Value	CORPORATE DEBT SECURITIES (Continued)		Principal	Value	CORPORATE DEBT SECURITIES (Continued)		Principal	Value
Utilities – 0.9%				Mexico				Norway			
Adani Green Energy (UP) Ltd., Parampujya Solar Energy Private Ltd. and Prayatna Developers Private Ltd.				Communication Services – 0.9%				Energy – 1.4%			
6.250%, 12-10-24 (A)		\$200	\$204	America Movil S.A.B. de C.V.		\$200	\$204	Aker BP ASA:			
				3.125%, 7-16-22				6.000%, 7-1-22 (A)		\$150	\$154
				Consumer Staples – 0.9%				4.750%, 6-15-24 (A)		150	155
				Grupo Bimbo S.A.B. de C.V.		200	204				<u>309</u>
				4.875%, 6-30-20 (A)				Total Norway – 1.4%			\$309
Total India – 1.8%			\$405	Energy – 0.9%				Peru			
				Petroleos Mexicanos				Financials – 0.7%			
Indonesia				3.500%, 1-30-23		200	190	Banco de Credito del Peru			
Utilities – 1.0%				Financials – 1.4%				4.250%, 4-1-23 (A)(B)		150	157
Perusahaan Listrik Negara				Banco Santander S.A.				Utilities – 0.9%			
5.450%, 5-21-28 (A)		200	222	4.125%, 11-9-22 (A)		300	308	Fenix Power Peru S.A.			
				Industrials – 1.0%				4.317%, 9-20-27		194	195
				Alfa S.A.B. de C.V.				Total Peru – 1.6%			\$352
				5.250%, 3-25-24 (A)		200	213	Qatar			
Total Indonesia – 1.0%			\$222	Materials – 1.0%				Energy – 0.2%			
				CEMEX S.A.B. de C.V.				Ras Laffan Liquefied Natural Gas Co. Ltd. II			
Ireland				7.750%, 4-16-26 (A)		200	220	5.298%, 9-30-20 (A)		42	42
Financials – 1.6%				Total Mexico – 6.1%			\$1,339	Total Qatar – 0.2%			\$ 42
MTS International Funding Ltd.				Netherlands				Singapore			
5.000%, 5-30-23 (A)		350	361	Communication Services – 2.0%				Consumer Staples – 0.5%			
				Myriad International Holdings B.V.				Olam International Ltd.			
				5.500%, 7-21-25		200	218	7.500%, 8-12-20		100	104
				VTR Finance B.V.				Total Singapore – 0.5%			\$ 104
				6.875%, 1-15-24 (A)		200	207	South Korea			
Total Ireland – 1.6%			\$ 361	Financials – 2.2%				Financials – 3.0%			
				Cooperatieve Rabobank U.A.				Hyundai Capital Services, Inc.			
Isle Of Man				3.875%, 2-8-22		75	78	2.983%, 8-29-22 (A)		210	211
Consumer Discretionary – 0.9%				Enel Finance International N.V.				Korea Development Bank			
GOHL Capital Ltd.				4.625%, 9-14-25 (A)		200	214	3.250%, 2-19-24		200	207
4.250%, 1-24-27		200	206	Syngenta Finance N.V.				Woori Bank			
				5.182%, 4-24-28 (A)		200	208	2.625%, 7-20-21 (A)		250	250
				Total Netherlands – 5.1%			\$ 1,110				<u>668</u>
Total Isle Of Man – 0.9%			\$206	Health Care – 0.9%				Total South Korea – 3.0%			\$668
				Teva Pharmaceutical Finance				Switzerland			
Japan				Netherlands III B.V. (GTD by Teva Pharmaceutical Industries Ltd.)				Financials – 1.2%			
Financials – 1.5%				6.750%, 3-1-28		200	185	Credit Suisse Group AG			
Mitsubishi UFJ Financial Group, Inc.				Total Netherlands – 5.1%			\$ 1,110	4.282%, 1-9-28 (A)		250	264
3.287%, 7-25-27		100	103	Nigeria				Total Switzerland – 1.2%			\$264
Sumitomo Mitsui Financial Group, Inc.:				Financials – 0.9%				United Arab Emirates			
3.748%, 7-19-23		110	115	Africa Finance Corp.				Energy – 1.0%			
3.936%, 10-16-23		100	106	4.375%, 4-17-26 (A)		200	206	Abu Dhabi National Energy Co.			
				Total Nigeria – 0.9%			\$ 206	4.375%, 4-23-25 (A)		200	212
											<u>212</u>
Total Japan – 1.5%			\$324								
Luxembourg											
Consumer Staples – 0.9%											
Minerva Luxembourg S.A.											
5.875%, 1-19-28 (A)		200	200								
Industrials – 1.0%											
Rumo Luxembourg S.a.r.l.											
7.375%, 2-9-24 (A)		200	216								
Information Technology – 0.8%											
Atento Luxco 1 S.A.											
6.125%, 8-10-22 (A)		175	176								
Total Luxembourg – 2.7%			\$592								

SCHEDULE OF INVESTMENTS

GLOBAL BOND (in thousands)

JUNE 30, 2019 (UNAUDITED)

CORPORATE DEBT SECURITIES (Continued)

	Principal	Value
Financials – 1.5%		
ICICI Bank Ltd.		
3.500%, 3-18-20 (A)	\$ 325	\$ 326
Total United Arab Emirates – 2.5%		\$ 538
United Kingdom		
Consumer Staples – 0.9%		
Imperial Tobacco Finance plc		
3.750%, 7-21-22 (A)	200	206
Financials – 4.8%		
ANZ New Zealand International Ltd.		
3.450%, 1-21-28 (A)	200	207
HSBC Holdings plc:		
4.583%, 6-19-29	300	327
5.625%, 12-29-49 (B)	200	201
Royal Bank of Scotland Group plc (The)		
6.000%, 12-19-23	100	109
State Bank of India		
4.875%, 4-17-24 (A)	200	213
		1,057
Materials – 0.9%		
Vedanta Resources plc		
8.000%, 4-23-23 (A)	200	203
Total United Kingdom – 6.6%		\$1,466
United States		
Communication Services – 1.1%		
T-Mobile USA, Inc.		
6.000%, 3-1-23	230	235
Consumer Discretionary – 1.0%		
Volkswagen Group of America, Inc.		
4.250%, 11-13-23 (A)	200	210
Consumer Staples – 1.8%		
Bunge Ltd. Finance Corp.		
3.500%, 11-24-20	250	252
Keurig Dr Pepper, Inc.		
4.597%, 5-25-28	125	137
		389
Energy – 0.2%		
Brand Energy & Infrastructure Services, Inc.		
8.500%, 7-15-25 (A)	58	53
Financials – 6.5%		
Bank of America Corp.		
3.593%, 7-21-28	125	130
BBVA Bancomer S.A.		
6.500%, 3-10-21 (A)	150	158
Citigroup, Inc.		
3.520%, 10-27-28	125	129
Cooperatieve Rabobank U.A.		
3.125%, 4-26-21	250	254

CORPORATE DEBT SECURITIES (Continued)

	Principal	Value
Financials (Continued)		
Ford Motor Credit Co. LLC		
3.096%, 5-4-23	\$200	\$ 197
Goldman Sachs Group, Inc. (The)		
3.814%, 4-23-29	100	104
JPMorgan Chase & Co.		
3.540%, 5-1-28	118	123
TerraForm Global Operating LLC (GTD by TerraForm Global LLC)		
6.125%, 3-1-26 (A)	50	50
Wells Fargo & Co.		
4.300%, 7-22-27	125	135
Wells Fargo & Co. (3-Month U.S. LIBOR plus 377 bps)		
6.180%, 3-29-49 (E)	125	126
		1,406
Health Care – 0.8%		
Fresenius U.S. Finance II, Inc.:		
4.250%, 2-1-21 (A)	100	102
4.500%, 1-15-23 (A)	75	78
		180
Industrials – 1.6%		
Azul Investments LLP		
5.875%, 10-26-24 (A)	200	197
BAE Systems Holdings, Inc.		
3.800%, 10-7-24 (A)	75	79
TransDigm, Inc. (GTD by TransDigm Group, Inc.)		
6.000%, 7-15-22	82	83
		359
Materials – 0.5%		
Glencore Funding LLC		
4.125%, 3-12-24 (A)	100	104
Real Estate – 0.5%		
Aircastle Ltd.		
4.400%, 9-25-23	100	104
Utilities – 1.2%		
Sempra Energy		
2.850%, 11-15-20	250	252
Total United States – 15.2%		\$ 3,292
Venezuela		
Financials – 0.7%		
Corporacion Andina de Fomento		
3.250%, 2-11-22	150	153
Total Venezuela – 0.7%		\$ 153
TOTAL CORPORATE DEBT SECURITIES – 75.9%		\$16,624
(Cost: \$16,351)		

OTHER GOVERNMENT SECURITIES (F)

	Principal	Value
Argentina – 2.6%		
Province of Buenos Aires		
7.500%, 6-1-27 (A)	\$200	\$ 188
Republic of Argentina:		
6.875%, 4-22-21	350	307
5.625%, 1-26-22	100	84
		579
Columbia – 1.0%		
Republic of Colombia		
4.500%, 3-15-29	200	218
Indonesia – 4.0%		
Perusahaan Listrik Negara		
5.375%, 1-25-29 (A)	200	221
Republic of Indonesia:		
3.750%, 4-25-22 (A)	250	256
2.950%, 1-11-23	400	402
		879
Mexico – 1.3%		
United Mexican States		
3.625%, 3-15-22	270	276
Panama – 1.0%		
Republic of Panama		
3.750%, 4-17-26	200	208
Qatar – 1.9%		
Qatar Government Bond:		
2.375%, 6-2-21 (A)	200	200
3.875%, 4-23-23	200	210
		410
Saudi Arabia – 1.1%		
Saudi Arabia Government Bond		
2.375%, 10-26-21 (A)	250	250
South Africa – 0.9%		
Republic of South Africa		
4.875%, 4-14-26	200	207
Turkey – 1.8%		
Turkey Government Bond:		
5.125%, 3-25-22	200	197
6.250%, 9-26-22	200	201
		398
Uruguay – 0.2%		
Republica Orient Uruguay		
4.500%, 8-14-24	50	53
TOTAL OTHER GOVERNMENT SECURITIES – 15.8%		\$3,478
(Cost: \$3,439)		

SCHEDULE OF INVESTMENTS

GLOBAL BOND (in thousands)

JUNE 30, 2019 (UNAUDITED)

UNITED STATES GOVERNMENT OBLIGATIONS		Principal	Value	SHORT-TERM SECURITIES (Continued)		Shares	Value
United States – 7.6%				Money Market Funds – 2.5%			
U.S. Treasury Bonds				Dreyfus Institutional Preferred Government Money Market Fund – Institutional Shares			
	2.250%, 11-15-25	\$450	\$ 461	2.360%, (H)(I)	552	\$	552
U.S. Treasury Notes:				TOTAL SHORT-TERM SECURITIES – 2.8%			\$ 620
	2.125%, 9-30-24	450	457	(Cost: \$620)			
	1.500%, 8-15-26	110	107	TOTAL INVESTMENT SECURITIES – 102.2%			\$ 22,411
	2.375%, 5-15-27	625	646	(Cost: \$22,067)			
			1,671	LIABILITIES, NET OF CASH AND OTHER ASSETS – (2.2)%			(472)
TOTAL UNITED STATES GOVERNMENT OBLIGATIONS – 7.6%			\$1,671	NET ASSETS – 100.0%			\$21,939
(Cost: \$1,634)							
SHORT-TERM SECURITIES							
Master Note – 0.3%							
Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps)							
	2.620%, 7-5-19 (G)	68	68				

Notes to Schedule of Investments

*Not shown due to rounding.

(A) Securities were purchased pursuant to an exemption from registration available under Rule 144A under the Securities Act of 1933 and may only be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2019 the total value of these securities amounted to \$11,538 or 52.6% of net assets.

(B) All or a portion of securities with an aggregate value of \$537 are on loan.

(C) Non-income producing as the issuer has either missed its most recent interest payment or declared bankruptcy.

(D) Principal amounts are denominated in the indicated foreign currency, where applicable (COP — Colombian Peso).

(E) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Description of the reference rate and spread, if applicable, are included in the security description.

(F) Other Government Securities may include emerging markets sovereign, quasi-sovereign, corporate and supranational agency and organization debt securities.

(G) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

(H) Rate shown is the annualized 7-day yield at June 30, 2019.

(I) Investment made with cash collateral received from securities on loan.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Common Stocks	\$ 18	\$ —	\$—
Corporate Debt Securities	—	16,624	—
Other Government Securities	—	3,478	—
United States Government Obligations	—	1,671	—
Short-Term Securities	552	68	—
Total	\$570	\$ 21,841	\$—

The following acronyms are used throughout this schedule:

GTD = Guaranteed

LIBOR = London Interbank Offered Rate

JUNE 30, 2019 (UNAUDITED)

Country Diversification

(as a % of net assets)

United States	22.8%
Mexico	7.4%
United Kingdom	6.6%
Netherlands	5.1%
Indonesia	5.0%
Argentina	4.4%
Brazil	3.4%
South Korea	3.0%
Columbia	2.9%
China	2.8%
Luxembourg	2.7%
United Arab Emirates	2.5%
Chile	2.3%
Qatar	2.1%
Austria	1.9%

Country Diversification (Continued)

India	1.8%
Turkey	1.8%
Canada	1.7%
Ireland	1.6%
Peru	1.6%
Japan	1.5%
Norway	1.4%
Cayman Islands	1.3%
Switzerland	1.2%
Saudi Arabia	1.1%
Panama	1.1%
France	1.0%
Hong Kong	1.0%
Other Countries	6.4%
Other+	0.6%

+Includes liabilities (net of cash and other assets), and cash equivalents

ALL DATA IS AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Stocks	97.7%
Financials	19.7%
Consumer Staples	16.2%
Energy	14.9%
Industrials	12.0%
Health Care	8.2%
Information Technology	7.6%
Utilities	7.5%
Communication Services	4.2%
Materials	4.1%
Consumer Discretionary	3.3%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	2.3%

Country Weightings

Europe	44.7%
United Kingdom	11.4%
France	11.2%
Netherlands	7.3%
Switzerland	5.5%
Other Europe	9.3%
North America	36.2%
United States	32.4%
Canada	3.8%
Pacific Basin	16.8%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	2.3%

Top 10 Equity Holdings

Company	Sector	Industry
Royal Dutch Shell plc, Class A	Energy	Integrated Oil & Gas
Lockheed Martin Corp.	Industrials	Aerospace & Defense
Nestle S.A., Registered Shares	Consumer Staples	Packaged Foods & Meats
Pfizer, Inc.	Health Care	Pharmaceuticals
Taiwan Semiconductor Manufacturing Co. Ltd.	Information Technology	Semiconductors
Total S.A.	Energy	Integrated Oil & Gas
AstraZeneca plc	Health Care	Pharmaceuticals
Citigroup, Inc.	Financials	Other Diversified Financial Services
Samsung Electronics Co. Ltd.	Information Technology	Technology Hardware, Storage & Peripherals
Tokio Marine Holdings, Inc.	Financials	Property & Casualty Insurance

See your advisor or www.ivyinvestments.com for more information on the Portfolio's most recently published Top 10 Equity Holdings.

+Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

SCHEDULE OF INVESTMENTS

GLOBAL EQUITY INCOME *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS	Shares	Value	COMMON STOCKS (Continued)	Shares	Value	COMMON STOCKS (Continued)	Shares	Value
Canada			Italy			Spain		
Energy – 1.6%			Utilities – 2.2%			Financials – 1.6%		
Suncor Energy, Inc.	155	\$ 4,819	ENEL S.p.A.	971	\$ 6,773	Banco Santander S.A. (A)	992	\$ 4,598
Financials – 2.2%			Total Italy – 2.2%		\$ 6,773	Total Spain – 1.6%		\$ 4,598
Bank of Montreal	88	6,617	Japan			Switzerland		
Total Canada – 3.8%		\$ 11,436	Financials – 2.7%			Consumer Staples – 3.4%		
China			Tokio Marine Holdings, Inc.	163	8,179	Nestle S.A., Registered Shares	98	10,135
Consumer Discretionary – 0.6%			Total Japan – 2.7%		\$ 8,179	Health Care – 2.1%		
Wynn Macau Ltd.	787	1,761	Macau			Roche Holdings AG, Genussscheine ..	22	6,256
Energy – 2.0%			Consumer Discretionary – 0.6%			Total Switzerland – 5.5%		\$ 16,391
CNOOC Ltd.	3,539	6,037	Sands China Ltd.	382	1,825	Taiwan		
Total China – 2.6%		\$ 7,798	Total Macau – 0.6%		\$ 1,825	Information Technology – 3.3%		
France			Netherlands			Taiwan Semiconductor Manufacturing		
Communication Services – 1.8%			Energy – 4.1%			Co. Ltd.	1,275	9,752
Orange S.A. (A)	348	5,488	Royal Dutch Shell plc, Class A	373	12,179	Total Taiwan – 3.3%		\$ 9,752
Consumer Discretionary – 1.0%			Financials – 1.2%			United Kingdom		
LVMH Moët Hennessy – Louis			ING Groep N.V., Certicaaten Van			Consumer Staples – 4.0%		
Vuitton	7	2,997	Aandelen	316	3,658	British American Tobacco plc	118	4,129
Consumer Staples – 1.2%			Industrials – 2.0%			Unilever plc	124	7,710
Danone S.A.	44	3,696	Koninklijke Philips Electronics N.V.,					11,839
Energy – 3.3%			Ordinary Shares	138	6,013	Financials – 1.4%		
Total S.A.	173	9,695	Total Netherlands – 7.3%		\$21,850	3i Group plc	302	4,273
Financials – 2.0%			Norway			Health Care – 2.8%		
BNP Paribas S.A.	127	6,009	Consumer Staples – 1.1%			AstraZeneca plc	103	8,433
Industrials – 1.9%			Mowi ASA	133	3,121	Industrials – 1.2%		
Vinci	56	5,750	Total Norway – 1.1%		\$ 3,121	BAE Systems plc	556	3,494
Total France – 11.2%		\$33,635	Russia			Materials – 2.0%		
Germany			Energy – 1.4%			Anglo American plc	208	5,929
Utilities – 1.9%			PJSC LUKOIL ADR	49	4,138	Total United Kingdom – 11.4%		\$33,968
E.ON AG	519	5,635	Total Russia – 1.4%		\$ 4,138	United States		
Total Germany – 1.9%		\$ 5,635	Singapore			Communication Services – 2.4%		
Hong Kong			Financials – 1.5%			Verizon Communications, Inc.	124	7,076
Financials – 1.9%			DBS Group Holdings Ltd.	227	4,361	Consumer Discretionary – 1.1%		
BOC Hong Kong (Holdings) Ltd.	1,462	5,756	Total Singapore – 1.5%		\$ 4,361	Home Depot, Inc. (The)	15	3,099
Utilities – 1.4%			South Korea			Consumer Staples – 6.5%		
Guangdong Investment Ltd.	2,064	4,081	Information Technology – 2.8%			Philip Morris International, Inc.	92	7,198
Total Hong Kong – 3.3%		\$ 9,837	Samsung Electronics Co. Ltd.	203	8,284	Procter & Gamble Co. (The)	65	7,083
Ireland			Total South Korea – 2.8%		\$ 8,284	Wal-Mart Stores, Inc.	47	5,210
Materials – 1.1%								19,491
CRH plc	102	3,318				Energy – 2.5%		
Total Ireland – 1.1%		\$ 3,318				Chevron Corp.	60	7,442

SCHEDULE OF INVESTMENTS

GLOBAL EQUITY INCOME *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS (Continued)	Shares	Value	COMMON STOCKS (Continued)	Shares	Value	SHORT-TERM SECURITIES (Continued)	Principal	Value
Financials – 5.2%			Utilities – 2.0%			United States Government Agency Obligations – 1.7%		
Citigroup, Inc.	120	\$ 8,372	Exelon Corp.	124	\$ 5,949	Overseas Private Investment Corp. (GTD by U.S. Government) (3-Month U.S. TB Rate) 2.400%, 7-7-19 (B)	\$5,000	\$ 5,000
JPMorgan Chase & Co.	31	3,423						
KeyCorp	200	3,556	Total United States – 32.4%		\$ 96,173			
		<u>15,351</u>				TOTAL SHORT-TERM SECURITIES – 5.0%		\$ 14,838
Health Care – 3.3%			TOTAL COMMON STOCKS – 97.7%		\$291,072	(Cost: \$14,838)		
Pfizer, Inc.	226	9,803	(Cost: \$288,918)			TOTAL INVESTMENT SECURITIES – 102.7%		\$305,910
		<u>9,803</u>	SHORT-TERM SECURITIES	Principal		(Cost: \$303,756)		
Industrials – 6.9%			Master Note – 0.7%			LIABILITIES, NET OF CASH AND OTHER ASSETS – (2.7)%		(7,898)
Boeing Co. (The)	9	3,112	Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps) 2.620%, 7-5-19 (B)	\$2,064	<u>2,064</u>	NET ASSETS – 100.0%		\$298,012
Caterpillar, Inc.	24	3,216						
Eaton Corp.	42	3,494	Shares					
Lockheed Martin Corp.	29	10,488						
		<u>20,310</u>	Money Market Funds – 2.6%					
Information Technology – 1.5%			Dreyfus Institutional Preferred Government Money Market Fund – Institutional Shares 2.360%, (C)(D)	7,774	<u>7,774</u>			
Intel Corp.	97	4,624						
		<u>4,624</u>						
Materials – 1.0%								
Eastman Chemical Co.	39	3,028						
		<u>3,028</u>						

Notes to Schedule of Investments

(A) All or a portion of securities with an aggregate value of \$4,037 are on loan.

(B) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

(C) Rate shown is the annualized 7-day yield at June 30, 2019.

(D) Investment made with cash collateral received from securities on loan.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Common Stocks			
Communication Services	\$ 7,076	\$ 5,488	\$—
Consumer Discretionary	3,099	6,583	—
Consumer Staples	19,491	28,791	—
Energy	12,261	32,049	—
Financials	21,968	36,834	—
Health Care	9,803	14,689	—
Industrials	20,310	15,257	—
Information Technology	4,624	18,036	—
Materials	3,028	9,247	—
Utilities	5,949	16,489	—
Total Common Stocks	\$107,609	\$183,463	\$—
Short-Term Securities	7,774	7,064	—
Total	\$ 115,383	\$190,527	\$—

The following acronyms are used throughout this schedule:

ADR = American Depositary Receipts
LIBOR = London Interbank Offered Rate
TB = Treasury Bill

JUNE 30, 2019 (UNAUDITED)

Market Sector Diversification

(as a % of net assets)

Financials	19.7%
Consumer Staples	16.2%
Energy	14.9%
Industrials	12.0%
Health Care	8.2%
Information Technology	7.6%
Utilities	7.5%
Communication Services	4.2%
Materials	4.1%
Consumer Discretionary	3.3%
Other+	2.3%

+ Includes liabilities (net of cash and other assets), and cash equivalents

ALL DATA IS AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Stocks	96.8%
Information Technology	19.5%
Financials	18.9%
Consumer Discretionary	16.3%
Industrials	14.9%
Health Care	9.6%
Consumer Staples	8.6%
Energy	4.7%
Communication Services	4.3%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	3.2%

Country Weightings

North America	52.1%
United States	48.8%
Other North America	3.3%
Europe	31.2%
France	11.2%
United Kingdom	7.5%
Netherlands	5.6%
Other Europe	6.9%
Pacific Basin	13.5%
China	4.9%
Other Pacific Basin	8.6%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	3.2%

Top 10 Equity Holdings

Company	Country	Sector	Industry
Airbus SE	France	Industrials	Aerospace & Defense
Amazon.com, Inc.	United States	Consumer Discretionary	Internet & Direct Marketing Retail
CME Group, Inc.	United States	Financials	Financial Exchanges & Data
Microsoft Corp.	United States	Information Technology	Systems Software
Visa, Inc., Class A	United States	Information Technology	Data Processing & Outsourced Services
Dollar General Corp.	United States	Consumer Discretionary	General Merchandise Stores
Thermo Fisher Scientific, Inc.	United States	Health Care	Life Sciences Tools & Services
Ping An Insurance (Group) Co. of China Ltd., H Shares	China	Financials	Life & Health Insurance
Prudential plc	United Kingdom	Financials	Life & Health Insurance
Ferrari N.V.	Italy	Consumer Discretionary	Automobile Manufacturers

See your advisor or www.ivyinvestments.com for more information on the Portfolio's most recently published Top 10 Equity Holdings.

+Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

SCHEDULE OF INVESTMENTS

GLOBAL GROWTH *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS	Shares	Value	COMMON STOCKS (Continued)	Shares	Value	COMMON STOCKS (Continued)	Shares	Value
Canada			Financials – 2.4%			Taiwan		
Consumer Staples – 2.2%			AIA Group Ltd.	328	\$ 3,544	Information Technology – 0.9%		
Alimentation Couche-Tard, Inc., Class B	52	\$ 3,247	Total Hong Kong – 3.3%		\$4,829	Taiwan Semiconductor Manufacturing Co. Ltd. ADR	36	\$ 1,412
Energy – 1.1%			India			Total Taiwan – 0.9%		\$ 1,412
Canadian Natural Resources Ltd.	60	1,606	Financials – 1.2%			United Kingdom		
Total Canada – 3.3%		\$ 4,853	HDFC Bank Ltd.	49	1,722	Consumer Discretionary – 1.2%		
China			Total India – 1.2%		\$ 1,722	Compass Group plc	77	1,843
Communication Services – 1.2%			Italy			Consumer Staples – 3.8%		
Tencent Holdings Ltd.	34	1,534	Consumer Discretionary – 2.5%			British American Tobacco plc	43	1,507
Tencent Music Entertainment Group ADR(A)(B)	17	250	Ferrari N.V.	23	3,651	Diageo plc	50	2,134
		1,784	Total Italy – 2.5%		\$ 3,651	Imperial Tobacco Group plc	86	2,008
Consumer Discretionary – 1.1%			Japan					5,649
Alibaba Group Holding Ltd. ADR (A)	10	1,698	Consumer Discretionary – 0.8%			Financials – 2.5%		
Financials – 2.6%			Isuzu Motors Ltd.	109	1,242	Prudential plc	169	3,682
Ping An Insurance (Group) Co. of China Ltd., H Shares	326	3,920	Industrials – 2.4%			Total United Kingdom – 7.5%		\$ 11,174
Total China – 4.9%		\$ 7,402	Dakin Industries Ltd.	7	956	United States		
France			Recruit Holdings Co. Ltd.	81	2,712	Communication Services – 1.2%		
Communication Services – 1.9%					3,668	Facebook, Inc., Class A (A)	9	1,825
Ubisoft Entertainment S.A. (A)	36	2,787	Total Japan – 3.2%		\$ 4,910	Consumer Discretionary – 9.2%		
Consumer Discretionary – 0.6%			Netherlands			Amazon.com, Inc. (A)	4	7,243
LVMH Moët Hennessy – Louis Vuitton	2	850	Consumer Staples – 1.4%			Dollar General Corp.	37	5,040
Energy – 1.9%			Heineken N.V.	19	2,160	Home Depot, Inc. (The)	6	1,326
Total S.A. ADR	49	2,719	Energy – 1.0%					13,609
Industrials – 6.8%			Royal Dutch Shell plc, Class B	47	1,530	Energy – 0.7%		
Airbus SE	55	7,781	Health Care – 1.1%			ConocoPhillips	11	661
Schneider Electric S.A.	26	2,360	Qiagen N.V. (A)	38	1,552	Schlumberger Ltd.	10	408
		10,141	Industrials – 1.6%					1,069
Total France – 11.2%		\$16,497	Koninklijke Philips Electronics N.V., Ordinary Shares	53	2,297	Financials – 9.1%		
Germany			Information Technology – 0.5%			CME Group, Inc.	28	5,447
Financials – 1.1%			ASML Holding N.V., NY Registry Shares	4	848	Fidelity National Information Services, Inc.	19	2,387
Deutsche Boerse AG	12	1,660	Total Netherlands – 5.6%		\$8,387	Goldman Sachs Group, Inc. (The)	9	1,855
Information Technology – 1.1%			Switzerland			KeyCorp	115	2,045
Infineon Technologies AG	88	1,565	Consumer Staples – 1.2%			SVB Financial Group (A)	8	1,709
Total Germany – 2.2%		\$ 3,225	Nestle S.A., Registered Shares	17	1,722			13,443
Hong Kong			Industrials – 1.0%			Health Care – 8.5%		
Consumer Discretionary – 0.9%			Ferguson plc	20	1,429	Abbott Laboratories	35	2,903
Galaxy Entertainment Group	191	1,285	Total Switzerland – 2.2%		\$ 3,151	HCA Holdings, Inc.	13	1,730
						Johnson & Johnson	26	3,616
						Thermo Fisher Scientific, Inc.	14	4,073
						UnitedHealth Group, Inc.	1	293
								12,615
						Industrials – 3.1%		
						Eaton Corp.	22	1,791
						Lyft, Inc., Class A(A)(B)	7	465
						Northrop Grumman Corp.	7	2,304
								4,560

JUNE 30, 2019 (UNAUDITED)

Market Sector Diversification

(as a % of net assets)

Information Technology	19.5%
Financials	18.9%
Consumer Discretionary	16.3%
Industrials	14.9%
Health Care	9.6%
Consumer Staples	8.6%
Energy	4.7%
Communication Services	4.3%
Other+	3.2%

+Includes liabilities (net of cash and other assets), and cash equivalents

ALL DATA IS AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Bonds	93.6%
United States Government and Government Agency Obligations	60.0%
Corporate Debt Securities	31.5%
Mortgage-Backed Securities	0.8%
Municipal Bonds — Taxable	0.7%
Asset-Backed Securities	0.6%
Cash and Other Assets (Net of Liabilities), and Cash Equivalents+	6.4%

Quality Weightings

Investment Grade	90.4%
AAA	41.5%
AA	11.9%
A	11.7%
BBB	25.3%
Non-Investment Grade	3.2%
BB	1.0%
Non-rated	2.2%
Cash and Other Assets (Net of Liabilities), and Cash Equivalents+	6.4%

Our preference is to always use ratings obtained from Standard & Poor's, Moody's, and Fitch. It is each Portfolio's general policy to classify such security at the lower rating level if only two ratings are available. If more than two ratings are available and a median exists, the median is used. If more than two ratings exist without a median, the lower of the two middle ratings is used. We do not evaluate these ratings, but simply assign them to the appropriate credit quality category as determined by the rating agency.

+Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

SCHEDULE OF INVESTMENTS

LIMITED-TERM BOND *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

ASSET-BACKED SECURITIES	Principal	Value
American Airlines Class AA Pass Through Certificates, Series 2016-2, 3.200%, 6-15-28	\$ 877	\$ 884
SBA Tower Trust, Series 2016-1 (GTD by SBA Guarantor LLC and SBA Holdings LLC), 2.877%, 7-9-21 (A)	2,100	2,104
TOTAL ASSET-BACKED SECURITIES – 0.6%		\$2,988
(Cost: \$2,974)		

CORPORATE DEBT SECURITIES	Principal	Value
Communication Services		
Cable & Satellite – 0.6%		
Comcast Corp. (GTD by Comcast Cable Communications and NBCUniversal), 3.700%, 4-15-24	2,000	2,122
DIRECTV Holdings LLC and DIRECTV Financing Co., Inc., 4.450%, 4-1-24	1,190	1,262
		<u>3,384</u>
Integrated Telecommunication Services – 0.2%		
Verizon Communications, Inc., 3.376%, 2-15-25	1,250	1,304
Wireless Telecommunication Service – 0.4%		
Crown Castle Towers LLC:		
3.222%, 5-15-22 (A)	1,000	1,011
3.663%, 5-15-25 (A)	950	986
		<u>1,997</u>
Total Communication Services – 1.2%		6,685

Consumer Discretionary		
Auto Parts & Equipment – 0.4%		
BorgWarner Automotive, Inc., 8.000%, 10-1-19	2,000	2,022
Automobile Manufacturers – 0.4%		
BMW U.S. Capital LLC, 2.150%, 4-6-20 (A)(B)	2,000	1,997
General Merchandise Stores – 1.1%		
Dollar General Corp., 3.250%, 4-15-23	2,640	2,711
Family Dollar Stores, Inc., 5.000%, 2-1-21	3,500	3,614
		<u>6,325</u>
Hotels, Resorts & Cruise Lines – 0.3%		
Marriott International, Inc., Series Q, 2.300%, 1-15-22	1,500	1,495

CORPORATE DEBT SECURITIES (Continued)	Principal	Value
Internet & Direct Marketing Retail – 0.4%		
Alibaba Group Holding Ltd., 2.800%, 6-6-23	\$2,500	\$ 2,527
Total Consumer Discretionary – 2.6%		14,366

Consumer Staples		
Brewers – 0.1%		
Molson Coors Brewing Co., 2.250%, 3-15-20	750	748
Distillers & Vintners – 0.8%		
Constellation Brands, Inc.:		
2.250%, 11-6-20	3,000	2,995
3.200%, 2-15-23	1,500	1,533
		<u>4,528</u>

Drug Retail – 0.4%		
CVS Health Corp.:		
3.500%, 7-20-22	1,425	1,464
2.750%, 12-1-22	530	531
		<u>1,995</u>

Packaged Foods & Meats – 0.5%		
Smithfield Foods, Inc., 2.700%, 1-31-20 (A)	2,800	2,794

Tobacco – 0.9%		
Altria Group, Inc. (GTD by Philip Morris USA, Inc.), 3.490%, 2-14-22	955	982
B.A.T Capital Corp., 2.297%, 8-14-20	3,845	3,836
		<u>4,818</u>

Total Consumer Staples – 2.7%		14,883
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Energy		
Oil & Gas Equipment & Services – 0.5%		
Enterprise Products Operating LLC (GTD by Enterprise Products Partners L.P.):		
2.800%, 2-15-21	800	805
3.500%, 2-1-22	2,000	2,053
		<u>2,858</u>

Oil & Gas Exploration & Production – 0.4%		
Aker BP ASA, 6.000%, 7-1-22 (A)	1,000	1,030
Exxon Mobil Corp., 2.397%, 3-6-22	1,000	1,008
		<u>2,038</u>

Oil & Gas Storage & Transportation – 2.6%		
Enbridge, Inc., 2.900%, 7-15-22	2,470	2,505
Energy Transfer Partners L.P., 4.150%, 10-1-20	3,860	3,926
EQT Midstream Partners L.P., 4.750%, 7-15-23	1,500	1,555

CORPORATE DEBT SECURITIES (Continued)	Principal	Value
Oil & Gas Storage & Transportation (Continued)		
Kinder Morgan Energy Partners L.P.:		
3.500%, 3-1-21	\$1,000	\$ 1,015
3.450%, 2-15-23	1,646	1,691
Midwest Connector Capital Co. LLC, 3.625%, 4-1-22 (A)	1,000	1,024
Plains All American Pipeline L.P. and PAA Finance Corp., 3.850%, 10-15-23	1,800	1,859
Sunoco Logistics Partners Operations L.P. (GTD by Sunoco Logistics Partners L.P.), 4.400%, 4-1-21	800	823
		<u>14,398</u>
Total Energy – 3.5%		19,294

Financials		
Consumer Finance – 2.2%		
Ally Financial, Inc.:		
4.125%, 3-30-20	1,432	1,446
4.125%, 2-13-22	1,250	1,281
Discover Bank:		
3.100%, 6-4-20	2,500	2,512
3.350%, 2-6-23	1,580	1,616
Ford Motor Credit Co. LLC:		
2.681%, 1-9-20	1,000	999
2.459%, 3-27-20	3,066	3,057
General Motors Financial Co., Inc. (GTD by AmeriCredit Financial Services, Inc.), 3.200%, 7-6-21	1,000	1,009
		<u>11,920</u>

Diversified Banks – 5.1%		
Bank of America Corp.:		
4.100%, 7-24-23	1,983	2,115
4.000%, 4-1-24	1,500	1,598
BB&T Corp., 3.050%, 6-20-22	2,100	2,146
Citizens Bank N.A., 3.250%, 2-14-22	1,200	1,223
Huntington Bancshares, Inc., 4.000%, 5-15-25	2,250	2,398
ING Groep N.V., 3.550%, 4-9-24	1,000	1,034
Korea Development Bank, 3.250%, 2-19-24	750	778
Mitsubishi UFJ Financial Group, Inc.:		
3.535%, 7-26-21	1,450	1,482
2.998%, 2-22-22	500	508
Mizuho Financial Group, Inc., 2.953%, 2-28-22	2,100	2,123
Northern Trust Corp., 2.375%, 8-2-22	2,269	2,290
Royal Bank of Canada, 2.350%, 10-30-20	5,000	5,009
Synchrony Bank, 3.000%, 6-15-22	1,500	1,511
U.S. Bancorp, 5.125%, 1-15-67	3,580	3,666
		<u>27,881</u>

SCHEDULE OF INVESTMENTS

LIMITED-TERM BOND *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

CORPORATE DEBT SECURITIES

(Continued)	Principal	Value
Investment Banking & Brokerage – 1.9%		
E*TRADE Financial Corp., 2.950%, 8-24-22	\$ 1,580	\$ 1,595
Goldman Sachs Group, Inc. (The):		
3.500%, 1-23-25	2,500	2,585
5.700%, 12-29-49	1,500	1,498
Morgan Stanley,		
4.875%, 11-1-22	4,050	4,336
Morgan Stanley (3-Month U.S. LIBOR plus 110 bps), 3.622%, 5-31-23(C)	300	305
		<u>10,319</u>
Life & Health Insurance – 0.2%		
Athene Global Funding, 2.750%, 4-20-20(A)	1,000	1,002
Other Diversified Financial Services – 1.2%		
Citigroup, Inc.:		
2.700%, 3-30-21	1,000	1,005
2.750%, 4-25-22	2,000	2,019
JPMorgan Chase & Co.:		
2.972%, 1-15-23	1,500	1,520
3.125%, 1-23-25	1,359	1,396
3.000%, 2-27-30(D)	850	839
		<u>6,779</u>
Property & Casualty Insurance – 0.5%		
ACE INA Holdings, Inc. (GTD by ACE Ltd.), 2.300%, 11-3-20	2,543	2,544
Regional Banks – 1.3%		
PNC Bank N.A., 2.550%, 12-9-21	1,000	1,008
PNC Financial Services Group, Inc. (The), 3.500%, 1-23-24	3,674	3,868
SunTrust Banks, Inc., 3.200%, 4-1-24	2,100	2,165
		<u>7,041</u>
Specialized Finance – 0.1%		
Syngenta Finance N.V., 3.698%, 4-24-20(A)	750	755
Total Financials – 12.5%		68,241
Health Care		
Biotechnology – 0.2%		
Amgen, Inc., 2.200%, 5-11-20	1,000	998
Health Care Equipment – 0.4%		
Becton Dickinson & Co., 2.894%, 6-6-22	1,900	1,924
Managed Health Care – 0.5%		
Halfmoon Parent, Inc., 3.200%, 9-17-20(A)	2,500	2,523

CORPORATE DEBT SECURITIES

(Continued)	Principal	Value
Pharmaceuticals – 0.4%		
Zoetis, Inc., 3.250%, 2-1-23	\$ 2,415	\$ 2,464
Total Health Care – 1.5%		7,909
Industrials		
Aerospace & Defense – 0.3%		
BAE Systems plc, 4.750%, 10-11-21(A)	1,170	1,225
Northrop Grumman Corp., 3.250%, 8-1-23	680	703
		<u>1,928</u>
Airlines – 0.8%		
Aviation Capital Group Corp.:		
6.750%, 4-6-21(A)	1,500	1,601
2.875%, 1-20-22(A)	1,000	1,007
Delta Air Lines, Inc., 3.400%, 4-19-21	1,800	1,827
		<u>4,435</u>
Environmental & Facilities Services – 0.2%		
Waste Management, Inc. (GTD by Waste Management Holdings, Inc.), 2.400%, 5-15-23	988	991
Industrial Conglomerates – 0.2%		
General Electric Capital Corp., 5.012%, 1-1-24	849	866
Total Industrials – 1.5%		8,220
Information Technology		
Communications Equipment – 0.4%		
L-3 Communications Corp., 3.950%, 5-28-24	2,000	2,081
IT Consulting & Other Services – 0.3%		
International Business Machines Corp.:		
2.800%, 5-13-21	1,500	1,518
2.850%, 5-13-22	300	305
		<u>1,823</u>
Semiconductors – 0.4%		
Broadcom Corp. and Broadcom Cayman Finance Ltd. (GTD by Broadcom Ltd.), 2.375%, 1-15-20	2,250	2,246
Systems Software – 0.6%		
CA, Inc., 5.375%, 12-1-19	1,500	1,513
Microsoft Corp., 2.875%, 2-6-24	1,750	1,813
		<u>3,326</u>
Total Information Technology – 1.7%		9,476

CORPORATE DEBT SECURITIES

(Continued)	Principal	Value
Materials		
Specialty Chemicals – 0.8%		
Methanex Corp., 3.250%, 12-15-19	\$ 4,500	\$ 4,505
Total Materials – 0.8%		4,505
Real Estate		
Specialized REITs – 1.5%		
American Tower Corp.:		
3.300%, 2-15-21	2,000	2,024
5.900%, 11-1-21	800	861
2.250%, 1-15-22	590	587
3.070%, 3-15-23(A)	2,835	2,880
Crown Castle International Corp.:		
2.250%, 9-1-21	500	498
4.875%, 4-15-22	1,000	1,063
		<u>7,913</u>
Total Real Estate – 1.5%		7,913
Utilities		
Electric Utilities – 2.0%		
CenterPoint Energy, Inc., 2.500%, 9-1-22	3,000	3,009
Duke Energy Carolinas LLC, 2.500%, 3-15-23	2,500	2,522
Entergy Texas, Inc., 2.550%, 6-1-21	1,275	1,273
MidAmerican Energy Co., 3.700%, 9-15-23	1,045	1,099
National Rural Utilities Cooperative Finance Corp., 2.400%, 4-25-22	2,000	2,013
Virginia Electric and Power Co., Series C, 2.750%, 3-15-23	1,000	1,014
		<u>10,930</u>
Total Utilities – 2.0%		10,930
TOTAL CORPORATE DEBT SECURITIES – 31.5%		\$172,422
(Cost: \$170,035)		
MORTGAGE-BACKED SECURITIES		
Commercial Mortgage-Backed Securities – 0.1%		
Bear Stearns Deutsche Bank Trust, Commercial Mortgage Pass- Through Certificates, Series 2005-AFR1, Class C, 5.097%, 9-15-27(A)	640	643

SCHEDULE OF INVESTMENTS

LIMITED-TERM BOND *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

MORTGAGE-BACKED SECURITIES (Continued)

	Principal	Value
Non-Agency REMIC/CMO – 0.7%		
JPMorgan Chase Commercial Mortgage Securities Trust, Commercial Mortgage Pass-Through Certificates, Series 2014-FRR1, 4.286%, 11-27-49 (A)	\$ 3,700	\$ 3,695

TOTAL MORTGAGE-BACKED SECURITIES – 0.8%

(Cost: \$4,354)

MUNICIPAL BONDS – TAXABLE

California – 0.7%		
CA Various Purp GO Bonds, 7.700%, 11-1-30	3,355	3,598

TOTAL MUNICIPAL BONDS – TAXABLE – 0.7%

(Cost: \$3,612)

UNITED STATES GOVERNMENT AGENCY OBLIGATIONS

Agency Obligations – 0.8%		
Federal Home Loan Bank, 2.250%, 7-21-31	1,640	1,629
U.S. Department of Transportation, 6.001%, 12-7-21 (A)	2,500	2,737
		<u>4,366</u>

Mortgage-Backed Obligations – 12.3%

Federal Home Loan Mortgage Corp. Agency REMIC/CMO (1-Month U.S. LIBOR plus 185 bps), 4.281%, 8-25-25 (A)(C)	2,778	2,743
Federal Home Loan Mortgage Corp. Agency REMIC/CMO (1-Month U.S. LIBOR plus 250 bps), 4.931%, 11-25-24 (A)(C)	693	694
Federal Home Loan Mortgage Corp. Agency REMIC/CMO (1-Month U.S. LIBOR plus 255 bps), 4.981%, 6-25-27 (A)(C)	915	926
Federal Home Loan Mortgage Corp. Agency REMIC/CMO (1-Month U.S. LIBOR plus 435 bps), 6.781%, 11-25-21 (A)(C)	2,923	2,992
Federal Home Loan Mortgage Corp. Agency REMIC/CMO (3-Year U.S. Treasury index plus 315 bps), 4.781%, 11-25-49 (A)(C)	2,120	2,170

UNITED STATES GOVERNMENT AGENCY OBLIGATIONS (Continued)

	Principal	Value
Mortgage-Backed Obligations (Continued)		
Federal Home Loan Mortgage Corp. Agency REMIC/CMO (Mortgage spread to 1-Month U.S. LIBOR):		
5.681%, 6-25-21 (A)(C)	\$ 593	\$ 595
6.431%, 9-25-22 (A)(C)	359	363

Federal Home Loan Mortgage Corp. Agency REMIC/CMO (Mortgage spread to 2-year U.S. Treasury index), 3.753%, 11-25-47 (A)(C)	1,500	1,525
Federal Home Loan Mortgage Corp. Agency REMIC/CMO (Mortgage spread to 3-year U.S. Treasury index):		
5.687%, 4-25-20 (A)(C)	880	897
3.506%, 7-25-22 (A)(C)	1,720	1,757
4.113%, 2-25-46 (A)(C)	70	71
3.743%, 7-25-46 (A)(C)	2,000	2,040
3.681%, 11-25-47 (A)(C)	5,000	5,079

Federal Home Loan Mortgage Corp. Agency REMIC/CMO (Mortgage spread to 5-year U.S. Treasury index):		
3.599%, 11-25-23 (A)(C)	600	597
3.701%, 11-25-23 (A)(C)	10,870	10,993
4.479%, 12-25-44 (A)(C)	6,047	6,319
4.006%, 5-25-45 (A)(C)	600	623
3.669%, 6-25-45 (A)(C)	1,000	1,027
4.765%, 11-25-46 (A)(C)	1,557	1,630
3.681%, 11-25-47 (A)(C)	2,724	2,792
3.660%, 2-25-48 (A)(C)	1,000	1,027
4.012%, 2-25-50 (A)(C)	2,014	2,081

Federal Home Loan Mortgage Corp. Agency REMIC/CMO (Mortgage spread to 7-year U.S. Treasury index):		
4.194%, 5-25-25 (A)(C)	225	234
3.762%, 8-25-48 (A)(C)	1,000	989
3.908%, 10-25-48 (A)(C)	1,125	1,164
3.800%, 11-25-49 (A)(C)	1,900	1,946
3.764%, 11-25-50 (A)(C)	2,800	2,864

Federal Home Loan Mortgage Corp. Fixed Rate Participation Certificates:		
3.000%, 9-1-28	2,057	2,099
4.500%, 8-1-30	568	605
2.500%, 5-15-44	584	588

Federal National Mortgage Association Agency REMIC/CMO, 2.000%, 6-25-39	1,696	1,695
Federal National Mortgage Association Fixed Rate Pass-Through Certificates:		
2.210%, 10-1-19	2,173	2,172
4.646%, 7-1-20	521	529
3.680%, 2-1-21	488	492
4.381%, 6-1-21	866	895
2.000%, 10-25-41	1,458	1,444

UNITED STATES GOVERNMENT AGENCY OBLIGATIONS (Continued)

	Principal	Value
Mortgage-Backed Obligations (Continued)		
Government National Mortgage Association Agency REMIC/CMO, 2.000%, 3-16-42	\$ 798	\$ 792
		<u>67,449</u>

TOTAL UNITED STATES GOVERNMENT AGENCY OBLIGATIONS – 13.1%

(Cost: \$71,036)

UNITED STATES GOVERNMENT OBLIGATIONS

Treasury Obligations – 46.9%		
U.S. Treasury Notes:		
2.500%, 5-31-20	10,000	10,044
2.125%, 8-31-20	1,000	1,002
2.625%, 8-31-20	2,000	2,016
2.750%, 9-30-20	1,000	1,010
1.750%, 10-31-20	25,000	24,955
2.875%, 10-31-20	11,300	11,447
2.625%, 11-15-20	10,000	10,102
2.500%, 1-31-21	10,300	10,406
2.500%, 2-28-21	1,000	1,011
2.625%, 5-15-21	21,500	21,827
2.750%, 9-15-21	1,000	1,022
2.875%, 10-15-21	18,400	18,861
2.000%, 12-31-21	8,000	8,052
2.125%, 12-31-21	16,000	16,149
1.875%, 2-28-22	15,000	15,051
1.750%, 4-30-22	13,000	13,007
1.750%, 5-31-22	2,750	2,751
2.000%, 7-31-22	24,000	24,191
2.125%, 12-31-22	11,000	11,146
2.375%, 1-31-23	10,000	10,220
2.500%, 3-31-23	5,850	6,011
2.750%, 4-30-23	8,000	8,297
2.875%, 9-30-23	4,000	4,183
2.875%, 10-31-23	1,500	1,570
2.500%, 1-31-24	11,250	11,614
2.125%, 2-29-24	500	508
2.500%, 5-15-24	10,000	10,338
		<u>256,791</u>

TOTAL UNITED STATES GOVERNMENT OBLIGATIONS – 46.9%

(Cost: \$251,563)

SHORT-TERM SECURITIES

Commercial Paper(E) – 5.2%		
AT&T, Inc., 2.710%, 9-27-19	6,000	5,960
Energy Transfer L.P., 2.951%, 7-1-19	13,000	12,997
Sherwin-Williams Co. (The), 2.736%, 7-1-19	4,500	4,499
Walgreens Boots Alliance, Inc., 2.584%, 7-9-19	5,000	4,996
		<u>28,452</u>

SCHEDULE OF INVESTMENTS

LIMITED-TERM BOND *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

SHORT-TERM SECURITIES

(Continued)	Principal	Value
Master Note – 0.6%		
Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps), 2.620%, 7-5-19(F)	\$ 3,495	\$ 3,494
	Shares	
Money Market Funds – 0.1%		
Dreyfus Institutional Preferred Government Money Market Fund – Institutional Shares, 2.360%, (G)(H)	309	309
TOTAL SHORT-TERM SECURITIES – 5.9%		\$ 32,255
(Cost: \$32,260)		
TOTAL INVESTMENT SECURITIES – 99.5%		\$544,207
(Cost: \$535,834)		
CASH AND OTHER ASSETS, NET OF LIABILITIES – 0.5%		2,809
NET ASSETS – 100.0%		\$ 547,016

Notes to Schedule of Investments

- (A) Securities were purchased pursuant to an exemption from registration available under Rule 144A under the Securities Act of 1933 and may only be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2019 the total value of these securities amounted to \$85,152 or 15.6% of net assets.
- (B) All or a portion of securities with an aggregate value of \$301 are on loan.
- (C) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Description of the reference rate and spread, if applicable, are included in the security description.
- (D) Step bond that pays an initial coupon rate for the first period and then a higher or lower coupon rate for the following periods. Interest rate disclosed is that which is in effect at June 30, 2019.
- (E) Rate shown is the yield to maturity at June 30, 2019.
- (F) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.
- (G) Investment made with cash collateral received from securities on loan.
- (H) Rate shown is the annualized 7-day yield at June 30, 2019.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Asset-Backed Securities	\$ —	\$ 2,988	\$—
Corporate Debt Securities	—	172,422	—
Mortgage-Backed Securities	—	4,338	—
Municipal Bonds	—	3,598	—
United States Government Agency Obligations	—	71,815	—
United States Government Obligations	—	256,791	—
Short-Term Securities	309	31,946	—
Total	\$309	\$543,898	\$—

The following acronyms are used throughout this schedule:

- CMO = Collateralized Mortgage Obligation
 GTD = Guaranteed
 LIBOR = London Interbank Offered Rate
 REIT = Real Estate Investment Trust
 REMIC = Real Estate Mortgage Investment Conduit

See Accompanying Notes to Financial Statements.

ALL DATA IS AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Stocks	98.9%
Real Estate	98.9%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	1.1%

Top 10 Equity Holdings

Company	Sector	Industry
Equinix, Inc.	Real Estate	Specialized REITs
AvalonBay Communities, Inc.	Real Estate	Residential REITs
ProLogis, Inc.	Real Estate	Industrial REITs
Boston Properties, Inc.	Real Estate	Office REITs
Simon Property Group, Inc.	Real Estate	Retail REITs
Digital Realty Trust, Inc.	Real Estate	Specialized REITs
Duke Realty Corp.	Real Estate	Industrial REITs
Alexandria Real Estate Equities, Inc.	Real Estate	Office REITs
Sun Communities, Inc.	Real Estate	Residential REITs
HCP, Inc.	Real Estate	Health Care REITs

See your advisor or www.ivyinvestments.com for more information on the Portfolio's most recently published Top 10 Equity Holdings.

+Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

SCHEDULE OF INVESTMENTS

SECURIAN REAL ESTATE SECURITIES *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS	Shares	Value	COMMON STOCKS (Continued)	Shares	Value
Real Estate			Specialized REITs – 19.8%		
Diversified REITs – 3.9%			CubeSmart	6	\$ 187
Liberty Property Trust	11	\$ 571	Digital Realty Trust, Inc.	12	1,366
STORE Capital Corp.	25	836	Equinix, Inc.	4	2,166
		<u>1,407</u>	Extra Space Storage, Inc.	6	626
			Four Corners Property Trust, Inc.	20	533
Health Care REITs – 11.4%			Public Storage, Inc.	3	810
HCP, Inc.	36	1,139	QTS Realty Trust, Inc., Class A	11	508
Healthcare Trust of America, Inc., Class A	23	634	VICI Properties, Inc.	46	1,014
Physicians Realty Trust	23	401			<u>7,210</u>
Ventas, Inc.	12	847			
Welltower, Inc.	14	1,125			
		<u>4,146</u>	Total Real Estate – 98.9%		35,898
Hotel & Resort REITs – 4.3%			TOTAL COMMON STOCKS – 98.9%		\$35,898
Host Hotels & Resorts, Inc.	56	1,026	(Cost: \$34,151)		
Pebblebrook Hotel Trust	14	386			
Sunstone Hotel Investors, Inc.	10	137			
		<u>1,549</u>	SHORT-TERM SECURITIES	Principal	
			Master Note – 1.2%		
Industrial REITs – 8.3%			Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps), 2.620%, 7-5-19(C)	\$450	450
Duke Realty Corp.	43	1,353			
ProLogis, Inc.	21	1,652			
		<u>3,005</u>	TOTAL SHORT-TERM SECURITIES – 1.2%		\$ 450
			(Cost: \$450)		
Office REITs – 13.9%			TOTAL INVESTMENT SECURITIES – 100.1%		\$36,348
Alexandria Real Estate Equities, Inc.	9	1,206	(Cost: \$34,601)		
Boston Properties, Inc.	12	1,509	LIABILITIES, NET OF CASH AND OTHER		
Cousins Properties, Inc.(A)(B)	4	153	ASSETS – (0.1%)		(51)
Douglas Emmett, Inc.	17	685			
Highwoods Properties, Inc.	14	591	NET ASSETS – 100.0%		\$36,297
Kilroy Realty Corp.	10	723			
SL Green Realty Corp.	2	185			
		<u>5,052</u>			
Residential REITs – 25.3%					
American Homes 4 Rent(B)	25	610			
Apartment Investment and Management Co., Class A	12	621			
AvalonBay Communities, Inc.	10	1,943			
Camden Property Trust	9	898			
Equity Lifestyle Properties, Inc.	2	182			
Equity Residential	13	988			
Essex Property Trust, Inc.	4	1,096			
Invitation Homes, Inc.	33	874			
Sun Communities, Inc.	9	1,192			
UDR, Inc.	17	772			
		<u>9,176</u>			
Retail REITs – 12.0%					
Agree Realty Corp.	9	564			
Macerich Co. (The)	14	469			
National Retail Properties, Inc.	6	292			
Realty Income Corp.	8	579			
Regency Centers Corp.	8	552			
Simon Property Group, Inc.	9	1,491			
Weingarten Realty Investors	15	406			
		<u>4,353</u>			

JUNE 30, 2019 (UNAUDITED)

Notes to Schedule of Investments

(A) No dividends were paid during the preceding 12 months.

(B) Listed on an exchange outside the United States.

(C) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Common Stocks	\$35,898	\$ —	\$—
Short-Term Securities	—	450	—
Total	\$35,898	\$450	\$—

The following acronyms are used throughout this schedule:

LIBOR = London Interbank Offered Rate

REIT = Real Estate Investment Trust

ALL DATA AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Stocks	95.6%
Financials	26.7%
Consumer Staples	11.4%
Information Technology	9.8%
Energy	9.5%
Health Care	9.3%
Communication Services	7.2%
Consumer Discretionary	6.0%
Industrials	5.4%
Materials	4.3%
Utilities	3.1%
Real Estate	2.9%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	4.4%

Top 10 Equity Holdings

Company	Sector	Industry
Wal-Mart Stores, Inc.	Consumer Staples	Hypermarkets & Super Centers
Citigroup, Inc.	Financials	Other Diversified Financial Services
Bank of America Corp.	Financials	Diversified Banks
Comcast Corp., Class A	Communication Services	Cable & Satellite
Pfizer, Inc.	Health Care	Pharmaceuticals
Broadcom Corp., Class A	Information Technology	Semiconductors
Phillips 66	Energy	Oil & Gas Refining & Marketing
Philip Morris International, Inc.	Consumer Staples	Tobacco
MetLife, Inc.	Financials	Life & Health Insurance
CVS Caremark Corp.	Consumer Staples	Drug Retail

See your advisor or www.ivyinvestments.com for more information on the Portfolio's most recently published Top 10 Equity Holdings.

+Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

SCHEDULE OF INVESTMENTS

VALUE (in thousands)

JUNE 30, 2019 (UNAUDITED)

COMMON STOCKS	Shares	Value	COMMON STOCKS (Continued)	Shares	Value	COMMON STOCKS (Continued)	Shares	Value
Communication Services			Mortgage REITs – 4.9%			Diversified Metals & Mining – 2.1%		
Advertising – 2.8%			AGNC Investment Corp.	841	\$ 14,139	BHP Billiton Ltd. ADR (B)	177	\$ 10,280
Omnicom Group, Inc.	166	\$ 13,595	Annaly Capital Management, Inc.	1,060	9,679			
					23,818	Total Materials – 4.3%		20,900
Cable & Satellite – 4.4%			Other Diversified Financial Services – 4.5%			Real Estate		
Comcast Corp., Class A	506	21,398	Citigroup, Inc.	309	21,646	Health Care REITs – 2.9%		
						Welltower, Inc.	174	14,162
Total Communication Services – 7.2%		34,993	Regional Banks – 1.0%			Total Real Estate – 2.9%		14,162
Consumer Discretionary			Citizens Financial Group, Inc.	138	4,890	Utilities		
Automotive Retail – 0.9%						Electric Utilities – 3.1%		
AutoZone, Inc. (A)	4	4,288	Reinsurance – 1.0%			Exelon Corp.	283	13,586
			Reinsurance Group of America, Inc.	32	4,915	Great Plains Energy, Inc.	19	1,137
General Merchandise Stores – 2.8%			Total Financials – 26.7%		129,026			14,723
Target Corp.	154	13,372	Health Care			Total Utilities – 3.1%		14,723
			Biotechnology – 2.3%			TOTAL COMMON STOCKS – 95.6%		\$ 461,455
Home Improvement Retail – 2.3%			Amgen, Inc.	60	10,983	(Cost: \$431,579)		
Lowe's Co., Inc.	112	11,282	Health Care Facilities – 2.7%			SHORT-TERM SECURITIES	Principal	
Total Consumer Discretionary – 6.0%		28,942	HCA Holdings, Inc.	96	12,963	Commercial Paper (C) – 1.0%		
Consumer Staples						Florida Power & Light Co.,		
Brewers – 0.4%			Pharmaceuticals – 4.3%			2.320%, 7-17-19	\$ 5,000	4,993
Molson Coors Brewing Co., Class B	36	1,999	Pfizer, Inc.	484	20,967			
			Total Health Care – 9.3%		44,913	Master Note – 0.6%		
Drug Retail – 3.1%			Industrials			Toyota Motor Credit Corp. (1-Month		
CVS Caremark Corp.	273	14,860	Aerospace & Defense – 2.0%			U.S. LIBOR plus 15 bps),		
			Spirit AeroSystems Holdings, Inc.	117	9,537	2.620%, 7-5-19 (D)	2,828	2,828
Hypermarkets & Super Centers – 4.6%								
Wal-Mart Stores, Inc.	201	22,186	Airlines – 2.5%				Shares	
			Southwest Airlines Co.	238	12,101	Money Market Funds – 1.2%		
Tobacco – 3.3%						Dreyfus Institutional Preferred		
Philip Morris International, Inc.	202	15,863	Industrial Machinery – 0.9%			Government Money Market		
			Parker Hannifin Corp.	25	4,199	Fund – Institutional Shares,		
Total Consumer Staples – 11.4%		54,908	Total Industrials – 5.4%		25,837	2.360%, (E)(F)	5,859	5,859
Energy			Information Technology				Principal	
Oil & Gas Refining & Marketing – 6.7%			Application Software – 1.0%			United States Government Agency Obligations – 2.7%		
Phillips 66	187	17,464	NXP Semiconductors N.V.	50	4,861	Overseas Private Investment Corp.		
Valero Energy Corp.	172	14,759				(GTD by U.S. Government)		
			Semiconductor Equipment – 2.8%			(3-Month U.S. TB Rate):		
		32,223	Lam Research Corp.	72	13,506	2.350%, 7-7-19 (D)	\$10,000	10,000
Oil & Gas Storage & Transportation – 2.8%						2.390%, 7-7-19 (D)	3,059	3,059
Energy Transfer L.P.	977	13,751	Semiconductors – 3.8%			2.940%, 7-7-19 (D)	—	—
Total Energy – 9.5%		45,974	Broadcom Corp., Class A	63	18,221			13,059
Financials						TOTAL SHORT-TERM SECURITIES – 5.5%		\$ 26,739
Asset Management & Custody Banks – 2.0%			Systems Software – 2.2%			(Cost: \$26,741)		
Ameriprise Financial, Inc.	67	9,726	Microsoft Corp.	78	10,489	TOTAL INVESTMENT SECURITIES – 101.1%		\$ 488,194
			Total Information Technology – 9.8%		47,077	(Cost: \$458,320)		
Consumer Finance – 5.7%			Materials			LIABILITIES, NET OF CASH AND OTHER		
Capital One Financial Corp.	163	14,773	Commodity Chemicals – 2.2%			ASSETS – (1.1%)		(5,307)
Synchrony Financial	373	12,928	LyondellBasell Industries N.V.,					
			Class A	123	10,620	NET ASSETS – 100.0%		\$482,887
		27,701						
Diversified Banks – 4.5%								
Bank of America Corp.	740	21,454						
Life & Health Insurance – 3.1%								
MetLife, Inc.	300	14,876						

SCHEDULE OF INVESTMENTS

VALUE *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

Notes to Schedule of Investments

*Not shown due to rounding.

(A) No dividends were paid during the preceding 12 months.

(B) All or a portion of securities with an aggregate value of \$5,732 are on loan.

(C) Rate shown is the yield to maturity at June 30, 2019.

(D) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

(E) Investment made with cash collateral received from securities on loan.

(F) Rate shown is the annualized 7-day yield at June 30, 2019.

The following written options were outstanding at June 30, 2019 (contracts and exercise prices unrounded):

Underlying Security	Counterparty, if OTC	Type	Number of Contracts	Notional Amount	Expiration Month	Exercise Price	Premium Received	Value
Capital One Financial Corp.	N/A	Call	155	15	July 2019	\$ 95.00	\$ 23	\$ (13)
Great Plains Energy, Inc.	N/A	Put	314	31	July 2019	60.00	26	(26)
Reinsurance Group of America, Inc.	Goldman Sachs International	Put	316	32	August 2019	145.00	69	(46)
	Goldman Sachs International	Put	316	32	August 2019	150.00	126	(73)
	Citibank N.A.	Put	132	13	October 2019	140.00	56	(33)
	N/A	Put	79	8	January 2020	135.00	27	(20)
	N/A	Put	79	8	January 2020	140.00	40	(24)
							<u>\$367</u>	<u>\$(235)</u>

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Common Stocks	\$461,455	\$ —	\$—
Short-Term Securities	5,859	20,880	—
Total	<u>\$467,314</u>	<u>\$20,880</u>	<u>\$—</u>
Liabilities			
Written Options	\$ 83	\$ 152	\$—

The following acronyms are used throughout this schedule:

ADR = American Depositary Receipt
 GTD = Guaranteed
 LIBOR = London Interbank Offered Rate
 OTC = Over the Counter
 REIT = Real Estate Investment Trust
 TB = Treasury Bill

See Accompanying Notes to Financial Statements.

STATEMENTS OF ASSETS AND LIABILITIES

Ivy VIP

AS OF JUNE 30, 2019 (UNAUDITED)

(In thousands, except per share amounts)	Core Equity	Corporate Bond	Global Bond	Global Equity Income	Global Growth	Limited-Term Bond	Securian Real Estate Securities	Value
ASSETS								
Investments in unaffiliated securities at value+^	\$ 691,519	\$ 555,037	\$ 22,411	\$ 305,910	\$ 148,485	\$ 544,207	\$ 36,348	\$ 488,194
Investments at Value	691,519	555,037	22,411	305,910	148,485	544,207	36,348	488,194
Cash	1	2	201	1	1	1	1	1
Investment securities sold receivable	1,618	4,029	54	4,976	—	—	—	9,076
Dividends and interest receivable	226	4,779	270	1,074	446	3,458	148	1,013
Capital shares sold receivable	49	—*	—*	1	8	62	11	—*
Receivable from affiliates	167	—	—	—	66	—	—	—
Receivable from securities lending income – net	—	—*	—*	25	5	—*	—	1
Prepaid and other assets	—	—*	—	—	—	—	—	—
Total Assets	693,580	563,847	22,936	311,987	149,011	547,728	36,508	498,285
LIABILITIES								
Cash collateral on securities loaned at value	—	—	552	7,774	477	309	—	5,859
Investment securities purchased payable	1,678	5,883	400	5,931	—	—	159	8,928
Capital shares redeemed payable	380	321	41	189	102	325	38	262
Independent Trustees and Chief Compliance Officer fees payable	200	89	1	38	68	27	6	58
Distribution and service fees payable	14	11	—*	6	3	11	1	10
Shareholder servicing payable	1	1	—*	—*	—*	1	—*	1
Investment management fee payable	40	22	—	17	11	22	2	28
Accounting services fee payable	14	12	1	8	5	11	2	11
Written options at value+	—	—	—	—	—	—	—	235
Other liabilities	12	9	2	12	7	6	3	6
Total Liabilities	2,339	6,348	997	13,975	673	712	211	15,398
Commitments and Contingencies (See Note 2 and Note 10)								
Total Net Assets	\$ 691,241	\$ 557,499	\$ 21,939	\$ 298,012	\$ 148,338	\$ 547,016	\$ 36,297	\$ 482,887
NET ASSETS								
Capital paid in (shares authorized – unlimited)	\$ 620,719	\$ 534,043	\$ 22,427	\$ 290,267	\$ 122,431	\$ 540,868	\$ 33,517	\$ 437,727
Accumulated earnings gain (loss)	70,522	23,456	(488)	7,745	25,907	6,148	2,780	45,160
Total Net Assets	\$ 691,241	\$ 557,499	\$ 21,939	\$ 298,012	\$ 148,338	\$ 547,016	\$ 36,297	\$ 482,887
CAPITAL SHARES OUTSTANDING:								
Class II	60,796	102,986	4,432	53,733	44,272	111,746	4,847	80,175
NET ASSET VALUE PER SHARE:								
Class II	\$ 11.37	\$ 5.41	\$ 4.95	\$ 5.55	\$ 3.35	\$ 4.89	\$ 7.49	\$ 6.02
+COST								
Investments in unaffiliated securities at cost	\$ 632,925	\$ 529,483	\$ 22,067	\$ 303,756	\$ 121,004	\$ 535,834	\$ 34,601	\$ 458,320
Written options premiums received at cost	—	—	—	—	—	—	—	367
^Securities loaned at value	—	—	537	4,037	465	301	—	5,732

*Not shown due to rounding.

See Accompanying Notes to Financial Statements.

STATEMENTS OF OPERATIONS

Ivy VIP

FOR THE SIX MONTHS ENDED JUNE 30, 2019 (UNAUDITED)

(In thousands)	Core Equity	Corporate Bond	Global Bond	Global Equity Income	Global Growth	Limited-Term Bond	Securian Real Estate Securities	Value
INVESTMENT INCOME								
Dividends from unaffiliated securities	\$ 5,105	\$ —	\$ 6	\$ 6,679	\$ 1,430	\$ —	\$ 631	\$ 6,981
Foreign dividend withholding tax	(2)	—	—	(584)	(93)	—	—	(27)
Interest and amortization from unaffiliated securities	213	9,831	475	103	64	7,081	7	218
Foreign interest withholding tax	—	—	—*	—	—	—	—	—
Securities lending income – net	127	4	1	61	13	5	—	8
Total Investment Income	5,443	9,835	482	6,259	1,414	7,086	638	7,180
EXPENSES								
Investment management fee	2,358	1,282	68	1,040	613	1,326	164	1,671
Distribution and service fees:								
Class II	842	675	27	372	180	668	46	597
Shareholder servicing:								
Class II	9	7	2	4	4	4	3	6
Custodian fees	8	4	1	12	5	3	3	4
Independent Trustees and Chief Compliance Officer fees	18	14	1	8	4	13	1	12
Accounting services fee	83	67	7	47	32	67	13	65
Professional fees	22	28	23	19	24	28	23	23
Other	19	14	2	21	15	10	3	20
Total Expenses	3,359	2,091	131	1,523	877	2,119	256	2,398
Less:								
Expenses in excess of limit	(167)	—	(68)	—	(67)	—	(17)	—
Total Net Expenses	3,192	2,091	63	1,523	810	2,119	239	2,398
Net Investment Income	2,251	7,744	419	4,736	604	4,967	399	4,782
REALIZED AND UNREALIZED GAIN (LOSS)								
Net realized gain (loss) on:								
Investments in unaffiliated securities	11,163	435	(40)	1,007	(1,988)	132	721	8,133
Written options	—	—	—	—	—	—	—	317
Forward foreign currency contracts	166	—	—	—	—	—	—	—
Foreign currency exchange transactions	2	—	—*	41	(7)	—	—	—
Net change in unrealized appreciation (depreciation) on:								
Investments in unaffiliated securities	97,793	36,273	1,075	32,456	25,073	11,428	4,175	44,941
Written options	—	—	—	—	—	—	—	58
Forward foreign currency contracts	(127)	—	—	—	—	—	—	—
Foreign currency exchange transactions	1	—	1	7	—*	—	—	—
Net Realized and Unrealized Gain	108,998	36,708	1,036	33,511	23,078	11,560	4,896	53,449
Net Increase in Net Assets Resulting from Operations	\$ 111,249	\$44,452	\$1,455	\$38,247	\$23,682	\$16,527	\$5,295	\$ 58,231

*Not shown due to rounding.

See Accompanying Notes to Financial Statements.

STATEMENTS OF CHANGES IN NET ASSETS

Ivy VIP

(In thousands)	Core Equity		Corporate Bond		Global Bond	
	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18
INCREASE (DECREASE) IN NET ASSETS						
Operations:						
Net investment income	\$ 2,251	\$ 3,567	\$ 7,744	\$ 15,042	\$ 419	\$ 780
Net realized gain (loss) on investments	11,331	68,472	435	(9,986)	(40)	(136)
Net change in unrealized appreciation (depreciation)	97,667	(116,696)	36,273	(15,819)	1,076	(700)
Net Increase (Decrease) in Net Assets Resulting from Operations	111,249	(44,657)	44,452	(10,763)	1,455	(56)
Distributions to Shareholders From:						
Accumulated earnings: (combined net investment income and net realized gains)						
Class II	(73,214)	(35,537)	(15,235)	(11,579)	(784)	(626)
Total Distributions to Shareholders	(73,214)	(35,537)	(15,235)	(11,579)	(784)	(626)
Capital Share Transactions	26,773	261,848	(15,626)	18,662	(574)	(642)
Net Increase (Decrease) in Net Assets	64,808	181,654	13,591	(3,680)	97	(1,324)
Net Assets, Beginning of Period	626,433	444,779	543,908	547,588	21,842	23,166
Net Assets, End of Period	\$ 691,241	\$ 626,433	\$ 557,499	\$ 543,908	\$ 21,939	\$ 21,842

(In thousands)	Global Equity Income		Global Growth		Limited-Term Bond	
	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18
INCREASE (DECREASE) IN NET ASSETS						
Operations:						
Net investment income	\$ 4,736	\$ 7,986	\$ 604	\$ 1,232	\$ 4,967	\$ 9,884
Net realized gain (loss) on investments	1,048	76,605	(1,995)	95,174	132	(3,611)
Net change in unrealized appreciation (depreciation)	32,463	(123,779)	25,073	(83,839)	11,428	(1,036)
Net Increase (Decrease) in Net Assets Resulting from Operations	38,247	(39,188)	23,682	12,567	16,527	5,237
Distributions to Shareholders From:						
Accumulated earnings: (combined net investment income and net realized gains)						
Class II	(85,170)	(45,707)	(96,488)	(27,187)	(9,903)	(7,043)
Total Distributions to Shareholders	(85,170)	(45,707)	(96,488)	(27,187)	(9,903)	(7,043)
Capital Share Transactions	61,299	(158,714)	86,870	(274,703)	(1,270)	100,680
Net Increase (Decrease) in Net Assets	14,376	(243,609)	14,064	(289,323)	5,354	98,874
Net Assets, Beginning of Period	283,636	527,245	134,274	423,597	541,662	442,788
Net Assets, End of Period	\$ 298,012	\$ 283,636	\$ 148,338	\$ 134,274	\$ 547,016	\$ 541,662

See Accompanying Notes to Financial Statements.

STATEMENTS OF CHANGES IN NET ASSETS

Ivy VIP

(In thousands)	Securian Real Estate Securities		Value	
	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18
INCREASE (DECREASE) IN NET ASSETS				
Operations:				
Net investment income	\$ 399	\$ 569	\$ 4,782	\$ 5,189
Net realized gain on investments	721	67	8,450	26,767
Net change in unrealized appreciation (depreciation)	4,175	(2,818)	44,999	(66,787)
Net Increase (Decrease) in Net Assets Resulting from Operations	5,295	(2,182)	58,231	(34,831)
Distributions to Shareholders From:				
Accumulated earnings:				
(combined net investment income and net realized gains)				
Class II	(744)	(3,316)	(30,617)	(20,089)
Total Distributions to Shareholders	(744)	(3,316)	(30,617)	(20,089)
Capital Share Transactions	(2,517)	(3,612)	9,418	69,186
Net Increase (Decrease) in Net Assets	2,034	(9,110)	37,032	14,266
Net Assets, Beginning of Period	34,263	43,373	445,855	431,589
Net Assets, End of Period	\$36,297	\$34,263	\$482,887	\$445,855

See Accompanying Notes to Financial Statements.

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FOR A SHARE OF CAPITAL STOCK OUTSTANDING THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income ⁽¹⁾	Net Realized and Unrealized Gain (Loss) on Investments	Total from Investment Operations	Distributions From Net Investment Income	Distributions From Net Realized Gains	Total Distributions
Core Equity							
Class II Shares							
Six-month period ended 6-30-2019							
(unaudited)	\$10.80	\$0.04	\$ 1.86	\$ 1.90	\$(0.07)	\$(1.26)	\$(1.33)
Year ended 12-31-2018	12.30	0.07	(0.53)	(0.46)	(0.06)	(0.98)	(1.04)
Year ended 12-31-2017	10.67	0.05	2.09	2.14	(0.05)	(0.46)	(0.51)
Year ended 12-31-2016	11.75	0.05	0.32	0.37	(0.05)	(1.40)	(1.45)
Year ended 12-31-2015	14.18	0.05	(0.06)	(0.01)	(0.05)	(2.37)	(2.42)
Year ended 12-31-2014	15.13	0.05	1.24	1.29	(0.08)	(2.16)	(2.24)
Corporate Bond							
Class II Shares							
Six-month period ended 6-30-2019							
(unaudited)	5.13	0.08	0.35	0.43	(0.15)	—	(0.15)
Year ended 12-31-2018	5.35	0.14	(0.24)	(0.10)	(0.11)	(0.01)	(0.12)
Year ended 12-31-2017	5.27	0.12	0.08	0.20	(0.08)	(0.04)	(0.12)
Year ended 12-31-2016	5.20	0.12	0.09	0.21	(0.13)	(0.01)	(0.14)
Year ended 12-31-2015	5.34	0.10	(0.09)	0.01	(0.15)	—	(0.15)
Year ended 12-31-2014	5.49	0.13	0.10	0.23	(0.21)	(0.17)	(0.38)
Global Bond							
Class II Shares							
Six-month period ended 6-30-2019							
(unaudited)	4.81	0.09	0.23	0.32	(0.18)	—	(0.18)
Year ended 12-31-2018	4.96	0.17	(0.18)	(0.01)	(0.14)	—	(0.14)
Year ended 12-31-2017	4.89	0.15	0.06	0.21	(0.14)	—	(0.14)
Year ended 12-31-2016	4.74	0.16	0.17	0.33	(0.18)	—	(0.18)
Year ended 12-31-2015	5.05	0.19	(0.31)	(0.12)	(0.19)	—	(0.19)
Year ended 12-31-2014	5.16	0.19	(0.18)	0.01	(0.12)	—	(0.12)
Global Equity Income							
Class II Shares							
Six-month period ended 6-30-2019							
(unaudited)	6.89	0.11	0.76	0.87	(0.22)	(1.99)	(2.21)
Year ended 12-31-2018	8.58	0.16	(1.07)	(0.91)	(0.14)	(0.64)	(0.78)
Year ended 12-31-2017	7.79	0.13	1.03	1.16	(0.10)	(0.27)	(0.37)
Year ended 12-31-2016	7.82	0.11	0.40	0.51	(0.10)	(0.44)	(0.54)
Year ended 12-31-2015	9.05	0.09	(0.23)	(0.14)	(0.11)	(0.98)	(1.09)
Year ended 12-31-2014	9.04	0.12	0.71	0.83	(0.10)	(0.72)	(0.82)

(1)Based on average weekly shares outstanding.

(2)Based on net asset value. Total returns do not reflect a sales charge or contingent deferred sales charge, if applicable. Total returns for periods less than one year are not annualized.

(3)Ratios excluding expense waivers are included only for periods in which the class had waived or reimbursed expenses.

(4)Annualized.

FOR A SHARE OF CAPITAL STOCK OUTSTANDING THROUGHOUT EACH PERIOD

	Net Asset Value, End of Period	Total Return ⁽²⁾	Net Assets, End of Period (in millions)	Ratio of Expenses to Average Net Assets Including Expense Waiver	Ratio of Net Investment Income to Average Net Assets Including Expense Waiver	Ratio of Expenses to Average Net Assets Excluding Expense Waiver ⁽³⁾	Ratio of Net Investment Income to Average Net Assets Excluding Expense Waiver ⁽³⁾	Portfolio Turnover Rate
Core Equity								
Class II Shares								
Six-month period ended								
6-30-2019 (unaudited)	\$ 11.37	18.03%	\$ 691	0.95% ⁽⁴⁾	0.67% ⁽⁴⁾	1.00% ⁽⁴⁾	0.62% ⁽⁴⁾	55%
Year ended 12-31-2018	10.80	-4.51	626	0.95	0.59	1.00	0.54	99
Year ended 12-31-2017	12.30	20.75	445	0.95	0.42	1.00	0.37	78
Year ended 12-31-2016	10.67	3.74	420	0.95	0.45	1.01	0.39	75
Year ended 12-31-2015	11.75	-0.69	454	0.95	0.38	1.00	0.33	60
Year ended 12-31-2014	14.18	9.68	505	0.95	0.34	1.00	0.29	57
Corporate Bond								
Class II Shares								
Six-month period ended								
6-30-2019 (unaudited)	5.41	8.48	557	0.77 ⁽⁴⁾	2.87 ⁽⁴⁾	—	—	29
Year ended 12-31-2018	5.13	-1.90	544	0.77	2.77	—	—	63
Year ended 12-31-2017	5.35	4.01	548	0.78	2.32	—	—	66
Year ended 12-31-2016	5.27	4.03	416	0.79	2.17	—	—	84
Year ended 12-31-2015	5.20	0.20	280	0.78	1.87	—	—	59
Year ended 12-31-2014	5.34	4.34	310	0.78	2.43	—	—	28
Global Bond								
Class II Shares								
Six-month period ended								
6-30-2019 (unaudited)	4.95	6.81	22	0.58 ⁽⁴⁾	3.85 ⁽⁴⁾	1.21 ⁽⁴⁾	3.22 ⁽⁴⁾	22
Year ended 12-31-2018	4.81	-0.18	22	0.50	3.52	1.12	2.90	37
Year ended 12-31-2017	4.96	4.27	23	0.50	3.08	1.12	2.46	49
Year ended 12-31-2016	4.89	7.04	22	0.50	3.28	1.13	2.65	18
Year ended 12-31-2015	4.74	-2.65	20	0.51	3.80	1.14	3.17	26
Year ended 12-31-2014	5.05	0.18	19	0.48	3.69	1.11	3.06	37
Global Equity Income								
Class II Shares								
Six-month period ended								
6-30-2019 (unaudited)	5.55	13.69	298	1.02 ⁽⁴⁾	3.19 ⁽⁴⁾	—	—	24
Year ended 12-31-2018	6.89	-11.68	284	1.01	2.01	—	—	93
Year ended 12-31-2017	8.58	15.56	527	1.00	1.60	—	—	35
Year ended 12-31-2016	7.79	6.95	509	1.01	1.43	—	—	59
Year ended 12-31-2015	7.82	-2.06	515	1.00	1.14	—	—	50
Year ended 12-31-2014	9.05	9.84	511	1.00	1.33	—	—	42

	Net Asset Value, Beginning of Period	Net Investment Income ⁽¹⁾	Net Realized and Unrealized Gain (Loss) on Investments	Total from Investment Operations	Distributions From Net Investment Income	Distributions From Net Realized Gains	Total Distributions
Global Growth							
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	8.67	0.03	1.21	1.24	(0.06)	(6.50)	(6.56)
Year ended 12-31-2018	9.87	0.05	(0.58)	(0.53)	(0.05)	(0.62)	(0.67)
Year ended 12-31-2017	8.14	0.04	1.93	1.97	—*	(0.24)	(0.24)
Year ended 12-31-2016	8.68	0.01	(0.28)	(0.27)	(0.02)	(0.25)	(0.27)
Year ended 12-31-2015	8.84	0.02	0.31	0.33	(0.04)	(0.45)	(0.49)
Year ended 12-31-2014	9.81	0.09	0.01	0.10	(0.21)	(0.86)	(1.07)
Limited-Term Bond							
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	4.84	0.04	0.10	0.14	(0.09)	—	(0.09)
Year ended 12-31-2018	4.88	0.09	(0.05)	0.04	(0.08)	—	(0.08)
Year ended 12-31-2017	4.89	0.08	(0.01)	0.07	(0.08)	—	(0.08)
Year ended 12-31-2016	4.87	0.08	0.01	0.09	(0.07)	—	(0.07)
Year ended 12-31-2015	4.90	0.06	(0.02)	0.04	(0.07)	—	(0.07)
Year ended 12-31-2014	4.89	0.07	(0.02)	0.05	(0.03)	(0.01)	(0.04)
Securian Real Estate Securities							
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	6.60	0.08	0.96	1.04	(0.12)	(0.03)	(0.15)
Year ended 12-31-2018	7.64	0.10	(0.54)	(0.44)	(0.11)	(0.49)	(0.60)
Year ended 12-31-2017	8.40	0.11	0.27	0.38	(0.11)	(1.03)	(1.14)
Year ended 12-31-2016	8.98	0.10	0.25	0.35	(0.10)	(0.84)	(0.94)
Year ended 12-31-2015	9.59	0.10	0.31	0.41	(0.10)	(0.92)	(1.02)
Year ended 12-31-2014	7.90	0.10	2.20	2.30	(0.09)	(0.52)	(0.61)
Value							
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	5.69	0.06	0.67	0.73	(0.05)	(0.35)	(0.40)
Year ended 12-31-2018	6.44	0.07	(0.51)	(0.44)	(0.12)	(0.19)	(0.31)
Year ended 12-31-2017	5.93	0.11	0.61	0.72	(0.09)	(0.12)	(0.21)
Year ended 12-31-2016	6.15	0.08	0.49	0.57	(0.07)	(0.72)	(0.79)
Year ended 12-31-2015	7.39	0.06	(0.30)	(0.24)	(0.06)	(0.94)	(1.00)
Year ended 12-31-2014	7.82	0.05	0.71	0.76	(0.09)	(1.10)	(1.19)

*Not shown due to rounding.

(1) Based on average weekly shares outstanding.

(2) Based on net asset value. Total returns do not reflect the sales charge or contingent deferred sales charge, if applicable. Total returns for periods less than one year are not annualized.

(3) Ratios excluding expense waivers are included only for periods in which the class had waived or reimbursed expenses.

(4) Annualized.

See Accompanying Notes to Financial Statements.

	Net Asset Value, End of Period	Total Return ⁽²⁾	Net Assets, End of Period (in millions)	Ratio of Expenses to Average Net Assets Including Expense Waiver	Ratio of Net Investment Income to Average Net Assets Including Expense Waiver	Ratio of Expenses to Average Net Assets Excluding Expense Waiver ⁽³⁾	Ratio of Net Investment Income to Average Net Assets Excluding Expense Waiver ⁽³⁾	Portfolio Turnover Rate
Global Growth								
Class II Shares								
Six-month period ended								
6-30-2019 (unaudited)	3.35	17.97	148	1.13 ⁽⁴⁾	0.84 ⁽⁴⁾	1.22 ⁽⁴⁾	0.75 ⁽⁴⁾	15
Year ended 12-31-2018	8.67	-6.27	134	1.13	0.46	1.18	0.41	40
Year ended 12-31-2017	9.87	24.52	424	1.14	0.47	1.17	0.44	54
Year ended 12-31-2016	8.14	-3.04	408	1.13	0.09	1.16	0.06	71
Year ended 12-31-2015	8.68	3.39	507	1.14	0.23	1.17	0.20	54
Year ended 12-31-2014	8.84	0.96	431	1.13	0.93	1.16	0.90	65
Limited-Term Bond								
Class II Shares								
Six-month period ended								
6-30-2019 (unaudited)	4.89	3.09	547	0.79 ⁽⁴⁾	1.86 ⁽⁴⁾	—	—	32
Year ended 12-31-2018	4.84	0.78	542	0.79	1.91	—	—	53
Year ended 12-31-2017	4.88	1.40	443	0.80	1.62	—	—	55
Year ended 12-31-2016	4.89	1.94	395	0.81	1.53	—	—	60
Year ended 12-31-2015	4.87	0.87	385	0.80	1.31	—	—	44
Year ended 12-31-2014	4.90	0.97	474	0.80	1.38	—	—	34
Securian Real Estate								
Securities								
Class II Shares								
Six-month period ended								
6-30-2019 (unaudited)	7.49	15.78	36	1.32 ⁽⁴⁾	2.19 ⁽⁴⁾	1.41 ⁽⁴⁾	2.10 ⁽⁴⁾	24
Year ended 12-31-2018	6.60	-5.57	34	1.24	1.45	1.33	1.36	71
Year ended 12-31-2017	7.64	5.39	43	1.22	1.38	1.31	1.29	73
Year ended 12-31-2016	8.39	4.26	49	1.20	1.26	1.29	1.17	79
Year ended 12-31-2015	8.98	4.78	47	1.19	1.10	1.28	1.01	57
Year ended 12-31-2014	9.59	30.17	52	1.21	1.16	1.30	1.07	81
Value								
Class II Shares								
Six-month period ended								
6-30-2019 (unaudited)	6.02	13.17	483	1.01 ⁽⁴⁾	2.00 ⁽⁴⁾	—	—	61
Year ended 12-31-2018	5.69	-7.24	446	1.00	1.09	—	—	56
Year ended 12-31-2017	6.44	12.49	432	1.00	1.74	—	—	67
Year ended 12-31-2016	5.93	11.14	379	1.02	1.38	1.03	1.37	54
Year ended 12-31-2015	6.15	-3.91	384	0.99	0.91	1.00	0.90	74
Year ended 12-31-2014	7.39	10.94	416	1.00	0.72	1.01	0.71	76

See Accompanying Notes to Financial Statements.

JUNE 30, 2019 (UNAUDITED)

1. ORGANIZATION

Ivy Variable Insurance Portfolios, a Delaware statutory trust (the "Trust"), is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company. Core Equity, Corporate Bond, Global Bond, Global Equity Income, Global Growth, Limited-Term Bond, Securian Real Estate Securities and Value (each, a "Portfolio") are eight series of the Trust and are the only series of the Trust included in these financial statements. The assets belonging to each Portfolio are held separately by the custodian. The investment objective, policies and risk factors of each Portfolio are described more fully in the Prospectus and Statement of Additional Information ("SAI"). Each Portfolio's investment adviser is Ivy Investment Management Company ("IICO").

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by each Portfolio.

Security Transactions and Related Investment Income. Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Realized gains and losses are calculated on the identified cost basis. Interest income is recorded on the accrual basis and includes paydown gain (loss) and accretion of discounts and amortization of premiums. Dividend income is recorded on the ex-dividend date, except certain dividends from foreign securities where the ex-dividend date may have passed, which are recorded as soon as the Portfolio is informed of the ex-dividend date. All or a portion of the distributions received from a real estate investment trust or publicly traded partnership may be designated as a reduction of cost of the related investment or realized gain.

Foreign Currency Translation. Each Portfolio's accounting records are maintained in U.S. dollars. All assets and liabilities denominated in foreign currencies are translated into U.S. dollars daily, using foreign exchange rates obtained from an independent pricing service approved by the Board of Trustees of the Trust (the "Board"). Purchases and sales of investment securities and accruals of income and expenses are translated at the rate of exchange prevailing on the date of the transaction. For assets and liabilities other than investments in securities, net realized and unrealized gains and losses from foreign currency translation arise from changes in currency exchange rates. Each Portfolio combines fluctuations from currency exchange rates and fluctuations in value when computing net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments. Foreign exchange rates are typically valued as of the close of the New York Stock Exchange ("NYSE"), normally 4:00 P.M. Eastern time, on each day the NYSE is open for trading.

Dividends and Distributions to Shareholders. Dividends and distributions to shareholders are recorded by each Portfolio on the business day following record date. Net investment income dividends and capital gains distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of America ("U.S. GAAP"). If the total dividends and distributions made in any tax year exceeds net investment income and accumulated realized capital gains, a portion of the total distribution may be treated as a tax return of capital.

Income Taxes. It is the policy of each Portfolio to distribute all of its taxable income and capital gains to its shareholders and to otherwise qualify as a regulated investment company under Subchapter M of the Internal Revenue Code. In addition, each Portfolio intends to pay distributions as required to avoid imposition of excise tax. Accordingly, no provision has been made for Federal income taxes. The Portfolios file income tax returns in U.S. federal and applicable state jurisdictions. The Portfolios' tax returns are subject to examination by the relevant taxing authority until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax returns. Management of the Trust periodically reviews all tax positions to assess whether it is more likely than not that the position would be sustained upon examination by the relevant tax authority based on the technical merits of each position. As of the date of these financial statements, management believes that no liability for unrecognized tax positions is required.

Segregation and Collateralization. In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission ("SEC"), the Dodd Frank Wall Street Reform and Consumer Protection Act, or the interpretive rules and regulations of the U.S. Commodities Futures Trading Commission require that a Portfolio either deliver collateral or segregate assets in connection with certain investments (e.g., dollar rolls, financial futures contracts, foreign currency exchange contracts, options written, securities with extended settlement periods, and swaps), the Portfolio will segregate collateral or designate on its books and records, cash or other liquid securities having a value at least equal to the amount that is required to be physically segregated for the benefit of the counterparty. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, each party has requirements to deliver/deposit cash or securities as collateral for certain investments. Certain countries require that cash reserves be held while investing in companies incorporated in that country. These cash reserves and cash collateral that has been pledged to cover obligations of the Portfolios under derivative contracts, if any, will be reported separately on the Statement of Assets and Liabilities as "Restricted cash". Securities collateral pledged for the same purpose, if any, is noted on the Schedule of Investments.

Concentration of Market and Credit Risk. In the normal course of business, the Portfolios invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet

all its obligations (issuer credit risk). The value of securities held by the Portfolios may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Portfolios; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to issuer credit risk, the Portfolios may be exposed to counterparty credit risk, or the risk that an entity with which the Portfolios have unsettled or open transactions may fail to or be unable to perform on its commitments. The Portfolios manage counterparty credit risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Portfolios to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Portfolios' exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded on the Portfolios' Statement of Assets and Liabilities, less any collateral held by the Portfolios.

Certain Portfolios may hold high-yield or non-investment-grade bonds, that may be subject to a greater degree of credit risk. Credit risk relates to the ability of the issuer to meet interest or principal payments or both as they become due. The Portfolios may acquire securities in default and are not obligated to dispose of securities whose issuers subsequently default.

Certain Portfolios may enter into financial instrument transactions (such as swaps, futures, options and other derivatives) that may have off-balance sheet market risk. Off-balance sheet market risk exists when the maximum potential loss on a particular financial instrument is greater than the value of such financial instrument, as reflected on the Statement of Assets and Liabilities.

If a Portfolio invests directly in foreign currencies or in securities that trade in, and receive revenues in, foreign currencies, or in financial derivatives that provide exposure to foreign currencies, it will be subject to the risk that those currencies will decline in value relative to the base currency of the Portfolio, or, in the case of hedging positions, that the Portfolio's base currency will decline in value relative to the currency being hedged. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad.

Inflation-Indexed Bonds. Certain Portfolios may invest in inflation-indexed bonds. Inflation-indexed bonds are fixed-income securities whose principal value is periodically adjusted to the rate of inflation. The interest rate on these bonds is generally fixed at issuance at a rate lower than typical bonds. Over the life of an inflation-indexed bond, however, interest will be paid based on a principal value, which is adjusted for inflation. Any increase or decrease in the principal amount of an inflation-indexed bond will be included as interest income on the Statement of Operations, even though investors do not receive their principal until maturity.

Interest Only Obligations. These securities entitle the owner to receive only the interest portion from a bond, Treasury note or pool of mortgages. These securities are generally created by a third party separating a bond or pool of mortgages into distinct interest-only and principal-only securities. As the principal (par) amount of a bond or pool of mortgages is paid down, the amount of interest income earned by the owner will decline as well.

Loans. Certain Portfolios may invest in loans, the interest rates of which float or adjust periodically based upon a specified adjustment schedule, benchmark indicator, or prevailing interest rates, the debtor of which may be a domestic or foreign corporation, partnership or other entity ("Borrower"). Loans generally pay interest at rates which are periodically redetermined by reference to a base lending rate plus a premium. These base lending rates generally include prime rates of one or more major U.S. banks, the London Interbank Offered Rate ("LIBOR") or certificates of deposit rates. Loans often require prepayments from excess cash flow or permit the Borrower to repay at its election. The degree to which Borrowers repay cannot be predicted with accuracy. As a result, the actual maturity may be substantially less than the stated maturities. Loans are exempt from registration under the Securities Act of 1933, as amended, may contain certain restrictions on resale, and cannot be sold publicly. A Portfolio's investments in loans may be in the form of participations in loans or assignments of all or a portion of loans from third parties.

When a Portfolio purchases assignments, it acquires all the rights and obligations under the loan agreement of the assigning lender. Assignments may, however, be arranged through private negotiations between potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than those held by the assigning lender. When a Portfolio purchases a participation of a loan interest, the Portfolio typically enters into a contractual agreement with the lender or other third party selling the participation. A participation interest in loans includes the right to receive payments of principal, interest and any fees to which it is entitled from the lender and only upon receipt by the lender of payments from the Borrower, but not from the Borrower directly. When investing in a participation interest, if a Borrower is unable to meet its obligations under a loan agreement, a Portfolio generally has no direct right to enforce compliance with the terms of the loan agreement. As a result, the Portfolio assumes the credit risk of the Borrower, the selling participant, and any other persons that are interpositioned between the Portfolio and the Borrower. If the lead lender in a typical lending syndicate becomes insolvent, enters Federal Deposit Insurance Corporation

(“FDIC”) receivership or, if not FDIC insured, enters into bankruptcy, the Portfolio may incur certain costs and delays in receiving payment or may suffer a loss of principal and interest.

Payment In-Kind Securities. Certain Portfolios may invest in payment in-kind securities (“PIKs”). PIKs give the issuer the option at each interest payment date of making interest payments in cash or in additional debt securities. Those additional debt securities usually have the same terms, including maturity dates and interest rates, and associated risks as the original bonds. The daily market quotations of the original bonds may include the accrued interest (referred to as a dirty price) and require a pro-rata adjustment from the unrealized appreciation or depreciation on investments to interest receivable on the Statement of Assets and Liabilities.

Securities on a When-Issued or Delayed Delivery Basis. Certain Portfolios may purchase securities on a “when-issued” basis, and may purchase or sell securities on a “delayed delivery” basis. “When-issued” or “delayed delivery” refers to securities whose terms and indenture are available and for which a market exists, but which are not available for immediate delivery. Delivery and payment for securities that have been purchased by a Portfolio on a when-issued basis normally take place within six months and possibly as long as two years or more after the trade date. During this period, such securities do not earn interest, are subject to market fluctuation and may increase or decrease in value prior to their delivery. The purchase of securities on a when-issued basis may increase the volatility of a Portfolio’s NAV to the extent the Portfolio executes such transactions while remaining substantially fully invested. When a Portfolio engages in when-issued or delayed delivery transactions, it relies on the buyer or seller, as the case may be, to complete the transaction. Their failure to do so may cause the Portfolio to lose the opportunity to obtain or dispose of the security at a price and yield IICO, or the Portfolio’s investment subadviser, as applicable, consider advantageous. The Portfolio maintains internally designated assets with a value equal to or greater than the amount of its purchase commitments. The Portfolio may also sell securities that it purchased on a when-issued or delayed delivery basis prior to settlement of the original purchase.

Custodian Fees. “Custodian fees” on the Statement of Operations may include interest expense incurred by a Portfolio on any cash overdrafts of its custodian account during the period. Such cash overdrafts may result from the effects of failed trades in portfolio securities and from cash outflows resulting from unanticipated shareholder redemption activity. A Portfolio pays interest to its custodian on such cash overdrafts, to the extent they are not offset by positive cash balances maintained by that Portfolio. The “Earnings credit” line item, if shown, represents earnings on cash balances maintained by that Portfolio during the period. Such interest expense and other custodian fees may be paid with these earnings.

Indemnification. The Trust’s organizational documents provide current and former Trustees and Officers with a limited indemnification against liabilities arising in connection with the performance of their duties to the Trust. In the normal course of business, the Trust may also enter into contracts that provide general indemnification. The Trust’s maximum exposure under these arrangements is unknown and is dependent on future claims that may be made against the Trust. The risk of material loss from such claims is considered remote.

Basis of Preparation. Each Portfolio is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946 (“ASC 946”). The accompanying financial statements were prepared in accordance with U.S. GAAP, including but not limited to ASC 946. U.S. GAAP requires the use of estimates made by management. Management believes that estimates and valuations are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately realized upon sale or maturity.

New Rule Issuance. In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820). The amendments in the ASU impact disclosure requirements for fair value measurement. It is anticipated that this change will enhance the effectiveness of disclosures in the notes to the financial statements. This ASU is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted and can include the entire standard or certain provisions that exclude or amend disclosures. For the period ended June 30, 2019, the Portfolios have chosen to adopt the standard. The adoption of this ASU is reflected in the disclosures of the financial statements.

Subsequent Events. Management has performed a review for subsequent events through the date this report was issued.

3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

Each Portfolio’s investments are reported at fair value. Fair value is defined as the price that each Portfolio would receive upon selling an asset or would pay upon satisfying a liability in an orderly transaction between market participants at the measurement date. Each Portfolio calculates the NAV of its shares as of the close of the NYSE, normally 4:00 P.M. Eastern time, on each day the NYSE is open for trading.

For purposes of calculating the NAV, the portfolio securities and financial instruments are valued on each business day using pricing and valuation methods as adopted by the Board. Where market quotes are readily available, fair value is generally determined on the basis of the last reported sales price, or if no sales are reported, based on quotes obtained from a quotation reporting system, established market makers, or pricing services.

Prices for fixed-income securities are typically based on quotes that are obtained from an independent pricing service approved by the Board. To determine values of fixed-income securities, the independent pricing service utilizes such factors as current quotations by broker/dealers, coupon, maturity, quality, type of issue, trading characteristics, and other yield and risk factors it deems relevant in determining valuations. Securities that cannot be valued by the independent pricing service may be valued using quotes obtained from dealers that make markets in the securities.

Short-term securities with maturities of 60 days or less are valued based on quotes that are obtained from an independent pricing service approved by the Board as described in the preceding paragraph above.

Because many foreign markets close before the NYSE, events may occur between the close of the foreign market and the close of the NYSE that could have a material impact on the valuation of foreign securities. Waddell & Reed Services Company (“WRSCO”), pursuant to procedures adopted by the Board, evaluates the impact of these events and may adjust the valuation of foreign securities to reflect the fair value as of the close of the NYSE. In addition, all securities for which values are not readily available or are deemed unreliable are appraised at fair value as determined in good faith under the supervision of the Board.

Where market quotes are not readily available, portfolio securities or financial instruments are valued at fair value, as determined in good faith by the Board or Valuation Committee pursuant to procedures approved by the Board.

Market quotes are considered not readily available in circumstances where there is an absence of current or reliable market-based data (e.g., trade information or broker quotes), including where events occur after the close of the relevant market, but prior to the NYSE close, that materially affect the values of a Portfolio’s securities or financial instruments. In addition, market quotes are considered not readily available when, due to extraordinary circumstances, the exchanges or markets on which the securities trade do not open for trading for the entire day and no other market prices are available.

The Board has delegated to WRSCO the responsibility for monitoring significant events that may materially affect the values of a Portfolio’s securities or financial instruments and for determining whether the value of the applicable securities or financial instruments should be re-evaluated in light of such significant events. The Board has established a Valuation Committee to administer and oversee the valuation process, including the use of third party pricing vendors.

The Board has adopted methods for valuing securities and financial instruments in circumstances where market quotes are not readily available. For instances in which daily market quotes are not readily available, investments may be valued, pursuant to procedures established by the Board, with reference to other securities or indices. In the event that the security or financial instrument cannot be valued pursuant to one of the valuation methods established by the Board, the value of the security or financial instrument will be determined in good faith by the Valuation Committee in accordance with the procedures adopted by the Board.

When a Portfolio uses these fair valuation methods applied by WRSCO that use significant unobservable inputs to determine its NAV, securities will be priced by a method that the Board or persons acting at its direction believe accurately reflects fair value and are categorized as Level 3 of the fair value hierarchy. These methods may require subjective determinations about the value of a security. The prices used by a Portfolio may differ from the value that will ultimately be realized at the time the securities are sold.

WRSCO is responsible for monitoring the implementation of the pricing and valuation policies through a series of activities to provide reasonable comfort of the accuracy of prices including: 1) periodic vendor due diligence meetings to review methodologies, new developments, and process at vendors, 2) daily and monthly multi-source pricing comparisons reviewed and submitted to the Valuation Committee, and 3) daily review of unpriced, stale, and variance reports with exceptions reviewed by management and the Valuation Committee.

Accounting standards establish a framework for measuring fair value and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity’s own assumptions about the factors that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

An individual investment’s fair value measurement is assigned a level based upon the observability of the inputs which are significant to the overall valuation.

The three-tier hierarchy of inputs is summarized as follows:

- Level 1 – Observable input such as quoted prices, available in active markets, for identical assets or liabilities.
- Level 2 – Significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active,

inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs.

- Level 3 – Significant unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available, which may include assumptions made by the Board or persons acting at its direction that are used in determining the fair value of investments.

A description of the valuation techniques applied to the Portfolios' major classes of assets and liabilities measured at fair value on a recurring basis follows:

Asset-Backed Securities and Mortgage-Backed Securities. The fair value of asset-backed securities and mortgage-backed securities are estimated using recently executed transactions and based on models that consider the estimated cash flows of each debt tranche of the issuer, establish a benchmark yield, and develop an estimated tranche specific spread to the benchmark yield based on the unique attributes of the tranche including, but not limited to, the prepayment speed assumptions and attributes of the collateral. To the extent the inputs are observable and timely, the values would be categorized in Level 2 of the fair value hierarchy, and otherwise they would be categorized as Level 3.

Corporate Bonds. The fair value of corporate bonds, as obtained from an independent pricing service, is estimated using various techniques, which consider recently executed transactions in securities of the issuer or comparable issuers, market price quotations (where observable), bond spreads, fundamental data relating to the issuer, and credit default swap spreads adjusted for any basis difference between cash and derivative instruments. While most corporate bonds are categorized in Level 2 of the fair value hierarchy, in instances where lower relative weight is placed on transaction prices, quotations, or similar observable inputs, they are categorized in Level 3 of the fair value hierarchy.

Derivative Instruments. Forward foreign currency contracts are valued based upon the closing prices of the forward currency rates determined at the close of the NYSE, which are provided by an independent pricing service. Swaps derive their value from underlying asset prices, indices, reference rates and other inputs or a combination of these factors. Swaps are valued by an independent pricing service unless the price is unavailable, in which case they are valued at the price provided by a dealer in that security. Exchange-traded futures contracts are generally valued at the settlement price. Listed options are ordinarily valued at the mean of the last bid and ask price provided by an independent pricing service unless the price is unavailable, in which case they are valued at a quotation obtained from a broker-dealer. Over the counter ("OTC") options are ordinarily valued at the mean of the last bid and ask price for a comparable listed option provided by an independent pricing service unless such a price is unavailable, in which case they are valued at a quotation obtained from a broker-dealer.

Listed derivatives that are actively traded are valued based on quoted prices from the exchange and are categorized in Level 1 of the fair value hierarchy. OTC derivative contracts include forward foreign currency contracts, swap agreements, and option contracts related to interest rates, foreign currencies, credit standing of reference entities, equity prices, or commodity prices. Depending on the product and the terms of the transaction, the fair value of the OTC derivative products are modeled taking into account the counterparties' creditworthiness and using a series of techniques, including simulation models. Many pricing models do not entail material subjectivity because the methodologies employed do not necessitate significant judgments and the pricing inputs are observed from actively quoted markets, as is the case with interest rate swap and option contracts. OTC derivative products valued using pricing models with significant observable inputs are categorized within Level 2 of the fair value hierarchy.

Equity Securities. Equity securities traded on U.S. or foreign securities exchanges or included in a national market system are valued at the official closing price at the close of each business day unless otherwise stated below. OTC equity securities and listed securities for which no price is readily available are valued at the average of the last bid and ask prices.

Mutual funds, including investment funds, typically are valued at the NAV reported as of the valuation date.

Securities that are stated at the last reported sales price or closing price on the day of valuation taken from the primary exchange where the security is principally traded and to the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

Foreign securities, for which the primary trading market closes at the same time or after the NYSE, are valued based on quotations from the primary market in which they are traded and categorized in Level 1. Because many foreign securities markets and exchanges close prior to the close of the NYSE, closing prices for foreign securities in those markets or on those exchanges do not reflect the events that occur after that close. Certain foreign securities may be fair valued using a pricing service that considers the correlation of the trading patterns of the foreign security to the intra-day trading in the U.S. markets for investments such as American Depositary Receipts, financial futures, exchange-traded funds, and the movement of certain indices of securities based on a statistical analysis of their historical relationship; such valuations generally are categorized in Level 2.

Preferred stock, repurchase agreements, and other equities traded on inactive markets or valued by reference to similar instruments are also generally categorized in Level 2.

Loans. Loans are valued using a price or composite price from one or more brokers or dealers as obtained from an independent pricing service. The fair value of loans is estimated using recently executed transactions, market price quotations, credit/market events, and cross-asset pricing. Inputs are generally observable market inputs obtained from independent sources. Loans are generally categorized in Level 2 of the fair value hierarchy, unless key inputs are unobservable in which case they would be categorized as Level 3.

Municipal Bonds. Municipal bonds are fair valued based on pricing models used by and obtained from an independent pricing service that take into account, among other factors, information received from market makers and broker-dealers, current trades, bid-wants lists, offerings, market movements, the callability of the bond, state of issuance, benchmark yield curves, and bond insurance. To the extent that these inputs are observable and timely, the fair values of municipal bonds would be categorized as Level 2; otherwise the fair values would be categorized as Level 3.

Restricted Securities. Restricted securities that are deemed to be Rule 144A securities and illiquid, as well as restricted securities held in non-public entities, are included in Level 3 of the fair value hierarchy to the extent that significant inputs to valuation are unobservable, because they trade infrequently, if at all and, therefore, the inputs are unobservable. Restricted securities that are valued at a discount to similar publicly traded securities may be categorized as Level 2 of the fair value hierarchy to the extent that the discount is considered to be insignificant to the fair value measurement in its entirety; otherwise they may be categorized as Level 3.

U.S. Government and Agency Securities. U.S. government and agency securities are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, quoted market prices, and reference data. Accordingly, U.S. government and agency securities are normally categorized in Level 2 of the fair value hierarchy depending on the liquidity and transparency of the market.

Transfers from Level 2 to Level 3 occurred primarily due to the lack of observable market data due to decreased market activity or information for these securities. Transfers from Level 3 to Level 2 occurred primarily due to the increased availability of observable market data due to increased market activity or information. Transfers between levels represent the values as of the beginning of the reporting period.

For fair valuations using unobservable inputs, U.S. GAAP requires a reconciliation of the beginning to ending balances for reported fair values that presents changes attributable to total realized and unrealized gains or losses, purchases and sales, and transfers in or out of the Level 3 category during the period. In accordance with the requirements of U.S. GAAP, a fair value hierarchy and Level 3 reconciliation, if any, have been included in the Notes to the Schedule of Investments for each respective Portfolio.

Net realized gain (loss) and net unrealized appreciation (depreciation), shown on the reconciliation of Level 3 investments, if applicable, are included on the Statement of Operations in net realized gain (loss) on investments in unaffiliated and/or affiliated securities and in net change in unrealized appreciation (depreciation) on investments in unaffiliated and/or affiliated securities, respectively. Additionally, the net change in unrealized appreciation (depreciation) for all Level 3 investments still held as of June 30, 2019, if applicable, is included on the Statement of Operations in net change in unrealized appreciation (depreciation) on investments in unaffiliated and/or affiliated securities.

4. DERIVATIVE INSTRUMENTS (\$ amounts in thousands unless indicated otherwise)

The following disclosures contain information on why and how the Portfolios use derivative instruments, the associated risks of investing in derivative instruments, and how derivative instruments affect the Portfolios' financial positions and results of operations.

Forward Foreign Currency Contracts. All Portfolios are authorized to enter into forward foreign currency contracts ("forward contracts") for the purchase or sale of a foreign currency at a negotiated rate at a future date. Forward contracts are reported on a schedule following the Schedule of Investments. Forward contracts are valued daily based upon the closing prices of the forward currency rates provided by an independent pricing service determined at the close of the NYSE. The resulting unrealized appreciation and depreciation is reported on the Statement of Assets and Liabilities as a receivable or payable and on the Statement of Operations within the change in unrealized appreciation (depreciation). At contract close, the difference between the original cost of the contract and the value at the close date is recorded as a realized gain (loss) on the Statement of Operations.

Risks to a Portfolio related to the use of such contracts include both market and credit risk. Market risk is the risk that the value of the forward contract will depreciate due to unfavorable changes in the exchange rates. Credit risk arises from the possibility that the counterparty will default. If the counterparty defaults, a Portfolio's maximum loss will consist of the aggregate unrealized gain on appreciated contracts that is not collateralized.

Core Equity enters into forward foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio instruments or to obtain exposure to, or hedge exposure away from foreign currencies (foreign currency exchange rate risk).

Option Contracts. Options purchased by a Portfolio are accounted for in the same manner as portfolio securities. The cost of the underlying instruments acquired through the exercise of call options is increased by the premium paid to purchase the call. The proceeds from instruments sold through the exercise of put options are decreased by the premium paid to purchase the put.

When a Portfolio writes (sells) an option, an amount equal to the premium received by the Portfolio is recorded as a liability. The amount of the liability is subsequently adjusted to reflect the current value of the option written. When an option expires on its stipulated expiration date or a Portfolio enters into a closing purchase transaction, the Portfolio realizes a gain (or loss if the cost of a closing purchase transaction exceeds the premium received when the call option was sold), and the liability related to such option is extinguished. When a written call option is exercised, the premium is added to the proceeds from the sale of the underlying instrument in determining whether a Portfolio has realized a gain or loss. When a written put is exercised, the cost basis of the instruments purchased by a Portfolio is reduced by the amount of the premium received.

Investments in options, whether purchased or written, involve certain risks. Writing put options and purchasing call options may increase a Portfolio's exposure to the underlying instrument. With written options, there may be times when a Portfolio will be required to purchase or sell instruments to meet its obligation under the option contract where the required action is not beneficial to the Portfolio, due to unfavorable movement of the market price of the underlying instrument.

Option contracts can be traded on a regulated exchange or traded OTC. Unlike the trades on a regulated exchange where the clearinghouse guarantees the performances of both the buyer and the seller, to the extent a Portfolio enters into OTC option transactions with counterparties, the Portfolio will be exposed to the risk that counterparties to these OTC transactions will be unable to meet their obligations under the terms of the transaction.

Value purchases and writes call and put options to increase or decrease hedging exposure to underlying instruments (which include credit risk, equity risk, foreign currency exchange rate risk, event risk and/or interest rate risk), increase exposure to various equity markets or certain sectors, gain exposure to or facilitate trading in certain securities and/or, in the case of options written, to generate returns from options premiums.

Collateral and rights of offset. A Portfolio mitigates credit risk with respect to OTC derivative counterparties through credit support annexes ("CSA") included with an International Swaps and Derivatives Association, Inc. ("ISDA") Master Agreement which is the standard contract governing all OTC derivative transactions between the Portfolio and each of its counterparties. Although it is not possible to eliminate credit risk entirely, the CSA allows the Portfolio and its counterparty to reduce their exposure to the risk of payment default by the other party by holding an amount in collateral equivalent to the realized and unrealized amount of exposure to the counterparty, which is generally held by the Portfolio's custodian. An amount of collateral is moved to/from applicable counterparties only if the amount of collateral required to be posted surpasses both the threshold and the minimum transfer amount pre-agreed in the CSA between the Portfolio and the counterparty. See Note 2 "Segregation and Collateralization" for additional information with respect to collateral practices.

Offsetting of Assets and Liabilities. The following tables present financial instruments that are either (1) offset or (2) subject to an enforceable master netting arrangement or similar agreement as of June 30, 2019:

Liabilities

Portfolio	Gross Amounts of Recognized Liabilities	Gross Amounts Offset on the Statement of Assets and Liabilities	Net Amounts of Liabilities Presented on the Statement of Assets and Liabilities	Financial Instruments and Derivatives Available for Offset	Gross Amounts Not Offset on the Statement of Assets and Liabilities		
					Non-Cash Collateral Pledged	Cash Collateral Pledged	Net Amount Payable
Value							
Written options at value	\$152	\$—	\$152	\$—	\$—	\$—	\$152

Additional Disclosure Related to Derivative Instruments

Fair values of derivative instruments as of June 30, 2019:

Portfolio	Type of Risk Exposure	Assets		Liabilities	
		Statement of Assets & Liabilities Location	Value	Statement of Assets & Liabilities Location	Value
Value	Equity		\$—	Written options at value	\$235

Amount of realized gain (loss) on derivatives recognized on the Statement of Operations for the period ended June 30, 2019:

Portfolio	Type of Risk Exposure	Net realized gain (loss) on:					Forward foreign currency contracts	Total
		Investments in unaffiliated securities*	Swap agreements	Futures contracts	Written options			
Core Equity	Foreign currency	\$—	\$—	\$—	\$—	\$166	\$166	
Value	Equity	—	—	—	317	—	317	

*Purchased options are reported as investments in unaffiliated securities and are reflected on the accompanying Schedule of Investments.

Change in unrealized appreciation (depreciation) on derivatives recognized on the Statement of Operations for the period ended June 30, 2019:

Portfolio	Type of Risk Exposure	Net change in unrealized appreciation (depreciation) on:					Forward foreign currency contracts	Total
		Investments in unaffiliated securities*	Swap agreements	Futures contracts	Written options			
Core Equity	Foreign currency	\$—	\$—	\$—	\$—	\$(127)	\$(127)	
Value	Equity	—	—	—	58	—	58	

*Purchased options are reported as investments in unaffiliated securities and are reflected on the accompanying Schedule of Investments.

During the period ended June 30, 2019, the average derivative volume was as follows:

Portfolio	Forward foreign currency contracts ⁽¹⁾	Long futures contracts ⁽²⁾	Short futures contracts ⁽²⁾	Swap agreements ⁽³⁾	Purchased options ⁽²⁾	Written options ⁽²⁾
Core Equity	\$18	\$—	\$—	\$—	\$—	\$—
Value	—	—	—	—	—	145

(1)Average absolute value of unrealized appreciation/depreciation during the period.

(2)Average value outstanding during the period.

(3)Average notional amount outstanding during the period.

5. INVESTMENT MANAGEMENT AND PAYMENTS TO AFFILIATED PERSONS (\$ amounts in thousands unless indicated otherwise)

Management Fees. IICO, a wholly owned subsidiary of Waddell & Reed, Inc. (“W&R”), serves as each Portfolio’s investment adviser. The management fee is accrued daily by each Portfolio at the following annual rates as a percentage of average daily net assets:

Portfolio (M - Millions)	\$0 to \$500M	\$500 to \$1,000M	\$1,000 to \$1,500M	\$1,500 to \$2,000M	\$2,000 to \$3,000M	Over \$3,000M
Core Equity	0.700%	0.700%	0.650%	0.650%	0.600%	0.550%
Corporate Bond	0.475	0.475	0.450	0.400	0.400	0.400
Global Bond	0.625	0.600	0.550	0.500	0.500	0.500
Global Equity Income	0.700	0.700	0.650	0.650	0.600	0.550
Global Growth	0.850	0.850	0.830	0.830	0.800	0.760
Limited-Term Bond	0.500	0.450	0.400	0.350	0.350	0.350
Securian Real Estate Securities	0.900	0.900	0.870	0.870	0.840	0.800
Value	0.700	0.700	0.650	0.650	0.600	0.550

IICO has voluntarily agreed to waive a Portfolio's investment management fee on any Portfolio that is not subadvised on any day that the Portfolio's net assets are less than \$25 million, subject to IICO's right to change or modify this waiver. See Expense Reimbursements and/or Waivers for more information.

IICO has entered into a Subadvisory Agreement with the following entity on behalf of Securian Real Estate Securities:

Securian Asset Management, Inc. ("Securian") serves as subadvisor to Securian Real Estate Securities. The subadvisor makes investment decisions in accordance with the Portfolio's investment objectives, policies and restrictions under the supervision of IICO and the Board of Trustees. IICO pays all applicable costs of the subadvisor.

Independent Trustees and Chief Compliance Officer Fees. Fees paid to the Independent Trustees can be paid in cash or deferred to a later date, at the election of the Trustees according to the Deferred Fee Agreement entered into between the Trust and the Trustee(s). Each Portfolio records its portion of the deferred fees as a liability on the Statement of Assets and Liabilities. All fees paid in cash plus any appreciation (depreciation) in the underlying deferred plan are shown on the Statement of Operations. Additionally, fees paid to the Chief Compliance Officer of the Portfolios are shown on the Statement of Operations.

Accounting Services Fees. The Trust has an Accounting and Administrative Services Agreement with Waddell & Reed Services Company ("WRSCO"), doing business as WI Services Company ("WISC"), an affiliate of W&R. Under the agreement, WISC acts as the agent in providing bookkeeping and accounting services and assistance to the Trust, including maintenance of Portfolio records, pricing of Portfolio shares and preparation of certain shareholder reports. For these services, each Portfolio pays WISC a monthly fee of one-twelfth of the annual fee based on the average net asset levels shown in the following table:

(M - Millions)	\$0 to \$10M	\$10 to \$25M	\$25 to \$50M	\$50 to \$100M	\$100 to \$200M	\$200 to \$350M	\$350 to \$550M	\$550 to \$750M	\$750 to \$1,000M	Over \$1,000M
Annual Fee Rate	\$0.00	\$11.50	\$23.10	\$35.50	\$48.40	\$63.20	\$82.50	\$96.30	\$121.60	\$148.50

Each Portfolio also pays WISC a monthly administrative fee at the annual rate of 0.01%, or one basis point, for the first \$1 billion of net assets with no fee charged for net assets in excess of \$1 billion. This fee is voluntarily waived by WISC until a Portfolio's net assets are at least \$10 million and is included in "Accounting services fee" on the Statement of Operations.

Shareholder Servicing. Under the Transfer Agency Agreement between the Trust and WISC, each Portfolio reimburses WISC for certain out-of-pocket costs.

Service Plan. Class II. Under a Service Plan adopted by the Trust pursuant to Rule 12b-1 under the 1940 Act, each Portfolio may pay a service fee to W&R for Class II shares in an amount not to exceed 0.25% of the Portfolio's average annual net assets. The fee is to be paid to compensate W&R for amounts it expends in connection with the provision of personal services to Policyowners and/or maintenance of Policyowner accounts.

Expense Reimbursements and/or Waivers. IICO, the Portfolios' investment manager, IDI, the Portfolios' distributor, and/or Waddell & Reed Services Company, doing business as WISC, the Portfolios' transfer agent, have contractually agreed to reimburse sufficient management fees, 12b-1 fees and/or shareholder servicing fees to cap the total annual ordinary fund operating expenses (which would exclude interest, taxes, brokerage commissions, acquired fund fees and expenses, and extraordinary expenses, if any). Portfolio and class expense limitations and related waivers/reimbursements for the period ended June 30, 2019 were as follows:

Portfolio Name	Share Class Name	Type of Expense Limit	Commencement Date	End Date	Expense Limit	Amount of Expense Waiver/Reimbursement	Expense Reduced
Core Equity	Class II	Contractual	10-1-2016	4-30-2020	0.95%	\$167	12b-1 Fees and/or Shareholder Servicing
Global Bond	All Classes	Voluntary	N/A	N/A	N/A	\$68 ⁽¹⁾	Investment Management Fee
Global Growth	Class II	Contractual	10-1-2016	4-30-2020	1.13%	\$67	12b-1 Fees and/or Shareholder Servicing
Securian Real Estate Securities	All Classes	Contractual	12-3-2012	4-30-2020	N/A	\$17 ⁽²⁾	Investment Management Fee

⁽¹⁾For Portfolios managed solely by IICO, IICO has voluntarily agreed to waive its management fee for any day that a portfolio's net assets are less than \$25 million, subject to IICO's right to change or modify this waiver.

⁽²⁾The Portfolio's investment management fee is being reduced by 0.09% of average daily net assets until April 30, 2020.

Any amounts due to the Portfolios as a reimbursement but not paid as of June 30, 2019 are shown as a receivable from affiliates on the Statement of Assets and Liabilities.

6. INTERFUND LENDING PROGRAM

Pursuant to an exemptive order issued by the SEC (“Order”), the Ivy Funds, Ivy Variable Insurance Portfolios and InvestEd Portfolios (collectively, the “Funds” only for purposes of this footnote 6) have the ability to lend money to, and borrow money from, each other pursuant to a master interfund lending agreement (“Interfund Lending Program”). Under the Interfund Lending Program, the Funds may lend or borrow money for temporary purposes directly to or from one another (each an “Interfund Loan”), subject to meeting the conditions of the Order. The interest rate to be charged on an Interfund Loan is the average of the overnight repurchase agreement rate and the short-term bank loan rate. The Funds made no Interfund Loans under the Interfund Lending Program during the period ended June 30, 2019.

7. INVESTMENT SECURITIES TRANSACTIONS (\$ amounts in thousands)

The cost of purchases and the proceeds from maturities and sales of investment securities (excluding short-term securities) for the period ended June 30, 2019, were as follows:

	Purchases		Sales	
	U.S. Government	Other Issuers	U.S. Government	Other Issuers
Core Equity	\$ —	\$359,778	\$ —	\$373,013
Corporate Bond	—	156,105	—	178,138
Global Bond	—	5,492	1,377	3,221
Global Equity Income	—	69,823	—	83,418
Global Growth	—	20,867	—	28,641
Limited-Term Bond	93,038	78,208	73,356	90,195
Securian Real Estate Securities	—	8,671	—	10,354
Value	—	180,398	—	196,539

8. LOANS OF PORTFOLIO SECURITIES (\$ amounts in thousands)

The Portfolios may lend their portfolio securities only to borrowers that are approved by the Portfolio’s securities lending agent, The Bank of New York Mellon (“BNYM”). The borrower pledges and maintains with the Portfolio collateral consisting of cash or securities issued or guaranteed by the U.S. government. The collateral received by the Portfolio is required to have a value of at least 102% of the market value of the loaned securities for securities traded on U.S. exchanges and a value of at least 105% of the market value for all other securities, except in the case of loans of foreign securities which are denominated and payable in U.S. Dollars, in which case the collateral is required to have a value of at least 102% of the market value of the loaned securities. The market value of the loaned securities is determined at the close of each business day and any additional required collateral is delivered to the Portfolio and any excess collateral is returned by the Portfolio on the next business day. During the term of the loan, the Portfolio is entitled to all distributions made on or in respect of the loaned securities but does not receive interest income on securities received as collateral. Loans of securities are terminable at any time and the borrower, after notice, is required to return borrowed securities within the standard time period for settlement of securities transactions.

Cash received as collateral for securities on loan may be reinvested in the Dreyfus Institutional Preferred Government Money Market Fund – Institutional Shares or certain other registered money market funds and are disclosed in the Portfolio’s Schedule of Investments and are reflected in the Statement of Assets and Liabilities as cash collateral on securities loaned at value. Non-cash collateral, in the form of securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, is not disclosed in the Portfolio’s Statement of Assets and Liabilities as it is held by the lending agent on behalf of the Portfolio and the Portfolio does not have the ability to re-hypothecate these securities. The securities on loan for each Portfolio are also disclosed in its Schedule of Investments. The total value of any securities on loan as of June 30, 2019 and the total value of the related cash collateral are disclosed in the Statement of Assets and Liabilities. Income earned by the Portfolios from securities lending activity is disclosed in the Statements of Operations.

The following is a summary of each Portfolio’s securities lending positions and related cash and non-cash collateral received as of June 30, 2019:

Portfolio	Market Value of Securities on Loan	Cash Collateral Received	Non-Cash Collateral Received	Total Collateral Received
Global Bond	\$ 537	\$ 552	\$—	\$ 552
Global Equity Income	4,037	7,774	—	7,774
Global Growth	465	477	—	477
Limited-Term Bond	301	309	—	309
Value	5,732	5,859	—	5,859

The cash collateral received amounts presented in the table above are transactions accounted for as secured borrowings and have an overnight and continuous maturity. The proceeds from the cash collateral received is invested in registered money market funds.

The risks of securities lending include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate these risks, the Portfolios benefit from a borrower indemnity provided by BNYM. BNYM's indemnity allows for full replacement of securities lent wherein BNYM will purchase the unreturned loaned securities on the open market by applying the proceeds of the collateral or to the extent such proceeds are insufficient or the collateral is unavailable, BNYM will purchase the unreturned loan securities at BNYM's expense. However, the Portfolio could suffer a loss if the value of the investments purchased with cash collateral falls below the value of the cash collateral received.

9. CAPITAL SHARE TRANSACTIONS (All amounts in thousands)

The Trust has authorized an unlimited number of no par value shares of beneficial interest. Transactions in shares of beneficial interest were as follows:

	Core Equity				Corporate Bond			
	Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18		Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18	
	Shares	Value	Shares	Value	Shares	Value	Shares	Value
Shares issued from sale of shares:								
Class II	1,020	\$ 11,608	27,121	\$ 327,646	3,438	\$ 18,299	20,518	\$ 105,157
Shares issued in reinvestment of distributions to shareholders:								
Class II	6,669	73,214	2,972	35,537	2,907	15,235	2,297	11,579
Shares redeemed:								
Class II	(4,885)	(58,049)	(8,275)	(101,335)	(9,332)	(49,160)	(19,109)	(98,074)
Net increase (decrease)	2,804	\$ 26,773	21,818	\$ 261,848	(2,987)	\$(15,626)	3,706	\$ 18,662
	Global Bond				Global Equity Income			
	Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18		Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18	
	Shares	Value	Shares	Value	Shares	Value	Shares	Value
Shares issued from sale of shares:								
Class II	446	\$ 2,191	665	\$ 3,209	621	\$ 4,370	2,705	\$ 20,924
Shares issued in reinvestment of distributions to shareholders:								
Class II	162	784	133	626	15,944	85,170	5,843	45,707
Shares redeemed:								
Class II	(719)	(3,549)	(928)	(4,477)	(3,990)	(28,241)	(28,835)	(225,345)
Net increase (decrease)	(111)	\$ (574)	(130)	\$ (642)	12,575	\$ 61,299	(20,287)	\$ (158,714)
	Global Growth				Limited-Term Bond			
	Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18		Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18	
	Shares	Value	Shares	Value	Shares	Value	Shares	Value
Shares issued from sale of shares:								
Class II	375	\$ 2,411	1,061	\$ 10,764	6,848	\$ 33,498	40,811	\$ 194,572
Shares issued in reinvestment of distributions to shareholders:								
Class II	30,123	96,488	2,748	27,187	2,048	9,903	1,482	7,043
Shares redeemed:								
Class II	(1,722)	(12,029)	(31,245)	(312,654)	(9,165)	(44,671)	(21,008)	(100,935)
Net increase (decrease)	28,776	\$ 86,870	(27,436)	\$(274,703)	(269)	\$ (1,270)	21,285	\$ 100,680

	Securian Real Estate Securities				Value			
	Six months ended		Year ended		Six months ended		Year ended	
	6-30-19		12-31-18		6-30-19		12-31-18	
	(Unaudited)				(Unaudited)			
	Shares	Value	Shares	Value	Shares	Value	Shares	Value
Shares issued from sale of shares:								
Class II	222	\$ 1,630	569	\$ 3,987	1,979	\$ 12,129	21,135	\$132,306
Shares issued in reinvestment of distributions to shareholders:								
Class II	99	744	509	3,316	5,212	30,617	3,219	20,089
Shares redeemed:								
Class II	(664)	(4,891)	(1,564)	(10,915)	(5,415)	(33,328)	(12,988)	(83,209)
Net increase (decrease)	(343)	\$(2,517)	(486)	\$(3,612)	1,776	\$ 9,418	11,366	\$ 69,186

10. COMMITMENTS

Bridge loan commitments may obligate a Portfolio to furnish temporary financing to a borrower until permanent financing can be arranged. In connection with these commitments, the Portfolio earns a commitment fee, typically set as a percentage of the commitment amount. Such fee income is included in interest income on the Statements of Operations. At June 30, 2019, there were no outstanding bridge loan commitments.

11. FEDERAL INCOME TAX MATTERS (\$ amounts in thousands)

For Federal income tax purposes, cost of investments owned at June 30, 2019 and the related unrealized appreciation (depreciation) were as follows:

Portfolio	Cost of Investments	Gross Appreciation	Gross Depreciation	Net Unrealized Appreciation
Core Equity	\$633,975	\$70,046	\$12,502	\$57,544
Corporate Bond	529,485	26,165	613	25,552
Global Bond	22,067	709	365	344
Global Equity Income	303,911	20,330	18,331	1,999
Global Growth	121,114	33,512	6,141	27,371
Limited-Term Bond	535,852	8,752	397	8,355
Securian Real Estate Securities	34,694	2,925	1,271	1,654
Value	456,666	43,764	12,277	31,487

For Federal income tax purposes, the Portfolios' undistributed earnings and profit for the year ended December 31, 2018 and the post-October and late-year ordinary activity updated with information available through the date of this report were as follows:

Portfolio	Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Tax Return of Capital	Post-	Late-Year
				October Capital Losses Deferred	Ordinary Losses Deferred
Core Equity	\$ 4,131	\$ 68,811	\$—	\$—	\$—
Corporate Bond	15,225	—	—	—	—
Global Bond	780	—	—	—	—
Global Equity Income	7,487	77,676	—	—	—
Global Growth	11,992	84,490	—	—	—
Limited-Term Bond	9,893	—	—	—	—
Securian Real Estate Securities	580	162	—	—	—
Value	4,439	26,756	—	—	—

Internal Revenue Code regulations permit each Portfolio to elect to defer into its next fiscal year capital losses and certain specified ordinary items incurred between each November 1 and the end of its fiscal year. Each Portfolio is also permitted to defer into its next fiscal certain ordinary losses that generated between each January 1 and the end of its fiscal year.

The tax character of dividends and distributions paid during the two fiscal years ended December 31, 2018 and 2017 were as follows:

Portfolio	December 31, 2018		December 31, 2017	
	Distributed Ordinary Income ⁽¹⁾	Distributed Long-Term Capital Gains	Distributed Ordinary Income ⁽¹⁾	Distributed Long-Term Capital Gains
Core Equity	\$ 6,304	\$29,233	\$ 1,910	\$17,268
Corporate Bond	11,579	—	8,771	1,029
Global Bond	626	—	630	—
Global Equity Income	10,709	34,998	6,575	16,978
Global Growth	6,600	20,587	213	11,360
Limited-Term Bond	7,043	—	6,274	—
Securian Real Estate Securities	1,197	2,119	687	5,528
Value	7,704	12,385	5,834	5,886

(1) Includes short-term capital gains distributed, if any.

Dividends from net investment income and short-term capital gains are treated as ordinary income dividends for federal income tax purposes.

Accumulated capital losses represent net capital loss carryovers as of December 31, 2018 that may be available to offset future realized capital gains and thereby reduce future capital gains distributions. As of December 31, 2018, the capital loss carryforwards were as follows:

Portfolio	Short-Term Capital Loss Carryover	Long-Term Capital Loss Carryover
Core Equity	\$ —	\$ —
Corporate Bond	5,184	4,991
Global Bond	415	789
Global Equity Income	—	—
Global Growth	—	—
Limited-Term Bond	2,150	5,119
Securian Real Estate Securities	—	—
Value	—	—

(UNAUDITED)

Proxy Voting Guidelines

A description of the policies and procedures Ivy Variable Insurance Portfolios uses to determine how to vote proxies relating to portfolio securities is available (i) without charge, upon request, by calling 1.888.923-3355 and (ii) on the Securities and Exchange Commission's ("SEC") website at www.sec.gov.

Proxy Voting Records

Information regarding how the Portfolio voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available on Form N-PX at www.ivyinvestments.com and on the SEC's website at www.sec.gov.

(UNAUDITED)

Portfolio holdings can be found on the Trust's website at www.ivyinvestments.com. Alternatively, a complete schedule of portfolio holdings of each Portfolio for the first and third quarters of each fiscal year is filed with the SEC and can be found on the Trust's Form N-Q. These holdings may be viewed in the following ways:

- On the SEC's website at www.sec.gov.
- For review and copy at the SEC's Public Reference Room in Washington, DC. Information on the operations of the Public Reference Room may be obtained by calling 1.800.SEC.0330.

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THE IVY VARIABLE INSURANCE PORTFOLIOS FAMILY

Global/International Portfolios

Global Equity Income
Global Growth
International Core Equity

Domestic Equity Portfolios

Core Equity
Growth
Mid Cap Growth
Small Cap Core
Small Cap Growth
Value

Fixed Income Portfolios

Corporate Bond
Global Bond
High Income
Limited-Term Bond

Money Market Portfolio

Government Money Market

Specialty Portfolios

Asset Strategy
Balanced
Energy
Natural Resources
Pathfinder Aggressive
Pathfinder Conservative
Pathfinder Moderate
Pathfinder Moderately Aggressive
Pathfinder Moderately Conservative
Pathfinder Moderate – Managed Volatility
Pathfinder Moderately Aggressive – Managed Volatility
Pathfinder Moderately Conservative – Managed Volatility
Science and Technology
Securian Real Estate Securities

The underlying portfolios discussed in this report are only available as investment options in variable annuity and variable life insurance contracts issued by life insurance companies. They are not offered or made available directly to the general public.

This report is submitted for the general information of the shareholders of Ivy Variable Insurance Portfolios. It is not authorized for distribution to prospective investors in a Portfolio unless accompanied with or preceded by the current Portfolio prospectus as well as the variable product prospectus.



Semiannual Report

VARIABLE INSURANCE PORTFOLIOS

JUNE 30, 2019

Ivy Variable Insurance Portfolios

Pathfinder Aggressive	Class II
Pathfinder Conservative	Class II
Pathfinder Moderate	Class II
Pathfinder Moderately Aggressive	Class II
Pathfinder Moderately Conservative	Class II
Pathfinder Moderate — Managed Volatility	Class II
Pathfinder Moderately Aggressive — Managed Volatility	Class II
Pathfinder Moderately Conservative — Managed Volatility	Class II
Government Money Market	Class II

Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission (SEC), you may not be receiving paper copies of the Fund's annual or semi-annual shareholder reports by mail, unless you specifically request paper copies of the reports from the insurance company that offers your variable annuity or variable life insurance contract or from your financial intermediary. Instead of delivering paper copies of the report, the insurance company may choose to make the reports available on a website, and will notify you by mail each time a shareholder report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the insurance company or your financial intermediary electronically by following the instructions provided by the insurance company or by contacting your financial intermediary.

You may elect to receive all future Fund shareholder reports in paper free of charge from the insurance company. You can inform the insurance company or your financial intermediary that you wish to continue receiving paper copies of your shareholder reports by following the instructions provided by the insurance company or by contacting your financial intermediary. Your election to receive reports in paper will apply to all portfolio companies available under your contract with the insurance company.

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JUNE 30, 2019 (UNAUDITED)



Philip J. Sanders, CFA

Dear Shareholder,

Equity markets roared back following the sharp correction at year-end 2018, with the S&P 500 Index advancing 17% as of June 30, and every sector posting gains. The rally had a pro-cyclical component as information technology, consumer discretionary and industrials delivered the strongest sector returns, while energy and health care were the laggards.

The U.S. economy remains relatively healthy and is now in the longest economic expansion in U.S. history despite uncertainty about trade and signs of global weakening. We believe the underlying fundamentals — a robust job market, rising wages and low inflation — support continued growth during the rest of 2019. However, U.S. trade policy remains a wildcard and poses a major threat to the current expansion.

The U.S. Federal Reserve (Fed) has held steady on interest rates so far in 2019. However, increasing pressures from trade turmoil and uncertainty around the strength of global growth is likely to lead the Fed to become more accommodative, leading to interest rate cuts in second half of the calendar year.

Emerging markets faced multiple headwinds over the period, namely a strong dollar, China's focus on deleveraging and regulation, trade wars, volatile energy prices and geopolitical risks. Despite near-term concerns and likely volatility across the global equity market, we believe the long-term fundamentals in emerging markets will continue to offer opportunities.

Looking ahead, we believe equities face intensifying headwinds as the pace of global growth slows and trade turmoil lingers. As we examine the investment landscape, we continue to put greater emphasis on the fundamentals and quality of asset classes and sectors. We believe it is important to stay focused on the merits of individual market sectors, industries and companies when making investment decisions. Those fundamentals historically have tended to outweigh external factors such as government policies and regulations. While those can affect every business and every investor, we think the innovation and management skill within individual companies are the ultimate drivers of long-term stock prices.

Economic Snapshot

	6/30/2019	12/31/2018
S&P 500 Index	2,941.76	2,506.85
MSCI EAFE Index	1,922.30	1,719.88
10-Year Treasury Yield	2.00%	2.69%
U.S. unemployment rate	3.7%	3.9%
30-year fixed mortgage rate	3.73%	4.55%
Oil price per barrel	\$58.47	\$45.41

Sources: Bloomberg, U.S. Department of Labor, MBA, CME

All government statistics shown are subject to periodic revision. The S&P 500 Index is an unmanaged index that tracks the stocks of 500 primarily large-cap U.S. companies. MSCI EAFE Index is an unmanaged index comprised of securities that represent the securities markets in Europe, Australasia and the Far East. It is not possible to invest directly in any of these indexes. Mortgage rates are from BankRate and reflect the overnight national average rate on a conventional 30-year fixed loan. Oil prices reflect the market price of West Texas intermediate crude grade.

Respectfully,

Philip J. Sanders, CFA
President

The opinions expressed in this letter are those of the President of the Ivy Variable Insurance Portfolios and are current only through the end of the period of the report, as stated on the cover. The President's views are subject to change at any time, based on market and other conditions, and no forecasts can be guaranteed.

(UNAUDITED)

Expense Example

As a shareholder of a Portfolio, you incur ongoing costs, including management fees, distribution and service fees, and other Portfolio expenses. The following table is intended to help you understand your ongoing costs (in dollars) of investing in a Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds. As a shareholder in the underlying Ivy VIP Portfolios, the Pathfinder Aggressive, Pathfinder Conservative, Pathfinder Moderate, Pathfinder Moderately Aggressive and Pathfinder Moderately Conservative Portfolios (collectively, the “Pathfinder Portfolios”) and the Pathfinder Moderate — Managed Volatility, Pathfinder Moderately Aggressive — Managed Volatility and Pathfinder Moderately Conservative — Managed Volatility Portfolios (collectively, the “Managed Volatility Portfolios”) will indirectly bear their pro rata share of the expenses incurred by the underlying funds. These expenses are not included in the Pathfinder Portfolios’ or Managed Volatility Portfolios’ annualized expense ratios or the expenses paid during the period. These expenses are, however, included in the effective expenses paid during the period. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the six-month period ended June 30, 2019.

Actual Expenses

The first section in the following table provides information about actual investment values and actual expenses for each share class. You may use the information in this section, together with your initial investment in Portfolio shares, to estimate the expenses that you paid over the period. Simply divide the value of that investment by \$1,000 (for example, a \$7,500 initial investment divided by \$1,000 = 7.5), then multiply the result by the number in the first section under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your investment during this period. In addition, there are fees and expenses imposed under the variable annuity or variable life insurance contract through which shares of the Portfolio are held. Additional fees have the effect of reducing investment returns.

Hypothetical Example for Comparison Purposes

The second section in the following table provides information about hypothetical investment values and hypothetical expenses for each share class based on the Portfolio’s actual expense ratio and an assumed rate of return of five percent per year before expenses, which is not the Portfolio’s actual return. The hypothetical investment values and expenses may not be used to estimate the actual investment value at the end of the period or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolio and other funds. To do so, compare this five percent hypothetical example with the five percent hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs as a shareholder of the Portfolio and do not reflect any fees and expenses imposed under the variable annuity or variable life insurance contract through which shares of the Portfolio are held.

Expenses paid may be impacted by expense reduction arrangements. If those arrangements had not been in place, expenses paid would have been higher. See Note 5 in Notes to Financial Statements for further information.

ILLUSTRATION OF PORTFOLIO EXPENSES

IVY VIP

(UNAUDITED)

Portfolio	Actual ⁽¹⁾			Hypothetical ⁽²⁾			Annualized Expense Ratio Based on the Six-Month Period
	Beginning Account Value 12-31-18	Ending Account Value 6-30-19	Expenses Paid During Period*	Beginning Account Value 12-31-18	Ending Account Value 6-30-19	Expenses Paid During Period*	
Pathfinder Aggressive							
Class II	\$1,000	\$ 1,146.30	\$0.54	\$1,000	\$1,024.27	\$ 0.51	0.11%
Pathfinder Conservative							
Class II	\$1,000	\$1,094.50	\$0.42	\$1,000	\$1,024.42	\$0.40	0.08%
Pathfinder Moderate							
Class II	\$1,000	\$ 1,121.50	\$ 0.21	\$1,000	\$1,024.62	\$0.20	0.03%
Pathfinder Moderately Aggressive							
Class II	\$1,000	\$ 1,135.80	\$ 0.21	\$1,000	\$1,024.62	\$0.20	0.03%
Pathfinder Moderately Conservative							
Class II	\$1,000	\$ 1,108.00	\$0.32	\$1,000	\$ 1,024.51	\$0.30	0.06%
Pathfinder Moderate — Managed Volatility							
Class II	\$1,000	\$ 1,111.20	\$ 1.16	\$1,000	\$1,023.66	\$ 1.11	0.23%
Pathfinder Moderately Aggressive — Managed Volatility							
Class II	\$1,000	\$ 1,121.90	\$ 1.49	\$1,000	\$1,023.40	\$ 1.42	0.28%
Pathfinder Moderately Conservative — Managed Volatility							
Class II	\$1,000	\$1,095.30	\$ 1.36	\$1,000	\$1,023.46	\$ 1.32	0.27%
Government Money Market							
Class II	\$1,000	\$1,009.90	\$ 2.11	\$1,000	\$1,022.73	\$ 2.12	0.42%

*Portfolio expenses are equal to the Portfolio's annualized expense ratio (provided in the table), multiplied by the average account value over the period, multiplied by 181 days in the six-month period ended June 30, 2019, and divided by 365.

(1) This section uses the Portfolio's actual total return and actual Portfolio expenses. It is a guide to the actual expenses paid by the Portfolio in the period. The "Ending Account Value" shown is computed using the Portfolio's actual return and the "Expenses Paid During Period" column shows the dollar amount that would have been paid by an investor who started with \$1,000 in the Portfolio. A shareholder may use the information here, together with the dollar amount invested, to estimate the expenses that were paid over the period. For every thousand dollars a shareholder has invested, the expenses are listed in the last column of this section.

(2) This section uses a hypothetical five percent annual return and actual Portfolio expenses. It helps to compare the Portfolio's ongoing costs with other mutual funds. A shareholder can compare the Portfolio's ongoing costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other Portfolios.

The above illustrations are based on ongoing costs only.

ALL DATA IS AS OF JUNE 30, 2019 (UNAUDITED)

Pathfinder Aggressive – Asset Allocation

Ivy VIP International Core Equity, Class II	17.4%
Ivy VIP Growth, Class II	13.3%
Ivy VIP Core Equity, Class II	12.6%
Ivy VIP Value, Class II	12.3%
Ivy VIP Global Equity Income, Class II	11.8%
Ivy VIP Mid Cap Growth, Class I	9.2%
Ivy VIP Corporate Bond, Class II	9.1%
Ivy VIP Limited-Term Bond, Class II	8.9%
Ivy VIP Small Cap Growth, Class I	2.5%
Ivy VIP Small Cap Core, Class II	1.3%
Ivy VIP High Income, Class I	1.0%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	0.6%

Pathfinder Conservative – Asset Allocation

Ivy VIP Limited-Term Bond, Class II	24.0%
Ivy VIP Government Money Market, Class II	16.8%
Ivy VIP Corporate Bond, Class II	15.8%
Ivy VIP Growth, Class II	8.3%
Ivy VIP Core Equity, Class II	7.6%
Ivy VIP Value, Class II	7.4%
Ivy VIP Mid Cap Growth, Class I	5.8%
Ivy VIP International Core Equity, Class II	5.8%
Ivy VIP Global Equity Income, Class II	4.0%
Ivy VIP High Income, Class I	2.5%
Ivy VIP Small Cap Growth, Class I	1.5%
Ivy VIP Small Cap Core, Class II	0.8%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	-0.3%

Pathfinder Moderate – Asset Allocation

Ivy VIP Limited-Term Bond, Class II	18.9%
Ivy VIP International Core Equity, Class II	11.6%
Ivy VIP Corporate Bond, Class II	11.5%
Ivy VIP Growth, Class II	10.8%
Ivy VIP Core Equity, Class II	10.1%
Ivy VIP Value, Class II	9.9%
Ivy VIP Global Equity Income, Class II	7.9%
Ivy VIP Mid Cap Growth, Class I	7.5%
Ivy VIP Government Money Market, Class II	6.9%
Ivy VIP Small Cap Growth, Class I	2.0%
Ivy VIP High Income, Class I	1.8%
Ivy VIP Small Cap Core, Class II	1.0%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	0.1%

Pathfinder Moderately Aggressive – Asset Allocation

Ivy VIP Limited-Term Bond, Class II	14.7%
Ivy VIP International Core Equity, Class II	14.6%
Ivy VIP Growth, Class II	12.1%
Ivy VIP Core Equity, Class II	11.4%
Ivy VIP Corporate Bond, Class II	11.2%
Ivy VIP Value, Class II	11.1%
Ivy VIP Global Equity Income, Class II	9.9%
Ivy VIP Mid Cap Growth, Class I	8.4%
Ivy VIP Small Cap Growth, Class I	2.3%
Ivy VIP Government Money Market, Class II	2.0%
Ivy VIP High Income, Class I	1.2%
Ivy VIP Small Cap Core, Class II	1.1%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	0.0%

Pathfinder Moderately Conservative – Asset Allocation

Ivy VIP Limited-Term Bond, Class II	21.4%
Ivy VIP Corporate Bond, Class II	13.5%
Ivy VIP Government Money Market, Class II	11.8%
Ivy VIP Growth, Class II	9.5%
Ivy VIP Core Equity, Class II	8.9%
Ivy VIP International Core Equity, Class II	8.7%
Ivy VIP Value, Class II	8.6%
Ivy VIP Mid Cap Growth, Class I	6.6%
Ivy VIP Global Equity Income, Class II	5.9%
Ivy VIP High Income, Class I	2.2%
Ivy VIP Small Cap Growth, Class I	1.8%
Ivy VIP Small Cap Core, Class II	0.9%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	0.2%

ALL DATA IS AS OF JUNE 30, 2019 (UNAUDITED)

Pathfinder Moderate – Managed Volatility – Asset Allocation

Ivy VIP Limited-Term Bond, Class II	18.4%
Ivy VIP International Core Equity, Class II	11.3%
Ivy VIP Corporate Bond, Class II	11.1%
Ivy VIP Growth, Class II	10.5%
Ivy VIP Core Equity, Class II	9.9%
Ivy VIP Value, Class II	9.6%
Ivy VIP Global Equity Income, Class II	7.7%
Ivy VIP Mid Cap Growth, Class I	7.3%
Ivy VIP Government Money Market, Class II	6.7%
Ivy VIP Small Cap Growth, Class I	2.0%
Ivy VIP High Income, Class I	1.7%
Ivy VIP Small Cap Core, Class II	1.0%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	2.8%

Pathfinder Moderately Aggressive – Managed Volatility – Asset Allocation

Ivy VIP Limited-Term Bond, Class II	14.4%
Ivy VIP International Core Equity, Class II	14.3%
Ivy VIP Growth, Class II	11.9%
Ivy VIP Core Equity, Class II	11.2%
Ivy VIP Corporate Bond, Class II	11.0%
Ivy VIP Value, Class II	10.9%
Ivy VIP Global Equity Income, Class II	9.7%
Ivy VIP Mid Cap Growth, Class I	8.2%
Ivy VIP Small Cap Growth, Class I	2.2%
Ivy VIP Government Money Market, Class II	1.9%
Ivy VIP High Income, Class I	1.2%
Ivy VIP Small Cap Core, Class II	1.1%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	2.0%

Pathfinder Moderately Conservative – Managed Volatility – Asset Allocation

Ivy VIP Limited-Term Bond, Class II	20.8%
Ivy VIP Corporate Bond, Class II	13.1%
Ivy VIP Government Money Market, Class II	11.5%
Ivy VIP Growth, Class II	9.3%
Ivy VIP Core Equity, Class II	8.6%
Ivy VIP International Core Equity, Class II	8.5%
Ivy VIP Value, Class II	8.4%
Ivy VIP Mid Cap Growth, Class I	6.5%
Ivy VIP Global Equity Income, Class II	5.8%
Ivy VIP High Income, Class I	2.2%
Ivy VIP Small Cap Growth, Class I	1.7%
Ivy VIP Small Cap Core, Class II	0.9%
Liabilities (Net of Cash and Other Assets), and Cash Equivalents+	2.7%

The percentages of investments in the underlying funds may not currently be within the target allocation ranges disclosed in the Portfolios' prospectus due to market movements; these percentages are expected to change over time, and deviation from the target allocation ranges due to market movements is permitted by the prospectus.

+Cash equivalents are defined as highly liquid securities with maturities of less than three months. Cash equivalents may include U.S. Government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

JUNE 30, 2019 (UNAUDITED)

Pathfinder Aggressive

AFFILIATED MUTUAL FUNDS	Shares	Value
Ivy VIP Core Equity, Class II	721	\$ 8,193
Ivy VIP Corporate Bond, Class II	1,095	5,929
Ivy VIP Global Equity Income, Class II	1,380	7,656
Ivy VIP Growth, Class II	841	8,644
Ivy VIP High Income, Class I	189	642
Ivy VIP International Core Equity, Class II	765	11,294
Ivy VIP Limited-Term Bond, Class II	1,185	5,799
Ivy VIP Mid Cap Growth, Class I	511	5,993
Ivy VIP Small Cap Core, Class II	62	815
Ivy VIP Small Cap Growth, Class I	175	1,637
Ivy VIP Value, Class II	1,327	7,990
TOTAL AFFILIATED MUTUAL FUNDS – 99.4%		\$64,592

(Cost: \$72,210)

SHORT-TERM SECURITIES	Principal	
Master Note – 0.6% Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps), 2.620%, 7-5-19 (A)	\$ 396	396
TOTAL SHORT-TERM SECURITIES – 0.6%	\$ 396	

(Cost: \$396)

TOTAL INVESTMENT SECURITIES – 100.0%	\$64,988
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(Cost: \$72,606)

LIABILITIES, NET OF CASH AND OTHER ASSETS – 0.0%	(16)
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NET ASSETS – 100.0%	\$64,972
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Notes to Schedule of Investments

(A) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Affiliated Mutual Funds	\$64,592	\$ —	\$—
Short-Term Securities	—	396	—
Total	\$64,592	\$396	\$—

The following acronym is used throughout this schedule:

LIBOR = London Interbank Offered Rate

See Accompanying Notes to Financial Statements.

Pathfinder Conservative

AFFILIATED MUTUAL FUNDS	Shares	Value
Ivy VIP Core Equity, Class II	667	\$ 7,588
Ivy VIP Corporate Bond, Class II	2,911	15,756
Ivy VIP Global Equity Income, Class II	710	3,939
Ivy VIP Government Money Market, Class II	16,707	16,707
Ivy VIP Growth, Class II	799	8,212
Ivy VIP High Income, Class I	731	2,475
Ivy VIP International Core Equity, Class II	394	5,810
Ivy VIP Limited-Term Bond, Class II	4,876	23,867
Ivy VIP Mid Cap Growth, Class I	490	5,753
Ivy VIP Small Cap Core, Class II	57	754
Ivy VIP Small Cap Growth, Class I	162	1,515
Ivy VIP Value, Class II	1,229	7,400
TOTAL AFFILIATED MUTUAL FUNDS – 100.3%		\$ 99,776

(Cost: \$105,277)

SHORT-TERM SECURITIES	Principal	
Master Note – 0.4% Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps), 2.620%, 7-5-19 (A)	\$ 366	366
TOTAL SHORT-TERM SECURITIES – 0.4%	\$ 366	

(Cost: \$366)

TOTAL INVESTMENT SECURITIES – 100.7%	\$100,142
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(Cost: \$105,643)

LIABILITIES, NET OF CASH AND OTHER ASSETS – (0.7%)	(685)
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NET ASSETS – 100.0%	\$ 99,457
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Notes to Schedule of Investments

(A) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Affiliated Mutual Funds	\$99,776	\$ —	\$—
Short-Term Securities	—	366	—
Total	\$99,776	\$366	\$—

The following acronym is used throughout this schedule:

LIBOR = London Interbank Offered Rate

See Accompanying Notes to Financial Statements.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Affiliated Mutual Funds	\$99,776	\$ —	\$—
Short-Term Securities	—	366	—
Total	\$99,776	\$366	\$—

The following acronym is used throughout this schedule:

LIBOR = London Interbank Offered Rate

See Accompanying Notes to Financial Statements.

SCHEDULE OF INVESTMENTS

PATHFINDER PORTFOLIOS *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

Pathfinder Moderate

AFFILIATED MUTUAL FUNDS	Shares	Value
Ivy VIP Core Equity, Class II	6,390	\$ 72,652
Ivy VIP Corporate Bond, Class II	15,177	82,147
Ivy VIP Global Equity Income, Class II	10,191	56,526
Ivy VIP Government Money Market, Class II	49,405	49,405
Ivy VIP Growth, Class II	7,532	77,399
Ivy VIP High Income, Class I	3,674	12,443
Ivy VIP International Core Equity, Class II	5,646	83,359
Ivy VIP Limited-Term Bond, Class II	27,722	135,690
Ivy VIP Mid Cap Growth, Class I	4,586	53,820
Ivy VIP Small Cap Core, Class II	546	7,219
Ivy VIP Small Cap Growth, Class I	1,555	14,503
Ivy VIP Value, Class II	11,756	70,811
TOTAL AFFILIATED MUTUAL FUNDS – 99.9%		\$ 715,974
(Cost: \$770,584)		
SHORT-TERM SECURITIES	Principal	
Master Note – 0.2% Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps), 2.620%, 7-5-19 (A)	\$ 1,195	1,195
TOTAL SHORT-TERM SECURITIES – 0.2%	\$	1,195
(Cost: \$1,195)		
TOTAL INVESTMENT SECURITIES – 100.1%	\$	717,169
(Cost: \$771,779)		
LIABILITIES, NET OF CASH AND OTHER ASSETS – (0.1%)		(369)
NET ASSETS – 100.0%		\$716,800

Notes to Schedule of Investments

(A) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Affiliated Mutual Funds	\$715,974	\$ —	\$—
Short-Term Securities	—	1,195	—
Total	\$715,974	\$1,195	\$—

The following acronym is used throughout this schedule:

LIBOR = London Interbank Offered Rate

See Accompanying Notes to Financial Statements.

Pathfinder Moderately Aggressive

AFFILIATED MUTUAL FUNDS	Shares	Value
Ivy VIP Core Equity, Class II	8,717	\$ 99,120
Ivy VIP Corporate Bond, Class II	17,996	97,406
Ivy VIP Global Equity Income, Class II	15,450	85,694
Ivy VIP Government Money Market, Class II	17,091	17,091
Ivy VIP Growth, Class II	10,223	105,054
Ivy VIP High Income, Class I	3,182	10,778
Ivy VIP International Core Equity, Class II	8,559	126,380
Ivy VIP Limited-Term Bond, Class II	26,098	127,741
Ivy VIP Mid Cap Growth, Class I	6,212	72,908
Ivy VIP Small Cap Core, Class II	745	9,851
Ivy VIP Small Cap Growth, Class I	2,121	19,792
Ivy VIP Value, Class II	16,040	96,613
TOTAL AFFILIATED MUTUAL FUNDS – 100.0%		\$868,428
(Cost: \$945,237)		
SHORT-TERM SECURITIES	Principal	
Master Note – 0.0% Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps), 2.620%, 7-5-19 (A)	\$ 56	56
TOTAL SHORT-TERM SECURITIES – 0.0%	\$	56
(Cost: \$56)		
TOTAL INVESTMENT SECURITIES – 100.0%	\$	868,484
(Cost: \$945,293)		
CASH AND OTHER ASSETS, NET OF LIABILITIES – 0.0%		27
NET ASSETS – 100.0%		\$ 868,511

Notes to Schedule of Investments

(A) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

JUNE 30, 2019 (UNAUDITED)

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Affiliated Mutual Funds . . .	\$868,428	\$—	\$—
Short-Term Securities	—	56	—
Total	\$868,428	\$56	\$—

The following acronym is used throughout this schedule:

LIBOR = London Interbank Offered Rate

See Accompanying Notes to Financial Statements.

Pathfinder Moderately Conservative

AFFILIATED MUTUAL FUNDS	Shares	Value
Ivy VIP Core Equity, Class II	1,655	\$ 18,821
Ivy VIP Corporate Bond, Class II . . .	5,290	28,635
Ivy VIP Global Equity Income, Class II	2,263	12,554
Ivy VIP Government Money Market, Class II	25,072	25,072
Ivy VIP Growth, Class II	1,964	20,183
Ivy VIP High Income, Class I	1,398	4,735
Ivy VIP International Core Equity, Class II	1,254	18,517
Ivy VIP Limited-Term Bond, Class II	9,285	45,447
Ivy VIP Mid Cap Growth, Class I . . .	1,200	14,079
Ivy VIP Small Cap Core, Class II . . .	141	1,870
Ivy VIP Small Cap Growth, Class I	403	3,757
Ivy VIP Value, Class II	3,046	18,347
TOTAL AFFILIATED MUTUAL FUNDS – 99.8%		\$ 212,017
(Cost: \$225,989)		
SHORT-TERM SECURITIES	Principal	
Master Note – 0.1%		
Toyota Motor Credit Corp.		
(1-Month U.S. LIBOR plus 15 bps),		
2.620%, 7-5-19 (A) \$ 205		
TOTAL SHORT-TERM SECURITIES – 0.1%		
\$ 205		
(Cost: \$205)		
TOTAL INVESTMENT SECURITIES – 99.9%		\$212,222
(Cost: \$226,194)		
CASH AND OTHER ASSETS, NET OF LIABILITIES – 0.1%		131
NET ASSETS – 100.0%		\$212,353

Notes to Schedule of Investments

(A) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Affiliated Mutual Funds	\$212,017	\$—	\$—
Short-Term Securities	—	205	—
Total	\$212,017	\$205	\$—

The following acronym is used throughout this schedule:

LIBOR = London Interbank Offered Rate

See Accompanying Notes to Financial Statements.

JUNE 30, 2019 (UNAUDITED)

Pathfinder Moderate – Managed Volatility

AFFILIATED MUTUAL FUNDS	Shares	Value
Ivy VIP Core Equity, Class II	5,837	\$ 66,373
Ivy VIP Corporate Bond, Class II	13,855	74,994
Ivy VIP Global Equity Income, Class II	9,320	51,691
Ivy VIP Government Money Market, Class II	45,137	45,137
Ivy VIP Growth, Class II	6,877	70,673
Ivy VIP High Income, Class I	3,355	11,364
Ivy VIP International Core Equity, Class II	5,166	76,274
Ivy VIP Limited-Term Bond, Class II	25,315	123,909
Ivy VIP Mid Cap Growth, Class I	4,193	49,205
Ivy VIP Small Cap Core, Class II	499	6,594
Ivy VIP Small Cap Growth, Class I	1,420	13,251
Ivy VIP Value, Class II	10,747	64,734
TOTAL AFFILIATED MUTUAL FUNDS – 97.2%		\$654,199
(Cost: \$699,618)		
SHORT-TERM SECURITIES	Principal	
Commercial Paper (A) – 0.9% McCormick & Co., Inc., 3.100%, 7-11-19	\$ 1,800	1,798
UnitedHealth Group, Inc., 2.820%, 7-15-19	3,000	2,996
Walgreens Boots Alliance, Inc., 2.531%, 7-1-19	1,432	1,432
		6,226
Master Note – 0.5% Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps), 2.620%, 7-5-19 (B)	3,209	3,209
United States Government Agency Obligations – 1.4% Overseas Private Investment Corp. (GTD by U.S. Government) (3-Month U.S. TB Rate): 2.350%, 7-7-19 (B)	9,342	9,342
		9,342
TOTAL SHORT-TERM SECURITIES – 2.8%		\$ 18,777
(Cost: \$18,778)		
TOTAL INVESTMENT SECURITIES – 100.0%		\$672,976
(Cost: \$718,396)		
LIABILITIES, NET OF CASH AND OTHER ASSETS – 0.0%		(209)
NET ASSETS – 100.0%		\$672,767

Notes to Schedule of Investments

(A)Rate shown is the yield to maturity at June 30, 2019.

(B)Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Affiliated Mutual Funds . . .	\$654,199	\$ —	\$—
Short-Term Securities	—	18,777	—
Total	\$654,199	\$18,777	\$—

The following acronyms are used throughout this schedule:

GTD = Guaranteed
LIBOR = London Interbank Offered Rate
TB = Treasury Bill

See Accompanying Notes to Financial Statements.

Pathfinder Moderately Aggressive – Managed Volatility

AFFILIATED MUTUAL FUNDS	Shares	Value
Ivy VIP Core Equity, Class II	912	\$ 10,366
Ivy VIP Corporate Bond, Class II	1,881	10,183
Ivy VIP Global Equity Income, Class II	1,617	8,971
Ivy VIP Government Money Market, Class II	1,791	1,791
Ivy VIP Growth, Class II	1,069	10,981
Ivy VIP High Income, Class I	333	1,127
Ivy VIP International Core Equity, Class II	896	13,236
Ivy VIP Limited-Term Bond, Class II	2,729	13,358
Ivy VIP Mid Cap Growth, Class I	650	7,629
Ivy VIP Small Cap Core, Class II	78	1,030
Ivy VIP Small Cap Growth, Class I	222	2,070
Ivy VIP Value, Class II	1,679	10,110
TOTAL AFFILIATED MUTUAL FUNDS – 98.0%		\$90,852
(Cost: \$99,869)		
SHORT-TERM SECURITIES	Principal	
Master Note – 2.0% Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps), 2.620%, 7-5-19 (A)	\$ 1,819	1,819
TOTAL SHORT-TERM SECURITIES – 2.0%		\$ 1,819
(Cost: \$1,819)		
TOTAL INVESTMENT SECURITIES – 100.0%		\$ 92,671
(Cost: \$101,688)		
LIABILITIES, NET OF CASH AND OTHER ASSETS – 0.0%		(13)
NET ASSETS – 100.0%		\$92,658

Notes to Schedule of Investments

(A)Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

JUNE 30, 2019 (UNAUDITED)

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Affiliated Mutual Funds	\$90,852	\$ —	\$—
Short-Term Securities	—	1,819	—
Total	\$90,852	\$1,819	\$—

The following acronym is used throughout this schedule:

LIBOR = London Interbank Offered Rate

See Accompanying Notes to Financial Statements.

Pathfinder Moderately Conservative – Managed Volatility

AFFILIATED MUTUAL FUNDS	Shares	Value
Ivy VIP Core Equity, Class II	608	\$ 6,914
Ivy VIP Corporate Bond, Class II	1,943	10,516
Ivy VIP Global Equity Income, Class II	832	4,616
Ivy VIP Government Money Market, Class II	9,212	9,212
Ivy VIP Growth, Class II	721	7,412
Ivy VIP High Income, Class I	514	1,740
Ivy VIP International Core Equity, Class II	461	6,811
Ivy VIP Limited-Term Bond, Class II	3,411	16,694
Ivy VIP Mid Cap Growth, Class I	441	5,175
Ivy VIP Small Cap Core, Class II	52	687
Ivy VIP Small Cap Growth, Class I	148	1,380
Ivy VIP Value, Class II	1,120	6,744
TOTAL AFFILIATED MUTUAL FUNDS – 97.3%		\$ 77,901
(Cost: \$82,648)		
SHORT-TERM SECURITIES	Principal	
Master Note – 2.7% Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps), 2.620%, 7-5-19 (A)	\$2,165	2,165
TOTAL SHORT-TERM SECURITIES – 2.7%		\$ 2,165
(Cost: \$2,165)		
TOTAL INVESTMENT SECURITIES – 100.0%		\$80,066
(Cost: \$84,813)		
LIABILITIES, NET OF CASH AND OTHER ASSETS – 0.0%		(12)
NET ASSETS – 100.0%		\$80,054

Notes to Schedule of Investments

(A) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Affiliated Mutual Funds	\$77,901	\$ —	\$—
Short-Term Securities	—	2,165	—
Total	\$77,901	\$2,165	\$—

The following acronym is used throughout this schedule:

LIBOR = London Interbank Offered Rate

See Accompanying Notes to Financial Statements.

ALL DATA IS AS OF JUNE 30, 2019 (UNAUDITED)

Asset Allocation

Corporate Obligations	0.5%
Master Note	0.5%
United States Government Agency Obligations	99.3%
Cash and Other Assets (Net of Liabilities)	0.2%

SCHEDULE OF INVESTMENTS

GOVERNMENT MONEY MARKET *(in thousands)*

JUNE 30, 2019 (UNAUDITED)

CORPORATE OBLIGATIONS	Principal	Value
Master Note		
Toyota Motor Credit Corp. (1-Month U.S. LIBOR plus 15 bps), 2.620%, 7-5-19 (A)	\$ 1,090	\$ 1,090
Total Master Note – 0.5%		1,090
TOTAL CORPORATE OBLIGATIONS – 0.5%	\$ 1,090	
(Cost: \$1,090)		
UNITED STATES GOVERNMENT AGENCY OBLIGATIONS		
United States Government Agency Obligations – 99.3%		
Federal National Mortgage Association, 2.240%, 7-1-19	54,415	54,415
Overseas Private Investment Corp. (GTD by U.S. Government) (3-Month U.S. TB Rate):		
2.400%, 7-3-19 (A)	437	437
2.270%, 7-7-19 (A)	3,503	3,503
2.300%, 7-7-19 (A)	18,795	18,795
2.350%, 7-7-19 (A)	33,987	33,988
2.360%, 7-7-19 (A)	39,166	39,166
2.390%, 7-7-19 (A)	11,608	11,608
2.400%, 7-7-19 (A)	32,602	32,602
2.420%, 7-7-19 (A)	8,115	8,115
2.430%, 7-7-19 (A)	11,438	11,438
		<u>214,067</u>
TOTAL UNITED STATES GOVERNMENT AGENCY OBLIGATIONS – 99.3%		\$214,067
(Cost: \$214,067)		
TOTAL INVESTMENT SECURITIES – 99.8%		\$ 215,157
(Cost: \$215,157)		
CASH AND OTHER ASSETS, NET OF LIABILITIES – 0.2%		347
NET ASSETS – 100.0%		\$215,504

The following table is a summary of the valuation of the Portfolio's investments by the fair value hierarchy levels as of June 30, 2019. See Note 3 to the Financial Statements for further information regarding fair value measurement.

	Level 1	Level 2	Level 3
Assets			
Investments in Securities			
Corporate Obligations	\$—	\$ 1,090	\$—
United States Government Agency Obligations	—	214,067	—
Total	\$—	\$ 215,157	\$—

The following acronyms are used throughout this schedule:

- GTD = Guaranteed
- LIBOR = London Interbank Offered Rate
- TB = Treasury Bill

See Accompanying Notes to Financial Statements.

Notes to Schedule of Investments

(A)Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2019. Date shown represents the date that the variable rate resets. Description of the reference rate and spread, if applicable, are included in the security description.

STATEMENTS OF ASSETS AND LIABILITIES

IVY VIP

AS OF JUNE 30, 2019 (UNAUDITED)

(In thousands, except per share amounts)	Pathfinder Aggressive	Pathfinder Conservative	Pathfinder Moderate	Pathfinder Moderately Aggressive	Pathfinder Moderately Conservative	Pathfinder Moderate - Managed Volatility	Pathfinder Moderately Aggressive - Managed Volatility	Pathfinder Moderately Conservative - Managed Volatility
ASSETS								
Investments in unaffiliated securities at value+	\$ 396	\$ 366	\$ 1,195	\$ 56	\$ 205	\$ 18,777	\$ 1,819	\$ 2,165
Investments in affiliated securities at value+	64,592	99,776	715,974	868,428	212,017	654,199	90,852	77,901
Investments at Value	64,988	100,142	717,169	868,484	212,222	672,976	92,671	80,066
Cash	1	1	1	1	1	—*	1	1
Investment securities sold receivable	—	33	304	1,443	194	—	—	—
Dividends and interest receivable	1	3	10	4	5	39	4	6
Capital shares sold receivable	—*	—*	—*	1	—*	2	—	—
Receivable from affiliates	—	—	—	—	—	—*	—	—
Total Assets	64,990	100,179	717,484	869,933	212,422	673,017	92,676	80,073
LIABILITIES								
Capital shares redeemed payable	6	709	605	1,325	37	203	9	11
Independent Trustees and Chief Compliance Officer fees payable	7	8	61	72	19	18	3	3
Shareholder servicing payable	—*	—*	1	1	—*	1	—*	—*
Investment management fee payable	—	—	—	—	—	11	2	1
Accounting services fee payable	2	2	10	13	5	9	2	2
Other liabilities	3	3	7	11	8	8	2	2
Total Liabilities	18	722	684	1,422	69	250	18	19
Total Net Assets	\$64,972	\$99,457	\$716,800	\$868,511	\$212,353	\$672,767	\$92,658	\$80,054
NET ASSETS								
Capital paid in (shares authorized – unlimited)	\$64,288	\$97,553	\$696,402	\$842,188	\$207,426	\$656,662	\$92,176	\$78,757
Accumulated earnings gain	684	1,904	20,398	26,323	4,927	16,105	482	1,297
Total Net Assets	\$64,972	\$99,457	\$716,800	\$868,511	\$212,353	\$672,767	\$92,658	\$80,054
CAPITAL SHARES OUTSTANDING:								
Class II	13,962	20,215	146,483	174,475	42,912	121,723	17,507	15,040
NET ASSET VALUE PER SHARE:								
Class II	\$ 4.65	\$ 4.92	\$ 4.89	\$ 4.98	\$ 4.95	\$ 5.53	\$ 5.29	\$ 5.32
+COST								
Investments in unaffiliated securities at cost	\$ 396	\$ 366	\$ 1,195	\$ 56	\$ 205	\$ 18,778	\$ 1,819	\$ 2,165
Investments in affiliated securities at cost	72,210	105,277	770,584	945,237	225,989	699,618	99,869	82,648

* Not shown due to rounding.

See Accompanying Notes to Financial Statements.

STATEMENTS OF ASSETS AND LIABILITIES

IVY VIP

AS OF JUNE 30, 2019 (UNAUDITED)

(In thousands, except per share amounts)	Government Money Market
ASSETS	
Investments in unaffiliated securities at value+^	\$ 215,157
Investments at Value	215,157
Cash	1
Dividends and interest receivable	538
Capital shares sold receivable	4
Prepaid and other assets	—*
Total Assets	215,700
LIABILITIES	
Capital shares redeemed payable	98
Distributions payable	32
Independent Trustees and Chief Compliance Officer fees payable	48
Shareholder servicing payable	—*
Investment management fee payable	6
Accounting services fee payable	7
Other liabilities	5
Total Liabilities	196
Total Net Assets	\$215,504
NET ASSETS	
Capital paid in (shares authorized – unlimited)	\$ 215,504
Accumulated earnings gain	—*
Total Net Assets	\$215,504
CAPITAL SHARES OUTSTANDING:	
Class II	215,508
NET ASSET VALUE PER SHARE:	
Class II	\$ 1.00
+COST	
Investments in unaffiliated securities at cost	\$ 215,157

* Not shown due to rounding.

See Accompanying Notes to Financial Statements.

STATEMENTS OF OPERATIONS

IVY VIP

FOR THE SIX MONTHS ENDED JUNE 30, 2019 (UNAUDITED)

(In thousands)	Pathfinder Aggressive	Pathfinder Conservative	Pathfinder Moderate	Pathfinder Moderately Aggressive	Pathfinder Moderately Conservative	Pathfinder Moderate - Managed Volatility	Pathfinder Moderately Aggressive - Managed Volatility	Pathfinder Moderately Conservative - Managed Volatility
INVESTMENT INCOME								
Dividends from affiliated securities	\$ 954	\$ 1,619	\$ 11,299	\$ 13,491	\$ 3,406	\$10,046	\$ 1,381	\$ 1,227
Interest and amortization from unaffiliated securities	9	10	12	12	8	204	31	27
Total Investment Income	963	1,629	11,311	13,503	3,414	10,250	1,412	1,254
EXPENSES								
Investment management fee	—	—	—	—	—	621	89	77
Shareholder servicing:								
Class II	2	1	7	7	3	5	2	1
Custodian fees	1	1	1	2	1	2	1	1
Independent Trustees and Chief Compliance Officer fees	2	2	18	22	5	16	2	1
Insurance fees	1	1	12	14	3	9	1	1
Printing fees	2	3	6	10	7	8	1	—*
Accounting services fee	12	14	60	74	27	57	14	8
Professional fees	13	14	18	19	14	19	16	14
Other	—*	1	1	1	1	—*	—*	—*
Total Expenses	33	37	123	149	61	737	126	103
Net Investment Income	930	1,592	11,188	13,354	3,353	9,513	1,286	1,151
REALIZED AND UNREALIZED GAIN (LOSS)								
Net realized gain (loss) on:								
Investments in affiliated securities	218	278	3,020	3,974	668	1,610	193	156
Distributions of realized capital gains from affiliated securities	7,203	5,622	60,953	85,962	14,977	54,253	8,803	5,404
Futures contracts	—	—	—	—	—	(3,038)	(541)	(527)
Net change in unrealized appreciation (depreciation) on:								
Investments in unaffiliated securities	—*	—	—	—	—	(1)	—	—
Investments in affiliated securities	181	1,314	7,473	7,267	2,700	5,819	666	899
Futures contracts	—	—	—	—	—	(762)	(211)	(118)
Net Realized and Unrealized Gain	7,602	7,214	71,446	97,203	18,345	57,881	8,910	5,814
Net Increase in Net Assets Resulting from Operations	\$8,532	\$8,806	\$82,634	\$110,557	\$21,698	\$67,394	\$10,196	\$6,965

* Not shown due to rounding.

See Accompanying Notes to Financial Statements.

STATEMENTS OF OPERATIONS

IVY VIP

FOR THE SIX MONTHS ENDED JUNE 30, 2019 (UNAUDITED)

(In thousands)	Government Money Market
INVESTMENT INCOME	
Interest and amortization from unaffiliated securities	\$2,706
Total Investment Income	2,706
EXPENSES	
Investment management fee	397
Shareholder servicing:	
Class II	4
Custodian fees	3
Independent Trustees and Chief Compliance Officer fees	6
Accounting services fee	43
Professional fees	14
Other	5
Total Expenses	472
Net Investment Income	2,234
REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain (loss) on:	
Investments in unaffiliated securities	—*
Net change in unrealized appreciation (depreciation) on:	
Investments in unaffiliated securities	—
Net Realized and Unrealized Gain	—*
Net Increase in Net Assets Resulting from Operations	\$2,234

* Not shown due to rounding.

See Accompanying Notes to Financial Statements.

STATEMENTS OF CHANGES IN NET ASSETS

IVY VIP

(In thousands)	Pathfinder Aggressive		Pathfinder Conservative		Pathfinder Moderate	
	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18
INCREASE (DECREASE) IN NET ASSETS						
Operations:						
Net investment income	\$ 930	\$ 1,760	\$ 1,592	\$ 1,986	\$ 11,188	\$ 18,492
Net realized gain on investments	7,421	5,579	5,900	4,848	63,973	57,056
Net change in unrealized appreciation (depreciation)	181	(9,373)	1,314	(8,469)	7,473	(101,333)
Net Increase (Decrease) in Net Assets Resulting from Operations	8,532	(2,034)	8,806	(1,635)	82,634	(25,785)
Distributions to Shareholders From:						
Accumulated earnings: (combined net investment income and net realized gains)						
Class II	(7,374)	(5,067)	(6,904)	(4,722)	(75,615)	(48,519)
Total Distributions to Shareholders	(7,374)	(5,067)	(6,904)	(4,722)	(75,615)	(48,519)
Capital Share Transactions	5,024	(9,874)	3,976	(8,982)	7,195	(100,492)
Net Increase (Decrease) in Net Assets	6,182	(16,975)	5,878	(15,339)	14,214	(174,796)
Net Assets, Beginning of Period	58,790	75,765	93,579	108,918	702,586	877,382
Net Assets, End of Period	\$ 64,972	\$ 58,790	\$ 99,457	\$ 93,579	\$ 716,800	\$ 702,586

(In thousands)	Pathfinder Moderately Aggressive		Pathfinder Moderately Conservative		Pathfinder Moderate - Managed Volatility	
	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18
INCREASE (DECREASE) IN NET ASSETS						
Operations:						
Net investment income	\$ 13,354	\$ 23,303	\$ 3,353	\$ 4,888	\$ 9,513	\$ 12,479
Net realized gain on investments	89,936	79,227	15,645	13,480	52,825	30,590
Net change in unrealized appreciation (depreciation)	7,267	(139,803)	2,700	(23,345)	5,056	(68,891)
Net Increase (Decrease) in Net Assets Resulting from Operations	110,557	(37,273)	21,698	(4,977)	67,394	(25,822)
Distributions to Shareholders From:						
Accumulated earnings: (combined net investment income and net realized gains)						
Class II	(102,589)	(65,728)	(18,438)	(12,955)	(43,825)	(24,303)
Total Distributions to Shareholders	(102,589)	(65,728)	(18,438)	(12,955)	(43,825)	(24,303)
Capital Share Transactions	22,626	(111,539)	3,845	(28,163)	43,369	56,327
Net Increase (Decrease) in Net Assets	30,594	(214,540)	7,105	(46,095)	66,938	6,202
Net Assets, Beginning of Period	837,917	1,052,457	205,248	251,343	605,829	599,627
Net Assets, End of Period	\$ 868,511	\$ 837,917	\$ 212,353	\$ 205,248	\$ 672,767	\$ 605,829

See Accompanying Notes to Financial Statements.

STATEMENTS OF CHANGES IN NET ASSETS

IVY VIP

(In thousands)	Pathfinder Moderately Aggressive - Managed Volatility		Pathfinder Moderately Conservative - Managed Volatility		Government Money Market	
	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18	Six months ended 6-30-19 (Unaudited)	Year ended 12-31-18
INCREASE (DECREASE) IN NET ASSETS						
Operations:						
Net investment income	\$ 1,286	\$ 1,880	\$ 1,151	\$ 1,340	\$ 2,234	\$ 4,342
Net realized gain on investments	8,455	5,456	5,033	3,446	—*	38
Net change in unrealized appreciation (depreciation)	455	(11,434)	781	(6,965)	—	—
Net Increase (Decrease) in Net Assets Resulting from Operations	10,196	(4,098)	6,965	(2,179)	2,234	4,380
Distributions to Shareholders From:						
Accumulated earnings:						
(combined net investment income and net realized gains)						
Class II	(7,558)	(4,062)	(4,908)	(2,876)	(2,261)	(4,344)
Total Distributions to Shareholders	(7,558)	(4,062)	(4,908)	(2,876)	(2,261)	(4,344)
Capital Share Transactions	6,053	(176)	5,161	3,753	(23,405)	(78,127)
Net Increase (Decrease) in Net Assets	8,691	(8,336)	7,218	(1,302)	(23,432)	(78,091)
Net Assets, Beginning of Period	83,967	92,303	72,836	74,138	238,936	317,027
Net Assets, End of Period	\$92,658	\$83,967	\$80,054	\$72,836	\$ 215,504	\$238,936

* Not shown due to rounding.

See Accompanying Notes to Financial Statements.

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	Net Asset Value, Beginning of Period	Net Investment Income ⁽¹⁾	Net Realized and Unrealized Gain (Loss) on Investments	Total from Investment Operations	Distributions From Net Investment Income	Distributions From Net Realized Gains	Total Distributions
Pathfinder Aggressive Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	\$4.60	\$0.07	\$ 0.57	\$ 0.64	\$ (0.14)	\$(0.45)	\$(0.59)
Year ended 12-31-2018	5.16	0.13	(0.32)	(0.19)	(0.09)	(0.28)	(0.37)
Year ended 12-31-2017	4.68	0.08	0.80	0.88	(0.05)	(0.35)	(0.40)
Year ended 12-31-2016	5.05	0.04	0.15	0.19	(0.07)	(0.49)	(0.56)
Year ended 12-31-2015	5.73	0.07	(0.01)	0.06	(0.16)	(0.58)	(0.74)
Year ended 12-31-2014	5.95	0.16	0.10	0.26	(0.05)	(0.43)	(0.48)
Pathfinder Conservative Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	4.83	0.08	0.37	0.45	(0.10)	(0.26)	(0.36)
Year ended 12-31-2018	5.16	0.10	(0.20)	(0.10)	(0.06)	(0.17)	(0.23)
Year ended 12-31-2017	4.90	0.05	0.46	0.51	(0.04)	(0.21)	(0.25)
Year ended 12-31-2016	5.15	0.04	0.09	0.13	(0.06)	(0.32)	(0.38)
Year ended 12-31-2015	5.54	0.06	(0.03)	0.03	(0.06)	(0.36)	(0.42)
Year ended 12-31-2014	5.77	0.06	0.12	0.18	(0.06)	(0.35)	(0.41)
Pathfinder Moderate Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	4.89	0.08	0.49	0.57	(0.14)	(0.43)	(0.57)
Year ended 12-31-2018	5.40	0.12	(0.31)	(0.19)	(0.08)	(0.24)	(0.32)
Year ended 12-31-2017	5.02	0.07	0.64	0.71	(0.04)	(0.29)	(0.33)
Year ended 12-31-2016	5.34	0.04	0.13	0.17	(0.07)	(0.42)	(0.49)
Year ended 12-31-2015	5.87	0.07	(0.02)	0.05	(0.10)	(0.48)	(0.58)
Year ended 12-31-2014	6.14	0.10	0.14	0.24	(0.07)	(0.44)	(0.51)
Pathfinder Moderately Aggressive Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	4.98	0.08	0.58	0.66	(0.15)	(0.51)	(0.66)
Year ended 12-31-2018	5.59	0.13	(0.37)	(0.24)	(0.10)	(0.27)	(0.37)
Year ended 12-31-2017	5.14	0.09	0.74	0.83	(0.05)	(0.33)	(0.38)
Year ended 12-31-2016	5.50	0.04	0.17	0.21	(0.09)	(0.48)	(0.57)
Year ended 12-31-2015	6.14	0.09	(0.06)	0.03	(0.14)	(0.53)	(0.67)
Year ended 12-31-2014	6.38	0.14	0.14	0.28	(0.07)	(0.45)	(0.52)
Pathfinder Moderately Conservative Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	4.90	0.08	0.43	0.51	(0.12)	(0.34)	(0.46)
Year ended 12-31-2018	5.32	0.11	(0.24)	(0.13)	(0.07)	(0.22)	(0.29)
Year ended 12-31-2017	4.99	0.06	0.56	0.62	(0.04)	(0.25)	(0.29)
Year ended 12-31-2016	5.30	0.04	0.10	0.14	(0.07)	(0.38)	(0.45)
Year ended 12-31-2015	5.80	0.07	(0.03)	0.04	(0.09)	(0.45)	(0.54)
Year ended 12-31-2014	6.03	0.08	0.14	0.22	(0.06)	(0.39)	(0.45)

(1)Based on average weekly shares outstanding.

(2)Based on net asset value. Total returns do not reflect a sales charge or contingent deferred sales charge, if applicable. Total returns for periods less than one year are not annualized.

(3)Ratios excluding expense waivers are included only for periods in which the class had waived or reimbursed expenses.

(4)Annualized.

(5)Does not include expenses of underlying Ivy VIP Portfolios in which the Portfolio invests.

	Net Asset Value, End of Period	Total Return ⁽²⁾	Net Assets, End of Period (in millions)	Ratio of Expenses to Average Net Assets Including Expense Waiver	Ratio of Net Investment Income to Average Net Assets Including Expense Waiver	Ratio of Expenses to Average Net Assets Excluding Expense Waiver ⁽³⁾	Ratio of Net Investment Income (Loss) to Average Net Assets Excluding Expense Waiver ⁽³⁾	Portfolio Turnover Rate
Pathfinder Aggressive Class II Shares								
Six-month period ended								
6-30-2019 (unaudited)	\$4.65	14.63%	\$ 65	0.11% ⁽⁴⁾⁽⁵⁾	2.95% ⁽⁴⁾⁽⁵⁾	—%	—%	8%
Year ended 12-31-2018	4.60	-4.27	59	0.09 ⁽⁵⁾	2.49 ⁽⁵⁾	—	—	51
Year ended 12-31-2017	5.16	19.83	76	0.07 ⁽⁵⁾	1.68 ⁽⁵⁾	—	—	20
Year ended 12-31-2016	4.68	4.80	75	0.08 ⁽⁵⁾	0.88 ⁽⁵⁾	—	—	23
Year ended 12-31-2015	5.05	0.34	85	0.07 ⁽⁵⁾	1.36 ⁽⁵⁾	—	—	13
Year ended 12-31-2014	5.73	4.86	85	0.07 ⁽⁵⁾	2.73 ⁽⁵⁾	—	—	28
Pathfinder Conservative Class II Shares								
Six-month period ended								
6-30-2019 (unaudited)	4.92	9.45	99	0.08 ⁽⁴⁾⁽⁵⁾	3.26 ⁽⁴⁾⁽⁵⁾	—	—	11
Year ended 12-31-2018	4.83	-1.93	94	0.07 ⁽⁵⁾	1.89 ⁽⁵⁾	—	—	39
Year ended 12-31-2017	5.16	10.51	109	0.06 ⁽⁵⁾	1.06 ⁽⁵⁾	—	—	30
Year ended 12-31-2016	4.90	2.84	114	0.07 ⁽⁵⁾	0.71 ⁽⁵⁾	—	—	26
Year ended 12-31-2015	5.15	0.45	117	0.06 ⁽⁵⁾	1.09 ⁽⁵⁾	—	—	17
Year ended 12-31-2014	5.54	3.39	122	0.06 ⁽⁵⁾	1.13 ⁽⁵⁾	—	—	30
Pathfinder Moderate Class II Shares								
Six-month period ended								
6-30-2019 (unaudited)	4.89	12.15	717	0.03 ⁽⁴⁾⁽⁵⁾	3.12 ⁽⁴⁾⁽⁵⁾	—	—	12
Year ended 12-31-2018	4.89	-3.90	703	0.03 ⁽⁵⁾	2.26 ⁽⁵⁾	—	—	36
Year ended 12-31-2017	5.40	14.70	877	0.03 ⁽⁵⁾	1.30 ⁽⁵⁾	—	—	22
Year ended 12-31-2016	5.02	3.65	860	0.03 ⁽⁵⁾	0.78 ⁽⁵⁾	—	—	19
Year ended 12-31-2015	5.34	0.32	893	0.03 ⁽⁵⁾	1.22 ⁽⁵⁾	—	—	13
Year ended 12-31-2014	5.87	4.24	928	0.03 ⁽⁵⁾	1.69 ⁽⁵⁾	—	—	24
Pathfinder Moderately Aggressive Class II Shares								
Six-month period ended								
6-30-2019 (unaudited)	4.98	13.58	869	0.03 ⁽⁴⁾⁽⁵⁾	3.08 ⁽⁴⁾⁽⁵⁾	—	—	11
Year ended 12-31-2018	4.98	-4.71	838	0.03 ⁽⁵⁾	2.35 ⁽⁵⁾	—	—	39
Year ended 12-31-2017	5.59	16.72	1,052	0.03 ⁽⁵⁾	1.66 ⁽⁵⁾	—	—	20
Year ended 12-31-2016	5.14	4.52	1,020	0.04 ⁽⁵⁾	0.85 ⁽⁵⁾	—	—	17
Year ended 12-31-2015	5.50	0.06	1,054	0.03 ⁽⁵⁾	1.50 ⁽⁵⁾	—	—	12
Year ended 12-31-2014	6.14	4.61	1,098	0.03 ⁽⁵⁾	2.30 ⁽⁵⁾	—	—	23
Pathfinder Moderately Conservative Class II Shares								
Six-month period ended								
6-30-2019 (unaudited)	4.95	10.80	212	0.06 ⁽⁴⁾⁽⁵⁾	3.18 ⁽⁴⁾⁽⁵⁾	—	—	9
Year ended 12-31-2018	4.90	-2.67	205	0.05 ⁽⁵⁾	2.07 ⁽⁵⁾	—	—	34
Year ended 12-31-2017	5.32	12.77	251	0.05 ⁽⁵⁾	1.22 ⁽⁵⁾	—	—	24
Year ended 12-31-2016	4.99	3.10	261	0.05 ⁽⁵⁾	0.80 ⁽⁵⁾	—	—	16
Year ended 12-31-2015	5.30	0.33	272	0.04 ⁽⁵⁾	1.20 ⁽⁵⁾	—	—	16
Year ended 12-31-2014	5.80	3.88	291	0.04 ⁽⁵⁾	1.43 ⁽⁵⁾	—	—	27

See Accompanying Notes to Financial Statements.

FOR A SHARE OF CAPITAL STOCK OUTSTANDING THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income ⁽¹⁾	Net Realized and Unrealized Gain (Loss) on Investments	Total from Investment Operations	Distributions From Net Investment Income	Distributions From Net Realized Gains	Total Distributions
Pathfinder Moderate – Managed Volatility							
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	5.33	0.08	0.51	0.59	(0.11)	(0.28)	(0.39)
Year ended 12-31-2018	5.78	0.11	(0.33)	(0.22)	(0.06)	(0.17)	(0.23)
Year ended 12-31-2017	5.25	0.06	0.65	0.71	(0.03)	(0.15)	(0.18)
Year ended 12-31-2016	5.37	0.03	0.06	0.09	(0.03)	(0.18)	(0.21)
Year ended 12-31-2015	5.39	0.05	(0.07)	(0.02)	—	—	—
Year ended 12-31-2014	5.37	0.06	0.14	0.20	(0.03)	(0.15)	(0.18)
Pathfinder Moderately Aggressive – Managed Volatility							
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	5.15	0.08	0.53	0.61	(0.12)	(0.35)	(0.47)
Year ended 12-31-2018	5.66	0.11	(0.37)	(0.26)	(0.07)	(0.18)	(0.25)
Year ended 12-31-2017	5.06	0.07	0.71	0.78	(0.02)	(0.16)	(0.18)
Year ended 12-31-2016	5.25	0.03	0.09	0.12	(0.05)	(0.26)	(0.31)
Year ended 12-31-2015	5.29	0.06	(0.10)	(0.04)	—	—	—
Year ended 12-31-2014	5.41	0.09	0.11	0.20	(0.07)	(0.25)	(0.32)
Pathfinder Moderately Conservative – Managed Volatility							
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	5.19	0.08	0.40	0.48	(0.10)	(0.25)	(0.35)
Year ended 12-31-2018	5.55	0.10	(0.24)	(0.14)	(0.05)	(0.17)	(0.22)
Year ended 12-31-2017	5.10	0.05	0.53	0.58	(0.02)	(0.11)	(0.13)
Year ended 12-31-2016	5.23	0.02	0.04	0.06	(0.03)	(0.16)	(0.19)
Year ended 12-31-2015	5.27	0.04	(0.07)	(0.03)	—	(0.01)	(0.01)
Year ended 12-31-2014	5.31	0.04	0.11	0.15	(0.03)	(0.16)	(0.19)
Government Money Market							
Class II Shares							
Six-month period ended 6-30-2019 (unaudited)	1.00	0.01	0.00*	0.01	(0.01)	—*	(0.01)
Year ended 12-31-2018	1.00	0.02	0.00*	0.02	(0.02)	—*	(0.02)
Year ended 12-31-2017	1.00	0.01	0.00*	0.01	(0.01)	—*	(0.01)
Year ended 12-31-2016	1.00	0.00*	0.00*	0.00*	—*	—*	—*
Year ended 12-31-2015	1.00	0.00*	0.00*	0.00*	—*	—	—*
Year ended 12-31-2014	1.00	0.00*	0.00*	0.00*	—*	—	—*

* Not shown due to rounding.

(1) Based on average weekly shares outstanding.

(2) Based on net asset value. Total returns do not reflect a sales charge or contingent deferred sales charge, if applicable. Total returns for periods less than one year are not annualized.

(3) Ratios excluding expense waivers are included only for periods in which the class had waived or reimbursed expenses.

(4) Annualized.

(5) Does not include expenses of underlying Ivy VIP Portfolios in which the Portfolio invests.

(6) Ratio of expenses to average net assets excluding offering cost was 0.26%.

(7) Ratio of expenses to average net assets excluding offering cost was 0.33%.

(8) Ratio of expenses to average net assets excluding offering cost was 0.36%.

	Net Asset Value, End of Period	Total Return ⁽²⁾	Net Assets, End of Period (in millions)	Ratio of Expenses to Average Net Assets Including Expense Waiver	Ratio of Net Investment Income to Average Net Assets Including Expense Waiver	Ratio of Expenses to Average Net Assets Excluding Expense Waiver ⁽³⁾	Ratio of Net Investment Income (Loss) to Average Net Assets Excluding Expense Waiver ⁽³⁾	Portfolio Turnover Rate
Pathfinder Moderate – Managed Volatility Class II Shares								
Six-month period ended 6-30-2019 (unaudited)	5.53	11.12	673	0.23 ⁽⁴⁾⁽⁵⁾	2.96 ⁽⁴⁾⁽⁵⁾	—	—	3
Year ended 12-31-2018	5.33	-4.00	606	0.23 ⁽⁵⁾	2.00 ⁽⁵⁾	—	—	28
Year ended 12-31-2017	5.78	13.80	600	0.23 ⁽⁵⁾	1.07 ⁽⁵⁾	—	—	21
Year ended 12-31-2016	5.25	1.81	511	0.24 ⁽⁵⁾	0.55 ⁽⁵⁾	—	—	14
Year ended 12-31-2015	5.37	-0.43	396	0.24 ⁽⁵⁾	0.88 ⁽⁵⁾	—	—	7
Year ended 12-31-2014	5.39	3.75	203	0.28 ⁽⁵⁾⁽⁶⁾	1.06 ⁽⁵⁾	—	—	23
Pathfinder Moderately Aggressive – Managed Volatility Class II Shares								
Six-month period ended 6-30-2019 (unaudited)	5.29	12.19	93	0.28 ⁽⁴⁾⁽⁵⁾	2.88 ⁽⁴⁾⁽⁵⁾	—	—	5
Year ended 12-31-2018	5.15	-4.75	84	0.27 ⁽⁵⁾	2.04 ⁽⁵⁾	—	—	37
Year ended 12-31-2017	5.66	15.70	92	0.27 ⁽⁵⁾	1.38 ⁽⁵⁾	—	—	19
Year ended 12-31-2016	5.06	2.36	78	0.31 ⁽⁵⁾	0.56 ⁽⁵⁾	—	—	12
Year ended 12-31-2015	5.25	-0.71	67	0.30 ⁽⁵⁾	1.13 ⁽⁵⁾	—	—	7
Year ended 12-31-2014	5.29	3.91	43	0.41 ⁽⁵⁾⁽⁷⁾	1.74 ⁽⁵⁾	—	—	32
Pathfinder Moderately Conservative – Managed Volatility Class II Shares								
Six-month period ended 6-30-2019 (unaudited)	5.32	9.53	80	0.27 ⁽⁴⁾⁽⁵⁾	3.00 ⁽⁴⁾⁽⁵⁾	—	—	3
Year ended 12-31-2018	5.19	-2.90	73	0.29 ⁽⁵⁾	1.79 ⁽⁵⁾	—	—	28
Year ended 12-31-2017	5.55	11.84	74	0.27 ⁽⁵⁾	0.96 ⁽⁵⁾	—	—	26
Year ended 12-31-2016	5.10	1.21	67	0.30 ⁽⁵⁾	0.49 ⁽⁵⁾	—	—	11
Year ended 12-31-2015	5.23	-0.52	54	0.30 ⁽⁵⁾	0.78 ⁽⁵⁾	—	—	9
Year ended 12-31-2014	5.27	3.06	31	0.47 ⁽⁵⁾⁽⁸⁾	0.76 ⁽⁵⁾	—	—	36
Government Money Market Class II Shares								
Six-month period ended 6-30-2019 (unaudited)	1.00	0.99	216	0.42 ⁽⁴⁾	1.97 ⁽⁴⁾	—	—	—
Year ended 12-31-2018	1.00	1.53	239	0.40	1.49	—	—	—
Year ended 12-31-2017	1.00	0.59	317	0.41	0.56	0.42	0.55	—
Year ended 12-31-2016	1.00	0.13	414	0.45	0.13	0.46	0.12	—
Year ended 12-31-2015	1.00	0.02	539	0.20	0.02	0.45	-0.23	—
Year ended 12-31-2014	1.00	0.02	512	0.15	0.02	0.45	-0.28	—

See Accompanying Notes to Financial Statements.

JUNE 30, 2019 (UNAUDITED)

1. ORGANIZATION

Ivy Variable Insurance Portfolios, a Delaware statutory trust (the “Trust”), is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. Pathfinder Aggressive, Pathfinder Conservative, Pathfinder Moderate, Pathfinder Moderately Aggressive and Pathfinder Moderately Conservative (collectively, the “Pathfinder Portfolios”), Pathfinder Moderate – Managed Volatility, Pathfinder Moderately Aggressive – Managed Volatility and Pathfinder Moderately Conservative – Managed Volatility (collectively, the “Managed Volatility Portfolios”) and Government Money Market (each, a “Portfolio”) are nine series of the Trust and are the only series of the Trust included in the financial statements. The assets belonging to Government Money Market are held separately by the custodian. The assets belonging to each Pathfinder Portfolio and Managed Volatility Portfolio are held separately by the transfer agent for the underlying funds and the custodian. The investment objective, policies and risk factors of each Portfolio are described more fully in the Prospectus and Statement of Additional Information (“SAI”). Each Portfolio’s investment adviser is Ivy Investment Management Company (“IICO”).

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by each Portfolio.

Security Transactions and Related Investment Income. Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Realized gains and losses are calculated on the identified cost basis. Interest income is recorded on the accrual basis and includes paydown gain (loss) and accretion of discounts and amortization of premiums. Dividend income is recorded on the ex-dividend date, except certain dividends from foreign securities where the ex-dividend date may have passed, which are recorded as soon as the Portfolio is informed of the ex-dividend date. All or a portion of the distributions received from a real estate investment trust or publicly traded partnership may be designated as a reduction of cost of the related investment or realized gain. Income or short-term capital gain distributions received from registered investment companies, if any, are recorded as dividend income. Long-term capital gain distributions received from registered investment companies, if any, are recorded as realized gains.

Foreign Currency Translation. Each Portfolio’s accounting records are maintained in U.S. dollars. All assets and liabilities denominated in foreign currencies are translated into U.S. dollars daily, using foreign exchange rates obtained from an independent pricing service approved by the Board of Trustees of the Trust (the “Board”). Purchases and sales of investment securities and accruals of income and expenses are translated at the rate of exchange prevailing on the date of the transaction. For assets and liabilities other than investments in securities, net realized and unrealized gains and losses from foreign currency translation arise from changes in currency exchange rates. Each Portfolio combines fluctuations from currency exchange rates and fluctuations in value when computing net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments. Foreign exchange rates are typically valued as of the close of the New York Stock Exchange (“NYSE”), normally 4:00 P.M. Eastern time, on each day the NYSE is open for trading.

Dividends and Distributions to Shareholders. Dividends and distributions to shareholders are recorded by each Portfolio on the business day following record date. Net investment income dividends and capital gains distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of America (“U.S. GAAP”). If the total dividends and distributions made in any tax year exceeds net investment income and accumulated realized capital gains, a portion of the total distribution may be treated as a tax return of capital.

Income Taxes. It is the policy of each Portfolio to distribute all of its taxable income and capital gains to its shareholders and to otherwise qualify as a regulated investment company under Subchapter M of the Internal Revenue Code. In addition, each Portfolio intends to pay distributions as required to avoid imposition of excise tax. Accordingly, no provision has been made for Federal income taxes. The Portfolios file income tax returns in U.S. federal and applicable state jurisdictions. The Portfolios’ tax returns are subject to examination by the relevant taxing authority until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax returns. Management of the Trust periodically reviews all tax positions to assess whether it is more likely than not that the position would be sustained upon examination by the relevant tax authority based on the technical merits of each position. As of the date of these financial statements, management believes that no liability for unrecognized tax positions is required.

Segregation and Collateralization. In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission (“SEC”), the Dodd Frank Wall Street Reform and Consumer Protection Act, or the interpretive rules and regulations of the U.S. Commodities Futures Trading Commission require that a Portfolio either deliver collateral or segregate assets in connection with certain investments (e.g., dollar rolls, financial futures contracts, foreign currency exchange contracts, options written, securities with extended settlement periods, and swaps), the Portfolio will segregate collateral or designate on its books and records, cash or other liquid securities having a value at least equal to the amount that is required to be physically segregated for the benefit of the counterparty. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, each party has requirements to deliver/deposit cash or

securities as collateral for certain investments. Certain countries require that cash reserves be held while investing in companies incorporated in that country. These cash reserves and cash collateral that has been pledged to cover obligations of the Portfolios under derivative contracts, if any, will be reported separately on the Statement of Assets and Liabilities as “Restricted cash”. Securities collateral pledged for the same purpose, if any, is noted on the Schedule of Investments.

Concentration of Market and Credit Risk. Because each Pathfinder Portfolio and Managed Volatility Portfolio invests substantially all of its assets in Ivy Variable Insurance Portfolios mutual funds (“Underlying Funds”), the risks associated with investing in the Portfolios are closely related to the risks associated with the securities and other investments held by the Underlying Funds.

In the normal course of business, Government Money Market and the Underlying Funds may invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by Government Money Market and the Underlying Funds may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Underlying Funds; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to issuer credit risk, Government Money Market and the Underlying Funds may be exposed to counterparty credit risk, or the risk that an entity with which Government Money Market or the Underlying Funds have unsettled or open transactions may fail to or be unable to perform on its commitments. Government Money Market and the Underlying Funds manage counterparty credit risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Underlying Funds to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties.

Certain Underlying Funds may hold high-yield or non-investment-grade bonds, that may be subject to a greater degree of credit risk. Credit risk relates to the ability of the issuer to meet interest or principal payments or both as they become due. The Underlying Funds may acquire securities in default and are not obligated to dispose of securities whose issuers subsequently default.

Certain Underlying Funds may enter into financial instrument transactions (such as swaps, futures, options and other derivatives) that may have off-balance sheet market risk. Off-balance sheet market risk exists when the maximum potential loss on a particular financial instrument is greater than the value of such financial instrument.

If an Underlying Fund invests directly in foreign currencies or in securities that trade in, and receive revenues in, foreign currencies, or in financial derivatives that provide exposure to foreign currencies, it will be subject to the risk that those currencies will decline in value relative to the base currency of the Underlying Funds, or, in the case of hedging positions, that the Underlying Fund’s base currency will decline in value relative to the currency being hedged. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad.

Custodian Fees. “Custodian fees” on the Statement of Operations may include interest expense incurred by a Portfolio on any cash overdrafts of its custodian account during the period. Such cash overdrafts may result from the effects of failed trades in portfolio securities and from cash outflows resulting from unanticipated shareholder redemption activity. A Portfolio pays interest to its custodian on such cash overdrafts, to the extent they are not offset by positive cash balances maintained by that Portfolio. The “Earnings credit” line item, if shown, represents earnings on cash balances maintained by that Portfolio during the period. Such interest expense and other custodian fees may be paid with these earnings.

Indemnification. The Trust’s organizational documents provide current and former Trustees and Officers with a limited indemnification against liabilities arising in connection with the performance of their duties to the Trust. In the normal course of business, the Trust may also enter into contracts that provide general indemnification. The Trust’s maximum exposure under these arrangements is unknown and is dependent on future claims that may be made against the Trust. The risk of material loss from such claims is considered remote.

Basis of Preparation. Each Portfolio is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946 (“ASC 946”). The accompanying financial statements were prepared in accordance with U.S. GAAP, including but not limited to ASC 946. U.S. GAAP requires the use of estimates made by management. Management believes that estimates and valuations are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately realized upon sale or maturity.

New Rule Issuance. In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820). The amendments in the ASU impact disclosure requirements for fair value measurement. It is anticipated that this change will enhance the

effectiveness of disclosures in the notes to the financial statements. This ASU is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted and can include the entire standard or certain provisions that exclude or amend disclosures. For the period ended June 30, 2019, the Portfolios have chosen to adopt the standard. The adoption of this ASU is reflected in the disclosures of the financial statements.

Subsequent Events. Management has performed a review for subsequent events through the date this report was issued.

3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

Investments in affiliated mutual funds within the Ivy Variable Insurance Portfolios family are valued at their Net Asset Value (“NAV”) as reported by the Underlying Funds. Investments in Government Money Market are valued on the basis of amortized cost (which approximates value), whereby a portfolio security is valued at its cost initially, and thereafter valued to reflect a constant amortization to maturity of any discount or premium. Short-term securities with maturities of 60 days or less held in all Portfolios (with the exception of Government Money Market) are valued based on quotes that are obtained from an independent pricing service approved by the Board.

Fair value is defined as the price that each Portfolio would receive upon selling an asset or would pay upon satisfying a liability in an orderly transaction between market participants at the measurement date. For purposes of calculating the NAV, the portfolio securities are valued on each business day using pricing and valuation methods as adopted by the Board. Where market quotes are readily available, fair value is generally determined on the basis of the last reported sales price, or if no sales are reported, based on quotes obtained from a quotation reporting system, established market makers, or pricing services.

Accounting standards establish a framework for measuring fair value and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity’s own assumptions about the factors that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

An individual investment’s fair value measurement is assigned a level based upon the observability of the inputs which are significant to the overall valuation.

The three-tier hierarchy of inputs is summarized as follows:

- Level 1—Observable input such as quoted prices, available in active markets, for identical assets or liabilities.
- Level 2—Significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs.
- Level 3—Significant unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available, which may include assumptions made by the Board or persons acting at its direction that are used in determining the fair value of investments.

A description of the valuation techniques applied to the Portfolios’ major classes of assets and liabilities measured at fair value on a recurring basis follows:

Derivative Instruments. Exchange-traded futures contracts are generally valued at the settlement price.

Listed derivatives that are actively traded are valued based on quoted prices from the exchange and are categorized in Level 1 of the fair value hierarchy. OTC derivative contracts include forward foreign currency contracts, swap agreements, and option contracts related to interest rates, foreign currencies, credit standing of reference entities, equity prices, or commodity prices. Depending on the product and the terms of the transaction, the fair value of the OTC derivative products are modeled taking into account the counterparties’ creditworthiness and using a series of techniques, including simulation models. Many pricing models do not entail material subjectivity because the methodologies employed do not necessitate significant judgments and the pricing inputs are observed from actively quoted markets, as is the case with interest rate swap and option contracts. OTC derivative products valued using pricing models with significant observable inputs are categorized within Level 2 of the fair value hierarchy.

Equity Securities. Investments in registered open-end investment management companies will be valued based upon the NAV of such investments and are categorized as Level 1 of the fair value hierarchy.

Short-term Investments. Short-term investments having a maturity of 60 days or less are valued based on quotes that are obtained from an independent pricing service authorized by the Board. These investments are categorized as Level 2 of the fair value hierarchy.

4. DERIVATIVE INSTRUMENTS (\$ amounts in thousands unless indicated otherwise)

The following disclosures contain information on why and how the Portfolios use derivative instruments, the associated risks of investing in derivative instruments, and how derivative instruments affect the Portfolios' financial positions and results of operations.

Futures Contracts. Each Managed Volatility Portfolio is authorized to engage in buying and selling futures contracts. Upon entering into a futures contract, a Portfolio is required to deposit, in a segregated account, an amount equal to a varying specified percentage of the contract amount. This amount is known as the initial margin. Subsequent amounts, known as variation margin, are paid or received by the Portfolio each day, dependent on the daily fluctuations in the value of the underlying debt security or index. Options on futures contracts may also be purchased or sold by a Portfolio.

Futures contracts are reported on a schedule following the Schedule of Investments. Securities held in collateralized accounts to cover initial margin requirements on open futures contracts are identified on the Schedule of Investments. Cash held by the broker to cover initial margin requirements on open futures contracts and the receivable and/or payable for the daily mark to market for the variation margin are noted on the Statement of Assets and Liabilities. The net change in unrealized appreciation (depreciation) is reported on the Statement of Operations. Realized gains (losses) are reported on the Statement of Operations at the closing or expiration of futures contracts.

Risks of entering into futures contracts include the possibility of loss of securities or cash held as collateral, that there may be an illiquid market where the Portfolio is unable to close the contract or enter into an offsetting position and, if used for hedging purposes, the risk that the price of the contract will correlate imperfectly with the prices of the Portfolio's securities.

Pathfinder Moderate – Managed Volatility, Pathfinder Moderately Aggressive – Managed Volatility and Pathfinder Moderately Conservative – Managed Volatility invest in long and/or short positions in futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk), changes in the value of equity securities (equity risk) or foreign currencies (foreign currency exchange rate risk).

Additional Disclosure Related to Derivative Instruments

Amount of realized gain (loss) on derivatives recognized on the Statement of Operations for the period ended June 30, 2019:

Portfolio	Type of Risk Exposure	Net realized gain (loss) on:					Total
		Investments in unaffiliated securities*	Swap agreements	Futures contracts	Written options	Forward foreign currency contracts	
Pathfinder Moderate – Managed Volatility	Equity	\$ —	\$ —	\$(3,038)	\$ —	\$ —	\$(3,038)
Pathfinder Moderately Aggressive – Managed Volatility	Equity	—	—	(541)	—	—	(541)
Pathfinder Moderately Conservative – Managed Volatility	Equity	—	—	(527)	—	—	(527)

* Purchased options are reported as investments in unaffiliated securities and are reflected on the accompanying Schedule of Investments.

Change in unrealized appreciation (depreciation) on derivatives recognized on the Statement of Operations for the period ended June 30, 2019:

Portfolio	Type of Risk Exposure	Net change in unrealized appreciation (depreciation) on:					Total
		Investments in unaffiliated securities*	Swap agreements	Futures contracts	Written options	Forward foreign currency contracts	
Pathfinder Moderate – Managed Volatility	Equity	\$ —	\$ —	\$(762)	\$ —	\$ —	\$(762)
Pathfinder Moderately Aggressive – Managed Volatility	Equity	—	—	(211)	—	—	(211)
Pathfinder Moderately Conservative – Managed Volatility	Equity	—	—	(118)	—	—	(118)

* Purchased options are reported as investments in unaffiliated securities and are reflected on the accompanying Schedule of Investments.

During the period ended June 30, 2019, the average derivative volume was as follows:

Portfolio	Forward foreign currency contracts ⁽¹⁾	Long futures contracts ⁽²⁾	Short futures contracts ⁽²⁾	Swap agreements ⁽³⁾	Purchased options ⁽²⁾	Written options ⁽²⁾
Pathfinder Moderate – Managed Volatility	\$	\$ —	\$18,210	\$ —	\$ —	\$ —
Pathfinder Moderately Aggressive – Managed Volatility	—	—	3,811	—	—	—
Pathfinder Moderately Conservative – Managed Volatility	—	—	3,424	—	—	—

(1)Average absolute value of unrealized appreciation/depreciation during the period.

(2)Average value outstanding during the period.

(3)Average notional amount outstanding during the period.

5. INVESTMENT MANAGEMENT AND PAYMENTS TO AFFILIATED PERSONS (\$ amounts in thousands unless indicated otherwise)

Management Fees. IICO, a wholly owned subsidiary of Waddell & Reed, Inc. (“W&R”), serves as each Portfolio’s investment adviser. The management fee is accrued daily by Government Money Market at the following annual rates as a percentage of average daily net assets:

Portfolio (M – Millions)	\$0 to \$1,000M	Over \$1,000M
Government Money Market	0.350	0.300

Each Managed Volatility Portfolio pays a management fee to IICO for providing investment advice and supervising its investments at the following annual rates as a percentage of average daily net assets:

Portfolio (M – Millions)	\$0 to \$500M	\$500 to \$1,000M	Over \$1,000M
Pathfinder Moderate – Managed Volatility	0.200%	0.170%	0.150%
Pathfinder Moderately Aggressive – Managed Volatility	0.200	0.170	0.150
Pathfinder Moderately Conservative – Managed Volatility	0.200	0.170	0.150

IICO uses all of the management fee it receives from the Managed Volatility Portfolios to pay Securian Asset Management Inc. (“Securian”). Accordingly, Securian receives a fee based on the average daily net assets of the Managed Volatility Portfolios.

The Pathfinder Portfolios pay no management fees; however, IICO receives management fees from the underlying funds.

IICO has entered into Subadvisory Agreements with the following entity on behalf of certain Portfolios:

Securian serves as subadvisor to the Managed Volatility Portfolios. The subadvisor makes investment decisions in accordance with the Portfolio’s investment objectives, policies and restrictions under the supervision of IICO and the Board of Trustees. IICO pays all applicable costs of the subadvisor.

Independent Trustees and Chief Compliance Officer Fees. Fees paid to the Independent Trustees can be paid in cash or deferred to a later date, at the election of the Trustees according to the Deferred Fee Agreement entered into between the Trust and the Trustee(s). Each Portfolio records its portion of the deferred fees as a liability on the Statement of Assets and Liabilities. All fees paid in cash plus any appreciation (depreciation) in the underlying deferred plan are shown on the Statement of Operations. Additionally, fees paid to the Chief Compliance Officer of the Portfolios are shown on the Statement of Operations.

Accounting Services Fees. The Trust has an Accounting and Administrative Services Agreement with Waddell & Reed Services Company (“WRSCO”), doing business as WI Services Company (“WISC”), an affiliate of W&R. Under the agreement, WISC acts as the agent in providing bookkeeping and accounting services and assistance to the Trust, including maintenance of Portfolio records, pricing of Portfolio shares and preparation of certain shareholder reports. For these services Government Money Market pays WISC a monthly fee of one-twelfth of the annual fee based on the average net asset levels shown in the following table:

(M—Millions)	\$0 to \$10M	\$10 to \$25M	\$25 to \$50M	\$50 to \$100M	\$100 to \$200M	\$200 to \$350M	\$350 to \$550M	\$550 to \$750M	\$750 to \$1,000M	Over \$1,000M
Annual Fee Rate	\$0.00	\$11.50	\$23.10	\$35.50	\$48.40	\$63.20	\$82.50	\$96.30	\$121.60	\$148.50

Under the Accounting Services Agreement, each Pathfinder Portfolio and Managed Volatility Portfolio pays WISC a monthly fee of one-twelfth of the annual fee shown in the following table:

(M – Millions)	\$0 to \$10M	\$10 to \$25M	\$25 to \$50M	\$50 to \$100M	\$100 to \$200M	\$200 to \$350M	\$350 to \$550M	\$550 to \$750M	\$750 to \$1,000M	Over \$1,000M
Annual Fee Rate	\$0.00	\$5.75	\$11.55	\$17.75	\$24.20	\$31.60	\$41.25	\$48.15	\$60.80	\$74.25

Each Portfolio also pays WISC a monthly administrative fee at the annual rate of 0.01%, or one basis point, for the first \$1 billion of net assets with no fee charged for net assets in excess of \$1 billion. This fee is voluntarily waived by WISC until a Portfolio’s net assets are at least \$10 million and is included in “Accounting services fee” on the Statement of Operations.

Shareholder Servicing. Under the Transfer Agency Agreement between the Trust and WISC, each Portfolio reimburses WISC for certain out-of-pocket costs.

6. INTERFUND LENDING PROGRAM

Pursuant to an exemptive order issued by the SEC (“Order”), the Ivy Funds, Ivy Variable Insurance Portfolios and InvestED Portfolios (collectively, the “Funds” only for purposes of this footnote 6) have the ability to lend money to, and borrow money from, each other pursuant to a master interfund lending agreement (“Interfund Lending Program”). Under the Interfund Lending Program, the Funds may lend or borrow money for temporary purposes directly to or from one another (each an “Interfund Loan”), subject to meeting the conditions of the Order. The interest rate to be charged on an Interfund Loan is the average of the overnight repurchase agreement rate and the short-term bank loan rate. The Funds made no Interfund Loans under the Interfund Lending Program during the period ended June 30, 2019.

7. AFFILIATED COMPANY TRANSACTIONS (All amounts in thousands)

A summary of the transactions in affiliated companies during the period ended June 30, 2019 follows:

	12-31-18 Share Balance	Gross Additions	Gross Reductions	Realized Gain/(Loss) ⁽¹⁾	Distributions Received	6-30-19 Share Balance	6-30-19 Value	Net Change in Unrealized Appreciation/ (Depreciation)
Pathfinder Aggressive								
Ivy VIP Core Equity, Class II	655	\$ 1,342	\$629	\$ 829	\$ 52	721	\$ 8,193	\$ 403
Ivy VIP Corporate Bond, Class II	1,078	628	526	8	161	1,095	5,929	294
Ivy VIP Global Equity Income, Class II	1,006	2,538	600	1,952	213	1,380	7,656	(1,217)
Ivy VIP Growth, Class II	658	2,442	628	2,070	46	841	8,644	(418)
Ivy VIP High Income, Class I	177	96	56	(1)	43	189	642	8
Ivy VIP International Core Equity, Class II	706	1,600	772	902	219	765	11,294	114
Ivy VIP Limited-Term Bond, Class II	1,263	358	723	17	105	1,185	5,799	58
Ivy VIP Mid Cap Growth, Class I	444	1,191	371	1,071	—	511	5,993	243
Ivy VIP Small Cap Core, Class II	51	198	58	99	51	62	815	(13)
Ivy VIP Small Cap Growth, Class I	182	88	136	31	—	175	1,637	289
Ivy VIP Value, Class II	1,236	1,086	547	443	64	1,327	7,990	420
				<u>\$ 7,421</u>	<u>\$954</u>		<u>\$64,592</u>	<u>\$ 181</u>

	12-31-18 Share Balance	Gross Additions	Gross Reductions	Realized Gain/(Loss) ⁽¹⁾	Distributions Received	6-30-19 Share Balance	6-30-19 Value	Net Change in Unrealized Appreciation/ (Depreciation)
Pathfinder Conservative								
Ivy VIP Core Equity, Class II	613	\$ 1,567	\$ 967	\$ 795	\$ 49	667	\$ 7,588	\$ 367
Ivy VIP Corporate Bond, Class II . . .	2,898	1,743	1,649	26	430	2,911	15,756	785
Ivy VIP Global Equity Income, Class II	523	1,480	528	1,008	110	710	3,939	(620)
Ivy VIP Government Money Market, Class II	17,079	1,467	1,839	1	165	16,707	16,707	—
Ivy VIP Growth, Class II	615	2,552	707	1,971	44	799	8,212	(408)
Ivy VIP High Income, Class I	692	382	247	3	167	731	2,475	26
Ivy VIP International Core Equity, Class II	367	1,072	697	487	113	394	5,810	49
Ivy VIP Limited-Term Bond, Class II	4,731	3,069	2,313	48	433	4,876	23,867	232
Ivy VIP Mid Cap Growth, Class I . . .	415	1,334	429	1,007	—	490	5,753	240
Ivy VIP Small Cap Core, Class II . . .	48	217	93	93	48	57	754	(12)
Ivy VIP Small Cap Growth, Class I	170	137	194	34	—	162	1,515	266
Ivy VIP Value, Class II	1,157	1,207	776	427	60	1,229	7,400	389
				<u>\$ 5,900</u>	<u>\$ 1,619</u>		<u>\$ 99,776</u>	<u>\$ 1,314</u>

	12-31-18 Share Balance	Gross Additions	Gross Reductions	Realized Gain/(Loss) ⁽¹⁾	Distributions Received	6-30-19 Share Balance	6-30-19 Value	Net Change in Unrealized Appreciation/ (Depreciation)
Pathfinder Moderate								
Ivy VIP Core Equity, Class II	6,268	\$ 9,612	\$ 8,669	\$ 7,533	\$ 469	6,390	\$ 72,652	\$ 4,004
Ivy VIP Corporate Bond, Class II . . .	16,128	4,464	9,229	230	2,265	15,177	82,147	4,134
Ivy VIP Global Equity Income, Class II	8,026	17,004	7,002	14,602	1,598	10,191	56,526	(8,789)
Ivy VIP Government Money Market, Class II	58,192	524	9,311	4	527	49,405	49,405	—
Ivy VIP Growth, Class II	6,290	18,881	7,191	19,072	418	7,532	77,399	(3,608)
Ivy VIP High Income, Class I	3,714	1,208	1,409	(44)	849	3,674	12,443	220
Ivy VIP International Core Equity, Class II	5,635	8,836	9,095	7,068	1,644	5,646	83,359	1,015
Ivy VIP Limited-Term Bond, Class II	28,715	9,731	14,235	323	2,485	27,722	135,690	1,340
Ivy VIP Mid Cap Growth, Class I . . .	4,246	8,838	4,602	9,934	—	4,586	53,820	2,429
Ivy VIP Small Cap Core, Class II . . .	487	1,542	822	901	463	546	7,219	(76)
Ivy VIP Small Cap Growth, Class I	1,738	215	1,759	311	—	1,555	14,503	2,688
Ivy VIP Value, Class II	11,831	6,158	6,749	4,039	581	11,756	70,811	4,116
				<u>\$ 63,973</u>	<u>\$ 11,299</u>		<u>\$ 715,974</u>	<u>\$ 7,473</u>

	12-31-18	Gross	Gross	Realized	Distributions	6-30-19	6-30-19	Net Change
	Share Balance	Additions	Reductions	Gain/(Loss) ⁽¹⁾	Received	Share Balance	Value	in Unrealized
								Appreciation/ (Depreciation)
Pathfinder Moderately Aggressive								
Ivy VIP Core Equity, Class II	8,468	\$ 12,881	\$10,652	\$10,205	\$ 638	8,717	\$ 99,120	\$ 5,421
Ivy VIP Corporate Bond, Class II . . .	18,935	6,050	10,695	282	2,679	17,996	97,406	4,865
Ivy VIP Global Equity Income, Class II	12,046	25,562	9,323	22,288	2,417	15,450	85,694	(13,560)
Ivy VIP Government Money Market, Class II	26,203	216	9,328	1	217	17,091	17,091	—
Ivy VIP Growth, Class II	8,499	25,783	9,440	25,894	566	10,223	105,054	(4,958)
Ivy VIP High Income, Class I	3,186	1,131	1,195	(37)	734	3,182	10,778	185
Ivy VIP International Core Equity, Class II	8,457	13,147	12,504	10,350	2,485	8,559	126,380	1,770
Ivy VIP Limited-Term Bond, Class II	26,766	10,150	13,088	310	2,334	26,098	127,741	1,246
Ivy VIP Mid Cap Growth, Class I . . .	5,737	11,943	6,039	13,440	—	6,212	72,908	3,293
Ivy VIP Small Cap Core, Class II . . .	658	2,078	1,002	1,223	631	745	9,851	(109)
Ivy VIP Small Cap Growth, Class I	2,348	293	2,202	414	—	2,121	19,792	3,652
Ivy VIP Value, Class II	15,983	9,009	8,750	5,566	790	16,040	96,613	5,462
				<u>\$89,936</u>	<u>\$ 13,491</u>		<u>\$868,428</u>	<u>\$ 7,267</u>

	12-31-18	Gross	Gross	Realized	Distributions	6-30-19	6-30-19	Net Change
	Share Balance	Additions	Reductions	Gain/(Loss) ⁽¹⁾	Received	Share Balance	Value	in Unrealized
								Appreciation/ (Depreciation)
Pathfinder Moderately Conservative								
Ivy VIP Core Equity, Class II	1,587	\$ 2,678	\$ 1,997	\$ 1,961	\$ 121	1,655	\$ 18,821	\$ 1,001
Ivy VIP Corporate Bond, Class II . . .	5,496	1,585	2,617	52	785	5,290	28,635	1,457
Ivy VIP Global Equity Income, Class II	1,742	3,895	1,405	3,217	353	2,263	12,554	(1,941)
Ivy VIP Government Money Market, Class II	27,363	509	2,800	2	256	25,072	25,072	—
Ivy VIP Growth, Class II	1,592	5,070	1,513	4,894	109	1,964	20,183	(923)
Ivy VIP High Income, Class I	1,382	463	408	6	322	1,398	4,735	58
Ivy VIP International Core Equity, Class II	1,223	2,162	1,802	1,544	363	1,254	18,517	228
Ivy VIP Limited-Term Bond, Class II	9,402	3,297	3,784	85	828	9,285	45,447	467
Ivy VIP Mid Cap Growth, Class I . . .	1,075	2,420	930	2,521	—	1,200	14,079	651
Ivy VIP Small Cap Core, Class II . . .	123	417	190	232	119	141	1,870	(22)
Ivy VIP Small Cap Growth, Class I	440	90	402	80	—	403	3,757	687
Ivy VIP Value, Class II	2,996	1,780	1,504	1,051	150	3,046	18,347	1,037
				<u>\$ 15,645</u>	<u>\$ 3,406</u>		<u>\$ 212,017</u>	<u>\$ 2,700</u>

	12-31-18	Gross	Gross	Realized	Distributions	6-30-19	6-30-19	Net Change
	Share Balance	Additions	Reductions	Gain/(Loss) ⁽¹⁾	Received	Share Balance	Value	in Unrealized
								Appreciation/ (Depreciation)
Pathfinder Moderate—Managed								
Volatility								
Ivy VIP Core Equity, Class II	5,262	\$ 8,642	\$ 2,340	\$ 6,784	\$ 417	5,837	\$ 66,373	\$ 3,225
Ivy VIP Corporate Bond, Class II . . .	13,521	4,148	2,275	90	2,015	13,855	74,994	3,722
Ivy VIP Global Equity Income, Class II	6,737	15,267	1,743	13,251	1,423	9,320	51,691	(8,257)
Ivy VIP Government Money Market, Class II	48,794	612	4,270	3	460	45,137	45,137	—
Ivy VIP Growth, Class II	5,279	17,051	1,373	16,594	372	6,877	70,673	(3,182)
Ivy VIP High Income, Class I	3,115	1,102	277	8	756	3,355	11,364	119
Ivy VIP International Core Equity, Class II	4,730	8,085	1,864	6,185	1,462	5,166	76,274	724
Ivy VIP Limited-Term Bond, Class II	24,077	8,863	2,753	69	2,212	25,315	123,909	1,372
Ivy VIP Mid Cap Growth, Class I . . .	3,566	8,033	877	8,233	—	4,193	49,205	2,450
Ivy VIP Small Cap Core, Class II . . .	409	1,376	206	795	412	499	6,594	(100)
Ivy VIP Small Cap Growth, Class I	1,460	236	542	244	—	1,420	13,251	2,337
Ivy VIP Value, Class II	9,935	5,576	754	3,607	517	10,747	64,734	3,409
				<u>\$55,863</u>	<u>\$10,046</u>		<u>\$ 654,199</u>	<u>\$ 5,819</u>

	12-31-18	Gross	Gross	Realized	Distributions	6-30-19	6-30-19	Net Change
	Share Balance	Additions	Reductions	Gain/(Loss) ⁽¹⁾	Received	Share Balance	Value	in Unrealized
								Appreciation/ (Depreciation)
Pathfinder Moderately								
Aggressive—Managed								
Volatility								
Ivy VIP Core Equity, Class II	829	\$ 1,382	\$ 489	\$ 1,045	\$ 65	912	\$ 10,366	\$ 514
Ivy VIP Corporate Bond, Class II . . .	1,853	682	509	17	274	1,881	10,183	499
Ivy VIP Global Equity Income, Class II	1,180	2,681	432	2,271	247	1,617	8,971	(1,407)
Ivy VIP Government Money Market, Class II	2,565	42	815	—*	22	1,791	1,791	—
Ivy VIP Growth, Class II	832	2,726	423	2,580	58	1,069	10,981	(493)
Ivy VIP High Income, Class I	312	123	53	(2)	75	333	1,127	14
Ivy VIP International Core Equity, Class II	828	1,445	486	1,060	255	896	13,236	137
Ivy VIP Limited-Term Bond, Class II	2,620	1,112	565	13	239	2,729	13,358	142
Ivy VIP Mid Cap Growth, Class I . . .	562	1,277	261	1,291	—	650	7,629	373
Ivy VIP Small Cap Core, Class II . . .	64	219	44	123	65	78	1,030	(15)
Ivy VIP Small Cap Growth, Class I	230	45	111	36	—	222	2,070	368
Ivy VIP Value, Class II	1,566	982	309	562	81	1,679	10,110	534
				<u>\$ 8,996</u>	<u>\$ 1,381</u>		<u>\$ 90,852</u>	<u>\$ 666</u>

	12-31-18 Share Balance	Gross Additions	Gross Reductions	Realized Gain/(Loss) ⁽¹⁾	Distributions Received	6-30-19 Share Balance	6-30-19 Value	Net Change in Unrealized Appreciation/ (Depreciation)
Pathfinder Moderately Conservative—Managed Volatility								
Ivy VIP Core Equity, Class II	550	\$ 914	\$ 272	\$ 712	\$ 44	608	\$ 6,914	\$ 334
Ivy VIP Corporate Bond, Class II . . .	1,901	507	274	8	283	1,943	10,516	528
Ivy VIP Global Equity Income, Class II	603	1,374	175	1,189	127	832	4,616	(741)
Ivy VIP Government Money Market, Class II	9,464	122	374	1	91	9,212	9,212	—
Ivy VIP Growth, Class II	551	1,791	117	1,741	39	721	7,412	(338)
Ivy VIP High Income, Class I	478	156	34	1	116	514	1,740	18
Ivy VIP International Core Equity, Class II	424	734	196	555	131	461	6,811	64
Ivy VIP Limited-Term Bond, Class II	3,252	1,073	292	7	299	3,411	16,694	187
Ivy VIP Mid Cap Growth, Class I	373	847	69	858	—	441	5,175	260
Ivy VIP Small Cap Core, Class II	43	145	24	83	43	52	687	(11)
Ivy VIP Small Cap Growth, Class I	153	25	60	26	—	148	1,380	243
Ivy VIP Value, Class II	1,038	590	103	379	54	1,120	6,744	355
				<u>\$ 5,560</u>	<u>\$ 1,227</u>		<u>\$ 77,901</u>	<u>\$ 899</u>

*Not shown due to rounding.

(1)Included in Realized Gain/Loss, if applicable, are distributions from capital gains from the underlying securities.

8. INVESTMENT SECURITIES TRANSACTIONS (\$ amounts in thousands)

The cost of purchases and the proceeds from maturities and sales of investment securities (excluding short-term securities) for the period ended June 30, 2019, were as follows:

	Purchases		Sales	
	U.S. Government	Other Issuers	U.S. Government	Other Issuers
Pathfinder Aggressive	\$ —	\$ 11,567	\$ —	\$ 5,264
Pathfinder Conservative	—	16,227	—	10,717
Pathfinder Moderate	—	87,013	—	83,093
Pathfinder Moderately Aggressive	—	118,243	—	98,192
Pathfinder Moderately Conservative	—	24,366	—	20,020
Pathfinder Moderate – Managed Volatility	—	78,991	—	20,884
Pathfinder Moderately Aggressive – Managed Volatility	—	12,716	—	4,690
Pathfinder Moderately Conservative – Managed Volatility	—	8,278	—	2,146
Government Money Market	—	—	—	—

9. CAPITAL SHARE TRANSACTIONS (All amounts in thousands)

The Trust has authorized an unlimited number of no par value shares of beneficial interest. Transactions in shares of beneficial interest were as follows:

	Pathfinder Aggressive				Pathfinder Conservative			
	Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18		Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18	
	Shares	Value	Shares	Value	Shares	Value	Shares	Value
Shares issued from sale of shares:								
Class II	545	\$ 2,669	671	\$ 3,490	1,600	\$ 8,012	1,999	\$ 10,202
Shares issued in reinvestment of distributions to shareholders:								
Class II	1,655	7,374	1,005	5,067	1,443	6,904	942	4,722
Shares redeemed:								
Class II	(1,011)	(5,019)	(3,579)	(18,431)	(2,183)	(10,940)	(4,701)	(23,906)
Net increase (decrease)	1,189	\$ 5,024	(1,903)	\$ (9,874)	860	\$ 3,976	(1,760)	\$ (8,982)

	Pathfinder Moderate				Pathfinder Moderately Aggressive			
	Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18		Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18	
	Shares	Value	Shares	Value	Shares	Value	Shares	Value
Shares issued from sale of shares:								
Class II	110	\$ 572	702	\$ 3,722	253	\$ 1,330	1,237	\$ 6,817
Shares issued in reinvestment of distributions to shareholders:								
Class II	16,016	75,615	9,296	48,519	21,455	102,588	12,169	65,728
Shares redeemed:								
Class II	(13,462)	(68,992)	(28,797)	(152,733)	(15,392)	(81,292)	(33,636)	(184,084)
Net increase (decrease)	2,664	\$ 7,195	(18,799)	\$(100,492)	6,316	\$ 22,626	(20,230)	\$(111,539)

	Pathfinder Moderately Conservative				Pathfinder Moderate – Managed Volatility			
	Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18		Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18	
	Shares	Value	Shares	Value	Shares	Value	Shares	Value
Shares issued from sale of shares:								
Class II	236	\$ 1,180	448	\$ 2,338	2,647	\$ 14,882	10,060	\$ 57,624
Shares issued in reinvestment of distributions to shareholders:								
Class II	3,847	18,438	2,514	12,955	8,200	43,825	4,281	24,303
Shares redeemed:								
Class II	(3,079)	(15,773)	(8,312)	(43,456)	(2,713)	(15,338)	(4,470)	(25,600)
Net increase (decrease)	1,004	\$ 3,845	(5,350)	\$ (28,163)	8,134	\$ 43,369	9,871	\$ 56,327

	Pathfinder Moderately Aggressive – Managed Volatility				Pathfinder Moderately Conservative – Managed Volatility			
	Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18		Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18	
	Shares	Value	Shares	Value	Shares	Value	Shares	Value
Shares issued from sale of shares:								
Class II	451	\$ 2,458	1,170	\$ 6,562	765	\$ 4,149	1,486	\$ 8,146
Shares issued in reinvestment of distributions to shareholders:								
Class II	1,483	7,558	731	4,062	950	4,908	529	2,876
Shares redeemed:								
Class II	(727)	(3,963)	(1,923)	(10,800)	(717)	(3,896)	(1,321)	(7,269)
Net increase (decrease)	1,207	\$ 6,053	(22)	\$ (176)	998	\$ 5,161	694	\$ 3,753

	Government Money Market			
	Six months ended 6-30-19 (Unaudited)		Year ended 12-31-18	
	Shares	Value	Shares	Value
Shares issued from sale of shares:				
Class II	20,763	\$ 20,763	56,637	\$ 56,637
Shares issued in reinvestment of distributions to shareholders:				
Class II	2,215	2,215	4,349	4,349
Shares redeemed:				
Class II	(46,383)	(46,383)	(139,112)	(139,112)
Net decrease	(23,405)	\$(23,405)	(78,126)	\$ (78,126)

10. FEDERAL INCOME TAX MATTERS (\$ amounts in thousands)

For Federal income tax purposes, cost of investments owned at June 30, 2019 and the related unrealized appreciation (depreciation) were as follows:

Portfolio	Cost of Investments	Gross Appreciation	Gross Depreciation	Net Unrealized Depreciation
Pathfinder Aggressive	\$ 72,645	\$ 619	\$ 8,276	\$ (7,657)
Pathfinder Conservative	105,696	276	5,830	(5,554)
Pathfinder Moderate	771,920	3,162	57,913	(54,751)
Pathfinder Moderately Aggressive	945,474	4,407	81,397	(76,990)
Pathfinder Moderately Conservative	226,243	895	14,916	(14,021)
Pathfinder Moderate—Managed Volatility	718,403	4,767	50,194	(45,427)
Pathfinder Moderately Aggressive—Managed Volatility	101,696	579	9,604	(9,025)
Pathfinder Moderately Conservative—Managed Volatility	84,814	522	5,270	(4,748)
Government Money Market	215,157	—	—	—

For Federal income tax purposes, the Portfolios' undistributed earnings and profit for the year ended December 31, 2018 and the post-October and late-year ordinary activity updated with information available through the date of this report were as follows:

Portfolio	Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Tax Return of Capital	Post-October Capital Losses Deferred	Late-Year Ordinary Losses Deferred
Pathfinder Aggressive	\$ 1,919	\$ 5,451	\$ —	\$ —	\$ —
Pathfinder Conservative	2,138	4,761	—	—	—
Pathfinder Moderate	19,527	56,059	—	—	—
Pathfinder Moderately Aggressive	24,426	78,139	—	—	—
Pathfinder Moderately Conservative	5,000	13,431	—	—	—
Pathfinder Moderate—Managed Volatility	12,471	31,342	—	—	—
Pathfinder Moderately Aggressive—Managed Volatility	2,043	5,510	—	—	—
Pathfinder Moderately Conservative—Managed Volatility	1,338	3,568	—	—	—
Government Money Market	59	16	—	—	—

Internal Revenue Code regulations permit each Portfolio to elect to defer into its next fiscal year capital losses and certain specified ordinary items incurred between each November 1 and the end of its fiscal year. Each Portfolio is also permitted to defer into its next fiscal certain ordinary losses that generated between each January 1 and the end of its fiscal year.

The tax character of dividends and distributions paid during the two fiscal years ended December 31, 2018 and 2017 were as follows:

Portfolio	December 31, 2018		December 31, 2017	
	Distributed Ordinary Income ⁽¹⁾	Distributed Long-Term Capital Gains	Distributed Ordinary Income ⁽¹⁾	Distributed Long-Term Capital Gains
Pathfinder Aggressive	\$ 1,675	\$ 3,392	\$ 1,058	\$ 4,936
Pathfinder Conservative	1,750	2,972	1,230	4,172
Pathfinder Moderate	15,410	33,109	9,628	44,876
Pathfinder Moderately Aggressive	24,003	41,725	13,001	58,449
Pathfinder Moderately Conservative	4,186	8,769	2,870	11,417
Pathfinder Moderate – Managed Volatility	8,544	15,759	2,508	14,751
Pathfinder Moderately Aggressive – Managed Volatility	1,570	2,492	388	2,463
Pathfinder Moderately Conservative – Managed Volatility	1,057	1,819	298	1,471
Government Money Market	4,344	—	2,151	—

⁽¹⁾Includes short-term capital gains distributed, if any.

Dividends from net investment income and short-term capital gains are treated as ordinary income dividends for federal income tax purposes.

Accumulated capital losses represent net capital loss carryovers as of December 31, 2018 that may be available to offset future realized capital gains and thereby reduce future capital gains distributions. As of December 31, 2018, the capital loss carryovers were as follows:

Portfolio	Short-Term Capital Loss Carryover	Long-Term Capital Loss Carryover
Pathfinder Aggressive	\$ —	\$ —
Pathfinder Conservative	—	—
Pathfinder Moderate	—	—
Pathfinder Moderately Aggressive	—	—
Pathfinder Moderately Conservative	—	—
Pathfinder Moderate – Managed Volatility	—	—
Pathfinder Moderately Aggressive – Managed Volatility	—	—
Pathfinder Moderately Conservative – Managed Volatility	—	—
Government Money Market	—	—

(UNAUDITED)

Proxy Voting Guidelines

A description of the policies and procedures Ivy Variable Insurance Portfolios uses to determine how to vote proxies relating to portfolio securities is available (i) without charge, upon request, by calling 1.888.923.3355 and (ii) on the Securities and Exchange Commission's ("SEC") website at www.sec.gov.

Proxy Voting Records

Information regarding how the Portfolio voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available on Form N-PX at www.ivyinvestments.com and on the SEC's website at www.sec.gov.

(UNAUDITED)

Portfolio holdings can be found on the Trust's website at www.ivyinvestments.com. Alternatively, a complete schedule of portfolio holdings of each Portfolio for the first and third quarters of each fiscal year is filed with the SEC and can be found on the Trust's Form N-Q. These holdings may be viewed in the following ways:

- On the SEC's website at www.sec.gov.
- For review and copy at the SEC's Public Reference Room in Washington, DC. Information on the operations of the Public Reference Room may be obtained by calling 1.800.SEC.0330.

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THE IVY VARIABLE INSURANCE PORTFOLIOS FAMILY

Global/International Portfolios

Global Equity Income
Global Growth
International Core Equity

Domestic Equity Portfolios

Core Equity
Growth
Mid Cap Growth
Small Cap Core
Small Cap Growth
Value

Fixed Income Portfolios

Corporate Bond
Global Bond
High Income
Limited-Term Bond

Money Market Portfolio

Government Money Market

Specialty Portfolios

Asset Strategy
Balanced
Energy
Natural Resources
Pathfinder Aggressive
Pathfinder Conservative
Pathfinder Moderate
Pathfinder Moderately Aggressive
Pathfinder Moderately Conservative
Pathfinder Moderate – Managed Volatility
Pathfinder Moderately Aggressive – Managed Volatility
Pathfinder Moderately Conservative – Managed Volatility
Science and Technology
Securian Real Estate Securities

The underlying portfolios discussed in this report are only available as investment options in variable annuity and variable life insurance contracts issued by life insurance companies. They are not offered or made available directly to the general public.

This report is submitted for the general information of the shareholders of Ivy Variable Insurance Portfolios. It is not authorized for distribution to prospective investors in a Portfolio unless accompanied with or preceded by the current Portfolio prospectus as well as the variable product prospectus.

