



## Invesco V.I. Equity and Income Fund



The Fund provides a complete list of its portfolio holdings four times each fiscal year, at the end of each fiscal quarter. For the second and fourth quarters, the list appears, respectively, in the Fund's semiannual and annual reports to shareholders. For the first and third quarters, the Fund files the list with the Securities and Exchange Commission (SEC) as an exhibit to its reports on Form N-PORT. The Fund's Form N-PORT filings are available on the SEC website, [sec.gov](http://sec.gov). The SEC file numbers for the Fund are 811-07452 and 033-57340. The Fund's most recent portfolio holdings, as filed on Form N-PORT, have also been made available to insurance companies issuing variable annuity contracts and variable life insurance policies ("variable products") that invest in the Fund.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available without charge, upon request, from our Client Services department at 800 959 4246 or at [invesco.com/corporate/about-us/esg](http://invesco.com/corporate/about-us/esg). The information is also available on the SEC website, [sec.gov](http://sec.gov).

Information regarding how the Fund voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 is available at [invesco.com/proxysearch](http://invesco.com/proxysearch). The information is also available on the SEC website, [sec.gov](http://sec.gov).

Invesco Advisers, Inc. is an investment adviser; it provides investment advisory services to individual and institutional clients and does not sell securities. Invesco Distributors, Inc. is the US distributor for Invesco Ltd.'s retail mutual funds, exchange-traded funds and institutional money market funds. Both are wholly owned, indirect subsidiaries of Invesco Ltd.

**This report must be accompanied or preceded by a currently effective Fund prospectus and variable product prospectus, which contain more complete information, including sales charges and expenses. Investors should read each carefully before investing.**

# Fund Performance

## Performance summary

### Fund vs. Indexes

Cumulative total returns, 12/31/20 to 6/30/21, excluding variable product issuer charges. If variable product issuer charges were included, returns would be lower.

Series I Shares	13.33%
Series II Shares	13.19
Russell 1000 Value Index <sup>▼</sup> (Broad Market Index)	17.05
Bloomberg Barclays U.S. Government/Credit Index <sup>▼</sup> (Style-Specific Index)	-1.96
Lipper VUF Mixed-Asset Target Allocation Growth Funds Index <sup>■</sup> (Peer Group Index)	9.39

Source(s): <sup>▼</sup>RIMES Technologies Corp.; <sup>■</sup>Lipper Inc.

The **Russell 1000<sup>®</sup> Value Index** is an unmanaged index considered representative of large-cap value stocks. The Russell 1000 Value Index is a trademark/service mark of the Frank Russell Co. Russell<sup>®</sup> is a trademark of the Frank Russell Co.

The **Bloomberg Barclays U.S. Government/Credit Index** is a broad-based benchmark that includes investment-grade, US dollar-denominated, fixed-rate Treasuries, government-related and corporate securities.

The **Lipper VUF Mixed-Asset Target Allocation Growth Funds Index** is an unmanaged index considered representative of mixed-asset target allocation growth variable insurance underlying funds tracked by Lipper.

The Fund is not managed to track the performance of any particular index, including the index(es) described here, and consequently, the performance of the Fund may deviate significantly from the performance of the index(es).

A direct investment cannot be made in an index. Unless otherwise indicated, index results include reinvested dividends, and they do not reflect sales charges. Performance of the peer group, if applicable, reflects fund expenses; performance of a market index does not.

## Average Annual Total Returns

As of 6/30/21

### Series I Shares

Inception (6/1/10)	10.25%
10 Years	9.46
5 Years	11.23
1 Year	37.30

### Series II Shares

Inception (4/30/03)	8.43%
10 Years	9.20
5 Years	10.94
1 Year	36.92

Effective June 1, 2010, Class II shares of the predecessor fund, Universal Institutional Funds Equity and Income Portfolio, advised by Morgan Stanley Investment Management Inc. were reorganized into Series II shares of Invesco Van Kampen V.I. Equity and Income Fund (renamed Invesco V.I. Equity and Income Fund on April 29, 2013). Returns shown above, prior to June 1, 2010, for Series II shares are those of the Class II shares of the predecessor fund. Share class returns will differ from the predecessor fund because of different expenses.

The performance data quoted represent past performance and cannot guarantee future results; current performance may be lower or higher. Please contact your variable product issuer or financial adviser for

the most recent month-end variable product performance. Performance figures reflect Fund expenses, reinvested distributions and changes in net asset value. Performance figures do not reflect deduction of taxes a shareholder would pay on Fund distributions or sale of Fund shares. Investment return and principal value will fluctuate so that you may have a gain or loss when you sell shares.

Invesco V.I. Equity and Income Fund, a series portfolio of AIM Variable Insurance Funds (Invesco Variable Insurance Funds), is currently offered through insurance companies issuing variable products. You cannot purchase shares of the Fund directly. Performance figures given represent the Fund and are not intended to reflect actual variable product values. They do not reflect

sales charges, expenses and fees assessed in connection with a variable product. Sales charges, expenses and fees, which are determined by the variable product issuers, will vary and will lower the total return.

The most recent month-end performance at the Fund level, excluding variable product charges, is available at 800 451 4246. As mentioned above, for the most recent month-end performance including variable product charges, please contact your variable product issuer or financial adviser.

Fund performance reflects any applicable fee waivers and/or expense reimbursements. Had the adviser not waived fees and/or reimbursed expenses currently or in the past, returns would have been lower. See current prospectus for more information.

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## Liquidity Risk Management Program

In compliance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the "Liquidity Rule"), the Fund has adopted and implemented a liquidity risk management program in accordance with the Liquidity Rule (the "Program"). The Program is reasonably designed to assess and manage the Fund's liquidity risk, which is the risk that the Fund could not meet redemption requests without significant dilution of remaining investors' interests in the Fund. The Board of Trustees of the Fund (the "Board") has appointed Invesco Advisers, Inc. ("Invesco"), the Fund's investment adviser, as the Program's administrator, and Invesco has delegated oversight of the Program to the Liquidity Risk Management Committee (the "Committee"), which is composed of senior representatives from relevant business groups at Invesco.

As required by the Liquidity Rule, the Program includes policies and procedures providing for an assessment, no less frequently than annually, of the Fund's liquidity risk that takes into account, as relevant to the Fund's liquidity risk: (1) the Fund's investment strategy and liquidity of portfolio investments during both normal and reasonably foreseeable stressed conditions; (2) short-term and long-term cash flow projections for the Fund during both normal and reasonably foreseeable stressed conditions; and (3) the Fund's holdings of cash and cash equivalents and any borrowing arrangements. The Liquidity Rule also requires the classification of the Fund's investments into categories that reflect the assessment of their relative liquidity under current market conditions. The Fund classifies its investments into one of four categories defined in the Liquidity Rule: "Highly Liquid," "Moderately Liquid," "Less Liquid," and "Illiquid." Funds that are not invested primarily in "Highly Liquid Investments" that are assets (cash or investments that are reasonably expected to be convertible into cash within three business days without significantly changing the market value of the investment) are required to establish a "Highly Liquid Investment Minimum" ("HLIM"), which is the minimum percentage of net assets that must be invested in Highly Liquid Investments. Funds with HLIMs have procedures for addressing HLIM shortfalls, including reporting to the Board and the SEC (on a non-public basis) as required by the Program and the Liquidity Rule. In addition, the Fund may not acquire an investment if, immediately after the acquisition, over 15% of the Fund's net assets would consist of "Illiquid Investments" that are assets (an investment that cannot reasonably be expected to be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment). The Liquidity Rule and the Program also require reporting to the Board and the SEC (on a non-public basis) if a Fund's holdings of Illiquid Investments exceed 15% of the Fund's assets.

At a meeting held on March 22-24, 2021, the Committee presented a report to the Board that addressed the operation of the Program and assessed the Program's adequacy and effectiveness of implementation (the "Report"). The Report covered the period from January 1, 2020 through December 31, 2020 (the "Program Reporting Period"). The Report discussed notable events affecting liquidity over the Program Reporting Period, including the impact of the coronavirus pandemic on the Fund and the overall market. The Report noted that there were no material changes to the Program during the Program Reporting Period.

The Report stated, in relevant part, that during the Program Reporting Period:

- The Program, as adopted and implemented, remained reasonably designed to assess and manage the Fund's liquidity risk and was operated effectively to achieve that goal;
- The Fund's investment strategy remained appropriate for an open-end fund;
- The Fund was able to meet requests for redemption without significant dilution of remaining investors' interests in the Fund;
- The Fund did not breach the 15% limit on Illiquid Investments; and
- The Fund primarily held Highly Liquid Investments and therefore has not adopted an HLIM.

# Schedule of Investments<sup>(a)</sup>

June 30, 2021  
(Unaudited)

	Shares	Value
<b>Common Stocks &amp; Other Equity Interests-63.63%</b>		
<b>Aerospace &amp; Defense-3.53%</b>		
General Dynamics Corp.	63,051	\$ 11,869,981
Raytheon Technologies Corp.	244,030	20,818,200
Textron, Inc.	226,399	15,569,459
		48,257,640
<b>Apparel Retail-1.08%</b>		
TJX Cos., Inc. (The)	218,852	14,755,002
<b>Automobile Manufacturers-2.38%</b>		
General Motors Co. <sup>(b)</sup>	551,062	32,606,339
<b>Building Products-1.66%</b>		
Johnson Controls International PLC	330,967	22,714,265
<b>Cable &amp; Satellite-1.71%</b>		
Charter Communications, Inc., Class A <sup>(b)</sup>	16,770	12,098,717
Comcast Corp., Class A	197,452	11,258,713
		23,357,430
<b>Commodity Chemicals-0.56%</b>		
Dow, Inc.	120,128	7,601,700
<b>Construction &amp; Engineering-0.62%</b>		
Quanta Services, Inc.	94,055	8,518,561
<b>Consumer Finance-0.98%</b>		
American Express Co.	81,582	13,479,794
<b>Data Processing &amp; Outsourced Services-0.54%</b>		
Fiserv, Inc. <sup>(b)</sup>	68,689	7,342,167
<b>Distillers &amp; Vintners-0.40%</b>		
Diageo PLC (United Kingdom)	113,206	5,425,228
<b>Diversified Banks-4.69%</b>		
Bank of America Corp.	805,404	33,206,807
Wells Fargo & Co.	682,871	30,927,227
		64,134,034
<b>Electric Utilities-1.60%</b>		
Duke Energy Corp.	67,396	6,653,333
Exelon Corp.	170,136	7,538,726
FirstEnergy Corp.	205,643	7,651,976
		21,844,035
<b>Electrical Components &amp; Equipment-0.61%</b>		
Emerson Electric Co.	87,212	8,393,283
<b>Electronic Components-0.62%</b>		
Corning, Inc.	208,634	8,533,131
<b>Electronic Manufacturing Services-0.60%</b>		
TE Connectivity Ltd.	60,285	8,151,135
<b>Fertilizers &amp; Agricultural Chemicals-0.94%</b>		
Corteva, Inc.	289,728	12,849,437

	Shares	Value
<b>Food Distributors-1.49%</b>		
Sysco Corp.	142,541	\$ 11,082,563
US Foods Holding Corp. <sup>(b)</sup>	243,307	9,333,256
		20,415,819
<b>Gold-0.49%</b>		
Barrick Gold Corp. (Canada)	323,984	6,699,989
<b>Health Care Distributors-0.80%</b>		
McKesson Corp.	56,931	10,887,484
<b>Health Care Equipment-1.42%</b>		
Medtronic PLC	101,619	12,613,966
Zimmer Biomet Holdings, Inc.	42,840	6,889,529
		19,503,495
<b>Health Care Facilities-0.43%</b>		
Universal Health Services, Inc., Class B	40,688	5,957,944
<b>Health Care Services-1.62%</b>		
Cigna Corp.	52,995	12,563,525
CVS Health Corp.	115,926	9,672,865
		22,236,390
<b>Health Care Supplies-0.14%</b>		
Alcon, Inc. (Switzerland)	26,738	1,872,912
<b>Home Improvement Retail-0.56%</b>		
Kingfisher PLC (United Kingdom)	1,521,781	7,677,872
<b>Hotels, Resorts &amp; Cruise Lines-0.88%</b>		
Booking Holdings, Inc. <sup>(b)</sup>	5,530	12,100,138
<b>Human Resource &amp; Employment Services-0.39%</b>		
Adecco Group AG (Switzerland)	77,890	5,294,145
<b>Industrial Machinery-0.07%</b>		
Parker-Hannifin Corp.	3,003	922,251
<b>Insurance Brokers-0.50%</b>		
Willis Towers Watson PLC	29,505	6,786,740
<b>Integrated Oil &amp; Gas-0.91%</b>		
Chevron Corp.	119,445	12,510,669
<b>Investment Banking &amp; Brokerage-4.28%</b>		
Charles Schwab Corp. (The)	163,715	11,920,089
Goldman Sachs Group, Inc. (The)	64,826	24,603,412
Morgan Stanley	240,130	22,017,520
		58,541,021
<b>IT Consulting &amp; Other Services-1.51%</b>		
Cognizant Technology Solutions Corp., Class A	298,685	20,686,923
<b>Managed Health Care-0.76%</b>		
Anthem, Inc.	27,244	10,401,759
<b>Movies &amp; Entertainment-2.03%</b>		
Netflix, Inc. <sup>(b)</sup>	19,586	10,345,521

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Shares	Value
<b>Movies &amp; Entertainment-(continued)</b>		
Walt Disney Co. (The) <sup>(b)</sup>	99,233	\$ 17,442,184
		27,787,705
<b>Multi-line Insurance-1.51%</b>		
American International Group, Inc.	432,817	20,602,089
<b>Oil &amp; Gas Exploration &amp; Production-3.09%</b>		
Canadian Natural Resources Ltd. (Canada)	222,080	8,061,956
ConocoPhillips	234,291	14,268,322
Devon Energy Corp.	366,601	10,701,083
Pioneer Natural Resources Co.	57,158	9,289,318
		42,320,679
<b>Other Diversified Financial Services-0.64%</b>		
Voya Financial, Inc.	141,754	8,717,871
<b>Pharmaceuticals-3.87%</b>		
Bristol-Myers Squibb Co.	192,108	12,836,657
GlaxoSmithKline PLC (United Kingdom)	368,448	7,238,039
Johnson & Johnson	41,647	6,860,927
Merck & Co., Inc.	98,115	7,630,403
Pfizer, Inc.	161,916	6,340,631
Sanofi (France)	115,384	12,090,589
		52,997,246
<b>Railroads-1.34%</b>		
CSX Corp.	570,687	18,307,639
<b>Real Estate Services-1.51%</b>		
CBRE Group, Inc., Class A <sup>(b)</sup>	241,163	20,674,904
<b>Regional Banks-3.93%</b>		
Citizens Financial Group, Inc.	440,364	20,199,497
PNC Financial Services Group, Inc. (The)	91,352	17,426,308
Truist Financial Corp.	291,001	16,150,555
		53,776,360
<b>Semiconductors-3.40%</b>		
Intel Corp.	289,334	16,243,211
Micron Technology, Inc. <sup>(b)</sup>	88,762	7,542,995
NXP Semiconductors N.V. (China)	56,051	11,530,812
QUALCOMM, Inc.	78,548	11,226,865
		46,543,883
<b>Specialty Chemicals-0.51%</b>		
Axalta Coating Systems Ltd. <sup>(b)</sup>	229,038	6,983,369
<b>Systems Software-1.00%</b>		
Oracle Corp.	176,303	13,723,425
<b>Tobacco-1.57%</b>		
Philip Morris International, Inc.	216,744	21,481,498
<b>Wireless Telecommunication Services-0.46%</b>		
Vodafone Group PLC (United Kingdom)	3,711,662	6,242,749
Total Common Stocks & Other Equity Interests (Cost \$548,410,275)		870,618,149

	Principal Amount	Value
<b>U.S. Dollar Denominated Bonds &amp; Notes-20.25%</b>		
<b>Aerospace &amp; Defense-0.34%</b>		
Boeing Co. (The), 5.81%, 05/01/2050	\$ 1,625,000	\$ 2,191,867
General Dynamics Corp., 3.88%, 07/15/2021	1,735,000	1,736,445
Precision Castparts Corp., 2.50%, 01/15/2023	333,000	342,335
Raytheon Technologies Corp., 4.45%, 11/16/2038	308,000	373,766
		4,644,413
<b>Agricultural &amp; Farm Machinery-0.09%</b>		
Deere & Co., 2.60%, 06/08/2022	1,161,000	1,180,406
<b>Agricultural Products-0.02%</b>		
Ingredion, Inc., 6.63%, 04/15/2037	232,000	323,251
<b>Air Freight &amp; Logistics-0.06%</b>		
FedEx Corp., 4.90%, 01/15/2034	402,000	502,420
United Parcel Service, Inc., 3.40%, 11/15/2046	240,000	270,208
		772,628
<b>Airlines-0.31%</b>		
American Airlines Pass-Through Trust, Series 2014-1, Class A, 3.70%, 04/01/2028	283,164	288,469
Continental Airlines Pass-Through Trust, Series 2012-1, Class A, 4.15%, 04/11/2024	281,906	299,861
JetBlue Airways Corp., Conv., 0.50%, 04/01/2026 <sup>(c)</sup>	1,732,000	1,734,598
Spirit Airlines, Inc., Conv., 1.00%, 05/15/2026	1,073,000	1,028,041
United Airlines Pass-Through Trust, Series 2014-2, Class A, 3.75%, 09/03/2026	363,867	385,392
Series 2018-1, Class AA, 3.50%, 03/01/2030	452,332	474,625
		4,210,986
<b>Alternative Carriers-0.20%</b>		
Liberty Latin America Ltd. (Chile), Conv., 2.00%, 07/15/2024	2,743,000	2,807,686
<b>Application Software-0.38%</b>		
salesforce.com, inc., 2.70%, 07/15/2041	1,413,000	1,424,209
Workday, Inc., Conv., 0.25%, 10/01/2022	2,248,000	3,727,409
		5,151,618
<b>Asset Management &amp; Custody Banks-0.30%</b>		
Apollo Management Holdings L.P., 4.00%, 05/30/2024 <sup>(c)</sup>	2,755,000	3,001,724
Brookfield Asset Management, Inc. (Canada), 4.00%, 01/15/2025	445,000	487,174
Carlyle Holdings Finance LLC, 3.88%, 02/01/2023 <sup>(c)</sup>	103,000	108,082
KKR Group Finance Co. III LLC, 5.13%, 06/01/2044 <sup>(c)</sup>	372,000	485,844
		4,082,824

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
<b>Automobile Manufacturers-0.26%</b>		
General Motors Co., 6.60%, 04/01/2036	\$ 377,000	\$ 518,142
General Motors Financial Co., Inc., 5.25%, 03/01/2026	480,000	554,662
Toyota Motor Credit Corp., 2.60%, 01/11/2022	2,460,000	2,490,825
		3,563,629

#### Biotechnology-0.57%

AbbVie, Inc., 4.50%, 05/14/2035	694,000	837,002
4.05%, 11/21/2039	1,322,000	1,537,551
4.85%, 06/15/2044	264,000	336,622
Gilead Sciences, Inc., 4.40%, 12/01/2021	473,000	476,191
3.25%, 09/01/2022	2,070,000	2,129,588
Neurocrine Biosciences, Inc., Conv., 2.25%, 05/15/2024	1,875,000	2,525,437
		7,842,391

#### Brewers-0.24%

Anheuser-Busch Cos. LLC/Anheuser- Busch InBev Worldwide, Inc. (Belgium), 4.70%, 02/01/2036	959,000	1,178,038
4.90%, 02/01/2046	538,000	682,167
Heineken N.V. (Netherlands), 3.50%, 01/29/2028 <sup>(c)</sup>	945,000	1,045,295
Molson Coors Beverage Co., 4.20%, 07/15/2046	377,000	421,013
		3,326,513

#### Cable & Satellite-1.62%

BofA Finance LLC, Conv., 0.13%, 09/01/2022	2,213,000	2,688,795
Cable One, Inc., Conv., 0.00%, 03/15/2026 <sup>(c)(d)</sup>	2,747,000	2,757,988
1.13%, 03/15/2028 <sup>(c)</sup>	1,311,000	1,339,863
Charter Communications Operating LLC/Charter Communications Operating Capital Corp., 4.46%, 07/23/2022	1,029,000	1,065,449
3.85%, 04/01/2061	1,067,000	1,049,849
Comcast Corp., 4.15%, 10/15/2028	935,000	1,083,047
6.45%, 03/15/2037	278,000	404,063
3.90%, 03/01/2038	756,000	871,203
Cox Communications, Inc., 2.95%, 10/01/2050 <sup>(c)</sup>	202,000	191,808
DISH Network Corp., Conv., 3.38%, 08/15/2026	7,604,000	7,778,892
Liberty Broadband Corp., Conv., 1.25%, 10/05/2023 <sup>(c)(e)</sup>	2,645,000	2,675,417
NBCUniversal Media LLC, 5.95%, 04/01/2041	197,000	284,312
		22,190,686

#### Commodity Chemicals-0.03%

LYB Finance Co. B.V. (Netherlands), 8.10%, 03/15/2027 <sup>(c)</sup>	339,000	452,019
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	Principal Amount	Value
<b>Communications Equipment-0.54%</b>		
Cisco Systems, Inc., 1.85%, 09/20/2021	\$ 1,605,000	\$ 1,608,736
Finisar Corp., Conv., 0.50%, 12/15/2021 <sup>(e)</sup>	1,052,000	1,047,448
Viavi Solutions, Inc., Conv., 1.75%, 06/01/2023	1,556,000	2,097,021
1.00%, 03/01/2024	1,874,000	2,648,196
		7,401,401

#### Computer & Electronics Retail-0.05%

Dell International LLC/EMC Corp., 5.45%, 06/15/2023	613,000	665,196
8.35%, 07/15/2046	14,000	22,934
		688,130

#### Construction Machinery & Heavy Trucks-0.06%

Caterpillar Financial Services Corp., 1.70%, 08/09/2021	785,000	786,318
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#### Consumer Finance-0.26%

American Express Co., 3.63%, 12/05/2024	324,000	354,423
Capital One Financial Corp., 3.20%, 01/30/2023	958,000	997,711
Discover Bank, 3.35%, 02/06/2023	1,500,000	1,563,184
Synchrony Financial, 3.95%, 12/01/2027	556,000	620,275
		3,535,593

#### Data Processing & Outsourced Services-0.11%

Fiserv, Inc., 3.80%, 10/01/2023	1,412,000	1,511,773
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#### Diversified Banks-1.23%

ANZ New Zealand (Int'l) Ltd. (New Zealand), 2.88%, 01/25/2022 <sup>(c)</sup>	350,000	355,297
Bank of America Corp., 3.25%, 10/21/2027	525,000	569,936
BBVA Bancomer S.A. (Mexico), 4.38%, 04/10/2024 <sup>(c)</sup>	700,000	762,240
Citigroup, Inc., 4.00%, 08/05/2024	60,000	65,376
3.67%, 07/24/2028 <sup>(f)</sup>	511,000	564,096
6.68%, 09/13/2043	741,000	1,141,135
5.30%, 05/06/2044	228,000	308,502
4.75%, 05/18/2046	356,000	453,903
HSBC Holdings PLC (United Kingdom), 2.63%, 11/07/2025 <sup>(f)</sup>	1,775,000	1,863,900
JPMorgan Chase & Co., 3.20%, 06/15/2026	394,000	429,181
3.51%, 01/23/2029 <sup>(f)</sup>	1,058,000	1,166,967
4.26%, 02/22/2048 <sup>(f)</sup>	489,000	594,651
3.90%, 01/23/2049 <sup>(f)</sup>	1,058,000	1,233,486
Series V, 3.46% (3 mo. USD LIBOR + 3.32%) <sup>(g)(h)</sup>	732,000	734,745
Mizuho Financial Group Cayman 3 Ltd. (Japan), 4.60%, 03/27/2024 <sup>(c)</sup>	200,000	218,284
National Australia Bank Ltd. (Australia), 1.88%, 07/12/2021 <sup>(i)</sup>	945,000	945,497

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
<b>Diversified Banks-(continued)</b>		
SMBC Aviation Capital Finance DAC (Ireland), 2.65%, 07/15/2021 <sup>(c)</sup>	\$ 315,000	\$ 315,237
Societe Generale S.A. (France), 5.00%, 01/17/2024 <sup>(c)</sup>	735,000	800,240
U.S. Bancorp, Series W, 3.10%, 04/27/2026	2,097,000	2,282,824
Wells Fargo & Co., 3.55%, 09/29/2025	626,000	688,328
4.10%, 06/03/2026	505,000	567,639
4.65%, 11/04/2044	647,000	799,617
		16,861,081

#### Diversified Capital Markets-0.34%

Credit Suisse AG (Switzerland), 6.50%, 08/08/2023 <sup>(c)</sup>	686,000	759,436
Conv., 0.50%, 06/24/2024 <sup>(c)</sup>	3,965,000	3,872,616
		4,632,052

#### Diversified Metals & Mining-0.02%

Rio Tinto Finance USA Ltd. (Australia), 7.13%, 07/15/2028	182,000	246,652
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#### Drug Retail-0.13%

CVS Pass-Through Trust, 6.04%, 12/10/2028	545,977	639,649
Walgreens Boots Alliance, Inc., 3.30%, 11/18/2021	580,000	583,606
4.50%, 11/18/2034	428,000	499,305
		1,722,560

#### Electric Utilities-0.46%

Electricite de France S.A. (France), 4.88%, 01/22/2044 <sup>(c)</sup>	846,000	1,068,262
Georgia Power Co., Series B, 3.70%, 01/30/2050	350,000	380,896
NextEra Energy Capital Holdings, Inc., 0.65%, 03/01/2023	2,415,000	2,425,444
3.55%, 05/01/2027	530,000	586,105
Ohio Power Co., Series M, 5.38%, 10/01/2021	182,000	184,271
PPL Electric Utilities Corp., 6.25%, 05/15/2039	46,000	67,229
Xcel Energy, Inc., 0.50%, 10/15/2023	566,000	566,223
3.50%, 12/01/2049	964,000	1,044,795
		6,323,225

#### Food Retail-0.23%

Nestle Holdings, Inc., 3.10%, 09/24/2021 <sup>(c)</sup>	3,190,000	3,203,729
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#### General Merchandise Stores-0.03%

Dollar General Corp., 3.25%, 04/15/2023	353,000	368,492
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#### Health Care Equipment-0.37%

Becton, Dickinson and Co., 4.88%, 05/15/2044	428,000	508,437
DexCom, Inc., Conv., 0.75%, 12/01/2023	611,000	1,589,364
Integra LifeSciences Holdings Corp., Conv., 0.50%, 08/15/2025	1,984,000	2,200,058
Medtronic, Inc., 4.38%, 03/15/2035	249,000	310,174

	Principal Amount	Value
<b>Health Care Equipment-(continued)</b>		
Tandem Diabetes Care, Inc., Conv., 1.50%, 05/01/2025 <sup>(c)</sup>	\$ 348,000	\$ 397,172
		5,005,205

#### Health Care Services-0.08%

Cigna Corp., 4.80%, 08/15/2038	307,000	382,787
CVS Health Corp., 3.38%, 08/12/2024	361,000	388,212
Laboratory Corp. of America Holdings, 4.70%, 02/01/2045	263,000	316,224
		1,087,223

#### Health Care Technology-0.28%

Teladoc Health, Inc., Conv., 1.25%, 06/01/2027	3,430,000	3,856,692
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#### Home Improvement Retail-0.15%

Home Depot, Inc. (The), 2.63%, 06/01/2022	2,010,000	2,051,371
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#### Hotel & Resort REITs-0.01%

Service Properties Trust, 5.00%, 08/15/2022	182,000	184,275
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#### Hotels, Resorts & Cruise Lines-0.16%

Booking Holdings, Inc., Conv., 0.90%, 09/15/2021	1,470,000	1,600,095
0.75%, 05/01/2025	396,000	561,924
		2,162,019

#### Industrial Conglomerates-0.12%

Honeywell International, Inc., 0.38% (3 mo. USD LIBOR + 0.23%), 08/19/2022 <sup>(h)</sup>	607,000	607,207
0.48%, 08/19/2022	1,055,000	1,055,352
		1,662,559

#### Insurance Brokers-0.02%

Willis North America, Inc., 3.60%, 05/15/2024	233,000	250,453
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#### Integrated Oil & Gas-0.29%

BP Capital Markets America, Inc., 2.94%, 06/04/2051	991,000	951,185
Cenovus Energy, Inc. (Canada), 3.95%, 04/15/2022	274,000	278,938
Chevron Corp., 2.50%, 03/03/2022	1,345,000	1,362,986
Chevron USA, Inc., 5.25%, 11/15/2043	756,000	1,029,122
Suncor Energy, Inc. (Canada), 3.60%, 12/01/2024	322,000	348,053
		3,970,284

#### Integrated Telecommunication Services-0.42%

AT&T, Inc., 3.00%, 06/30/2022	502,000	513,384
4.30%, 02/15/2030	318,000	367,843
4.50%, 05/15/2035	446,000	524,194
3.50%, 09/15/2053 <sup>(c)</sup>	447,000	449,766
3.55%, 09/15/2055 <sup>(c)</sup>	157,000	157,755
3.80%, 12/01/2057 <sup>(c)</sup>	255,000	266,163

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
<b>Integrated Telecommunication Services-(continued)</b>		
Telefonica Emisiones S.A. (Spain), 4.67%, 03/06/2038	\$ 750,000	\$ 884,726
5.21%, 03/08/2047	700,000	875,575
Verizon Communications, Inc., 4.40%, 11/01/2034	417,000	497,323
4.81%, 03/15/2039	459,000	582,261
3.40%, 03/22/2041	561,000	594,176
		5,713,166
<b>Interactive Home Entertainment-0.09%</b>		
Zynga, Inc., Conv., 0.00%, 12/15/2026 <sup>(c)(d)</sup>	1,140,000	1,221,225
<b>Interactive Media &amp; Services-0.02%</b>		
TripAdvisor, Inc., Conv., 0.25%, 04/01/2026 <sup>(c)</sup>	338,000	318,565
<b>Internet &amp; Direct Marketing Retail-0.92%</b>		
Amazon.com, Inc., 4.80%, 12/05/2034	9,000	11,621
2.88%, 05/12/2041	2,996,000	3,094,912
Match Group Financeco 3, Inc., Conv., 2.00%, 01/15/2030 <sup>(c)</sup>	3,305,000	6,731,954
Trip.com Group Ltd. (China), Conv., 1.25%, 09/15/2022	2,834,000	2,701,931
		12,540,418
<b>Internet Services &amp; Infrastructure-0.29%</b>		
Shopify, Inc. (Canada), Conv., 0.13%, 11/01/2025	3,055,000	3,992,885
<b>Investment Banking &amp; Brokerage-0.65%</b>		
Goldman Sachs Group, Inc. (The), 5.25%, 07/27/2021	364,000	365,270
4.25%, 10/21/2025	529,000	591,773
GS Finance Corp., Series 0001, Conv., 0.25%, 07/08/2024	6,118,000	7,172,743
Morgan Stanley, 4.00%, 07/23/2025	654,000	727,974
		8,857,760
<b>IT Consulting &amp; Other Services-0.11%</b>		
International Business Machines Corp., 2.88%, 11/09/2022	1,421,000	1,471,044
<b>Life &amp; Health Insurance-0.51%</b>		
American Equity Investment Life Holding Co., 5.00%, 06/15/2027	853,000	965,791
Athene Global Funding, 4.00%, 01/25/2022 <sup>(c)</sup>	1,155,000	1,179,171
2.75%, 06/25/2024 <sup>(c)</sup>	260,000	272,809
Delaware Life Global Funding, Series 21-1, 2.66%, 06/29/2026 <sup>(c)</sup>	2,184,000	2,186,140
Guardian Life Global Funding, 2.90%, 05/06/2024 <sup>(c)</sup>	689,000	731,070
Jackson National Life Global Funding, 2.10%, 10/25/2021 <sup>(c)</sup>	489,000	491,874
3.25%, 01/30/2024 <sup>(c)</sup>	453,000	482,761
Nationwide Financial Services, Inc., 5.30%, 11/18/2044 <sup>(c)</sup>	440,000	554,935

	Principal Amount	Value
<b>Life &amp; Health Insurance-(continued)</b>		
Prudential Financial, Inc., 3.91%, 12/07/2047	\$ 141,000	\$ 164,199
		7,028,750
<b>Managed Health Care-0.05%</b>		
UnitedHealth Group, Inc., 3.50%, 08/15/2039	559,000	625,612
<b>Movies &amp; Entertainment-0.91%</b>		
Liberty Media Corp., Conv., 1.38%, 10/15/2023	5,671,000	7,563,631
Liberty Media Corp.-Liberty Formula One, Conv., 1.00%, 01/30/2023	540,000	736,493
Live Nation Entertainment, Inc., Conv., 2.50%, 03/15/2023	2,015,000	2,823,619
Walt Disney Co. (The), 3.00%, 09/15/2022	1,350,000	1,393,993
		12,517,736
<b>Multi-line Insurance-0.13%</b>		
American International Group, Inc., 4.38%, 01/15/2055	696,000	846,772
Liberty Mutual Group, Inc., 3.95%, 05/15/2060 <sup>(c)</sup>	887,000	976,589
		1,823,361
<b>Multi-Utilities-0.10%</b>		
NiSource, Inc., 4.38%, 05/15/2047	571,000	685,552
Sempra Energy, 3.80%, 02/01/2038	559,000	622,238
		1,307,790
<b>Office REITs-0.05%</b>		
Office Properties Income Trust, 4.00%, 07/15/2022	689,000	711,758
<b>Oil &amp; Gas Exploration &amp; Production-0.07%</b>		
Cameron LNG LLC, 3.70%, 01/15/2039 <sup>(c)</sup>	622,000	694,693
ConocoPhillips, 4.15%, 11/15/2034	230,000	267,876
		962,569
<b>Oil &amp; Gas Storage &amp; Transportation-0.66%</b>		
Energy Transfer L.P., 4.20%, 09/15/2023	1,724,000	1,845,383
4.90%, 03/15/2035	344,000	398,899
5.30%, 04/01/2044	587,000	678,968
5.00%, 05/15/2050	724,000	838,429
Enterprise Products Operating LLC, 6.45%, 09/01/2040	23,000	32,956
4.25%, 02/15/2048	696,000	798,479
Kinder Morgan, Inc., 5.30%, 12/01/2034	407,000	503,595
MPLX L.P., 4.50%, 07/15/2023	1,721,000	1,841,377
4.50%, 04/15/2038	810,000	930,648
Plains All American Pipeline L.P./PAA Finance Corp., 3.65%, 06/01/2022	323,000	329,730
Spectra Energy Partners L.P., 4.50%, 03/15/2045	488,000	573,554

See accompanying Notes to Financial Statements which are an integral part of the financial statements.



	Principal Amount	Value
<b>Oil &amp; Gas Storage &amp; Transportation-(continued)</b>		
Texas Eastern Transmission L.P., 7.00%, 07/15/2032	\$ 169,000	\$ 234,620
		9,006,638
<b>Other Diversified Financial Services-0.99%</b>		
Convertible Trust - Energy, Series 2019-1, 0.33%, 09/19/2024	5,856,000	6,353,760
Convertible Trust - Media, Series 2019, Class 1, 0.25%, 12/04/2024	5,872,000	7,263,664
		13,617,424
<b>Packaged Foods &amp; Meats-0.00%</b>		
Mead Johnson Nutrition Co. (United Kingdom), 4.13%, 11/15/2025	63,000	70,903
<b>Paper Packaging-0.10%</b>		
International Paper Co., 6.00%, 11/15/2041	223,000	317,429
Packaging Corp. of America, 4.50%, 11/01/2023	1,037,000	1,121,146
		1,438,575
<b>Pharmaceuticals-0.95%</b>		
AstraZeneca PLC (United Kingdom), 2.38%, 06/12/2022	2,905,000	2,959,273
Bayer US Finance II LLC (Germany), 4.38%, 12/15/2028 <sup>(c)</sup>	985,000	1,129,580
Bayer US Finance LLC (Germany), 3.00%, 10/08/2021 <sup>(c)</sup>	790,000	795,664
Bristol-Myers Squibb Co., 4.13%, 06/15/2039	621,000	751,032
GlaxoSmithKline Capital, Inc. (United Kingdom), 6.38%, 05/15/2038	64,000	96,032
Jazz Investments I Ltd., Conv., 2.00%, 06/15/2026	1,556,000	2,077,260
Pacira BioSciences, Inc., Conv., 2.38%, 04/01/2022	212,000	232,007
	875,000	963,594
Pfizer, Inc., 3.00%, 09/15/2021	1,855,000	1,865,869
	590,000	595,338
Supernus Pharmaceuticals, Inc., Conv., 0.63%, 04/01/2023	1,182,000	1,167,964
Zoetis, Inc., 4.70%, 02/01/2043	333,000	429,408
		13,063,021
<b>Property &amp; Casualty Insurance-0.19%</b>		
Allstate Corp. (The), 3.28%, 12/15/2026	302,000	333,589
Markel Corp., 5.00%, 03/30/2043	351,000	426,835
	497,000	645,865
Travelers Cos., Inc. (The), 4.60%, 08/01/2043	605,000	797,686
W.R. Berkley Corp., 4.63%, 03/15/2022	382,000	393,259
		2,597,234
<b>Railroads-0.24%</b>		
CSX Corp., 5.50%, 04/15/2041	346,000	471,507

	Principal Amount	Value
<b>Railroads-(continued)</b>		
Norfolk Southern Corp., 3.40%, 11/01/2049	\$ 461,000	\$ 489,162
Union Pacific Corp., 3.65%, 02/15/2024	92,000	98,711
	1,018,000	1,081,518
	426,000	493,495
	519,000	592,532
		3,226,925
<b>Real Estate Services-0.21%</b>		
Redfin Corp., Conv., 0.00%, 10/15/2025 <sup>(c)(d)</sup>	2,593,000	2,921,015
<b>Regional Banks-0.06%</b>		
PNC Financial Services Group, Inc. (The), 3.45%, 04/23/2029	689,000	770,776
<b>Reinsurance-0.07%</b>		
PartnerRe Finance B LLC, 3.70%, 07/02/2029	500,000	556,207
Reinsurance Group of America, Inc., 4.70%, 09/15/2023	352,000	382,820
		939,027
<b>Renewable Electricity-0.06%</b>		
Oglethorpe Power Corp., 4.55%, 06/01/2044	679,000	780,870
<b>Restaurants-0.06%</b>		
Starbucks Corp., 3.55%, 08/15/2029	705,000	788,595
<b>Retail REITs-0.08%</b>		
Regency Centers L.P., 2.95%, 09/15/2029	750,000	790,646
	256,000	311,606
		1,102,252
<b>Semiconductors-1.12%</b>		
Broadcom, Inc., 3.47%, 04/15/2034 <sup>(c)</sup>	640,000	677,619
Cree, Inc., Conv., 0.88%, 09/01/2023	1,401,000	2,339,758
	984,000	2,140,692
Marvell Technology, Inc., 2.45%, 04/15/2028 <sup>(c)</sup>	1,210,000	1,234,484
Microchip Technology, Inc., Conv., 0.13%, 11/15/2024	3,865,000	4,367,450
Micron Technology, Inc., 4.66%, 02/15/2030	680,000	791,673
NVIDIA Corp., 2.20%, 09/16/2021	740,000	741,818
NXP B.V./NXP Funding LLC (China), 3.88%, 09/01/2022 <sup>(c)</sup>	1,885,000	1,955,208
	676,000	789,265
Texas Instruments, Inc., 2.63%, 05/15/2024	215,000	226,788
		15,264,755
<b>Soft Drinks-0.10%</b>		
PepsiCo, Inc., 3.00%, 08/25/2021	1,335,000	1,340,591

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
<b>Specialized REITs-0.33%</b>		
American Tower Corp., 1.60%, 04/15/2026	\$ 852,000	\$ 861,579
Crown Castle International Corp., 2.50%, 07/15/2031	1,413,000	1,424,905
4.75%, 05/15/2047	46,000	56,252
EPR Properties, 4.75%, 12/15/2026	1,556,000	1,688,765
LifeStorage L.P., 3.50%, 07/01/2026	404,000	442,233
		4,473,734
<b>Specialty Chemicals-0.01%</b>		
Sherwin-Williams Co. (The), 4.50%, 06/01/2047	159,000	199,235
<b>Systems Software-0.36%</b>		
FireEye, Inc., Series B, Conv., 1.63%, 06/01/2022 <sup>(e)</sup>	1,795,000	1,787,252
Series A, Conv., 1.00%, 06/01/2025 <sup>(e)</sup>	1,642,000	1,623,373
Microsoft Corp., 3.50%, 02/12/2035	404,000	469,727
Oracle Corp., 3.60%, 04/01/2040	965,000	1,019,439
		4,899,791
<b>Technology Distributors-0.05%</b>		
Avnet, Inc., 4.63%, 04/15/2026	671,000	755,403
<b>Technology Hardware, Storage &amp; Peripherals-0.25%</b>		
Apple, Inc., 2.15%, 02/09/2022	691,000	699,330
3.35%, 02/09/2027	315,000	350,119
Western Digital Corp., Conv., 1.50%, 02/01/2024	2,149,000	2,306,146
		3,355,595
<b>Tobacco-0.23%</b>		
Altria Group, Inc., 5.80%, 02/14/2039	1,124,000	1,390,473
Philip Morris International, Inc., 3.60%, 11/15/2023	369,000	397,539
4.88%, 11/15/2043	1,102,000	1,380,469
		3,168,481
<b>Trading Companies &amp; Distributors-0.10%</b>		
Air Lease Corp., 3.00%, 09/15/2023	63,000	65,881
4.25%, 09/15/2024	427,000	465,941
Aircastle Ltd., 4.40%, 09/25/2023	771,000	825,965
		1,357,787
<b>Trucking-0.13%</b>		
Aviation Capital Group LLC, 2.88%, 01/20/2022 <sup>(c)</sup>	1,015,000	1,025,447
4.88%, 10/01/2025 <sup>(c)</sup>	709,000	787,975
		1,813,422
<b>Wireless Telecommunication Services-0.22%</b>		
America Movil S.A.B. de C.V. (Mexico), 4.38%, 07/16/2042	600,000	722,179

	Principal Amount	Value
<b>Wireless Telecommunication Services-(continued)</b>		
Rogers Communications, Inc. (Canada), 4.50%, 03/15/2043	\$ 533,000	\$ 625,289
4.30%, 02/15/2048	1,394,000	1,612,539
		2,960,007
Total U.S. Dollar Denominated Bonds & Notes (Cost \$245,890,706)		277,064,832
<b>U.S. Treasury Securities-11.25%</b>		
<b>U.S. Treasury Bills-0.00%</b>		
0.04%, 07/15/2021 <sup>(j)(k)</sup>	10,000	10,000
<b>U.S. Treasury Bonds-1.21%</b>		
4.50%, 02/15/2036	2,636,800	3,620,656
4.50%, 08/15/2039	36,400	51,332
4.38%, 05/15/2040	72,800	101,758
2.25%, 05/15/2041	2,983,800	3,105,483
1.88%, 02/15/2051 <sup>(i)</sup>	10,209,500	9,746,882
		16,626,111
<b>U.S. Treasury Notes-10.04%</b>		
0.13%, 06/30/2023	24,664,300	24,606,011
0.25%, 06/15/2024	24,618,500	24,469,443
0.88%, 06/30/2026	54,595,800	54,572,341
1.25%, 06/30/2028	21,222,100	21,256,917
1.63%, 05/15/2031 <sup>(i)</sup>	12,261,800	12,451,475
		137,356,187
Total U.S. Treasury Securities (Cost \$152,832,363)		153,992,298
	Shares	
<b>Preferred Stocks-0.56%</b>		
<b>Asset Management &amp; Custody Banks-0.19%</b>		
AMG Capital Trust II, 5.15%, Conv. Pfd.	44,432	2,593,940
<b>Diversified Banks-0.02%</b>		
Wells Fargo & Co., 5.85%, Series Q, Pfd. <sup>(i)</sup>	10,911	300,598
<b>Oil &amp; Gas Storage &amp; Transportation-0.35%</b>		
El Paso Energy Capital Trust I, 4.75%, Conv. Pfd.	95,499	4,798,825
Total Preferred Stocks (Cost \$5,960,701)		7,693,363
	Principal Amount	
<b>U.S. Government Sponsored Agency Mortgage-Backed Securities-0.07%</b>		
<b>Federal Home Loan Mortgage Corp. (FHLMC)-0.07%</b>		
6.75%, 03/15/2031	\$ 682,000	1,003,031
5.50%, 02/01/2037	5	6
		1,003,037
<b>Federal National Mortgage Association (FNMA)-0.00%</b>		
9.50%, 04/01/2030	522	576
Total U.S. Government Sponsored Agency Mortgage-Backed Securities (Cost \$842,906)		1,003,613
	Shares	
<b>Money Market Funds-4.59%</b>		
Invesco Government & Agency Portfolio, Institutional Class, 0.03% <sup>(l)(m)</sup>	23,862,861	23,862,861
Invesco Liquid Assets Portfolio, Institutional Class, 0.01% <sup>(l)(m)</sup>	11,634,506	11,639,160

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Shares	Value
<b>Money Market Funds-(continued)</b>		
Invesco Treasury Portfolio, Institutional Class, 0.01% <sup>(l)(m)</sup>	27,271,841	\$ 27,271,841
Total Money Market Funds (Cost \$62,767,638)		62,773,862
<b>TOTAL INVESTMENTS IN SECURITIES</b> (excluding investments purchased with cash collateral from securities on loan)-100.35% (Cost \$1,016,704,589)		
		1,373,146,117

**Investments Purchased with Cash Collateral from Securities on Loan**

**Money Market Funds-1.68%**

Invesco Private Government Fund, 0.02% <sup>(l)(m)(n)</sup>	6,873,385	6,873,385
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Investment Abbreviations:

Conv. - Convertible  
LIBOR - London Interbank Offered Rate  
Pfd. - Preferred  
REIT - Real Estate Investment Trust  
USD - U.S. Dollar

Notes to Schedule of Investments:

- (a) Industry and/or sector classifications used in this report are generally according to the Global Industry Classification Standard, which was developed by and is the exclusive property and a service mark of MSCI Inc. and Standard & Poor's.
- (b) Non-income producing security.
- (c) Security purchased or received in a transaction exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"). The security may be resold pursuant to an exemption from registration under the 1933 Act, typically to qualified institutional buyers. The aggregate value of these securities at June 30, 2021 was \$54,540,472, which represented 3.99% of the Fund's Net Assets.
- (d) Zero coupon bond issued at a discount.
- (e) Security has an irrevocable call by the issuer or mandatory put by the holder. Maturity date reflects such call or put.
- (f) Security issued at a fixed rate for a specific period of time, after which it will convert to a variable rate.
- (g) Perpetual bond with no specified maturity date.
- (h) Interest or dividend rate is redetermined periodically. Rate shown is the rate in effect on June 30, 2021.
- (i) All or a portion of this security was out on loan at June 30, 2021.
- (j) All or a portion of the value was pledged as collateral to cover margin requirements for open futures contracts. See Note 1L.
- (k) Security traded on a discount basis. The interest rate shown represents the discount rate at the time of purchase by the Fund.
- (l) Affiliated issuer. The issuer and/or the Fund is a wholly-owned subsidiary of Invesco Ltd., or is affiliated by having an investment adviser that is under common control of Invesco Ltd. The table below shows the Fund's transactions in, and earnings from, its investments in affiliates for the six months ended June 30, 2021.

	Value December 31, 2020	Purchases at Cost	Proceeds from Sales	Change in Unrealized Appreciation (Depreciation)	Realized Gain	Value June 30, 2021	Dividend Income
<b>Investments in Affiliated Money Market Funds:</b>							
Invesco Government & Agency Portfolio, Institutional Class	\$22,007,337	\$ 56,576,426	\$ (54,720,902)	\$ -	\$ -	\$23,862,861	\$ 3,155
Invesco Liquid Assets Portfolio, Institutional Class	11,695,851	38,883,035	(38,940,896)	(611)	1,781	11,639,160	1,114
Invesco Treasury Portfolio, Institutional Class	25,151,242	64,658,772	(62,538,173)	-	-	27,271,841	1,267
<b>Investments Purchased with Cash Collateral from Securities on Loan:</b>							
Invesco Private Government Fund	-	75,139,087	(68,265,702)	-	-	6,873,385	148*
Invesco Private Prime Fund	-	133,224,522	(117,186,624)	-	-	16,037,898	2,326*
Total	\$58,854,430	\$368,481,842	\$(341,652,297)	\$(611)	\$1,781	\$85,685,145	\$ 8,010

\* Represents the income earned on the investment of cash collateral, which is included in securities lending income on the Statement of Operations. Does not include rebates and fees paid to lending agent or premiums received from borrowers, if any.

<sup>(m)</sup> The rate shown is the 7-day SEC standardized yield as of June 30, 2021.

<sup>(n)</sup> The security has been segregated to satisfy the commitment to return the cash collateral received in securities lending transactions upon the borrower's return of the securities loaned. See Note 1L.

	Shares	Value
<b>Money Market Funds-(continued)</b>		
Invesco Private Prime Fund, 0.12% <sup>(l)(m)(n)</sup>	16,031,486	\$ 16,037,898
Total Investments Purchased with Cash Collateral from Securities on Loan (Cost \$22,911,283)		22,911,283
<b>TOTAL INVESTMENTS IN SECURITIES-102.03%</b> (Cost \$1,039,615,872)		
		1,396,057,400
<b>OTHER ASSETS LESS LIABILITIES-(2.03)%</b>		
		(27,713,335)
<b>NET ASSETS-100.00%</b>		
		\$1,368,344,065

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

## Open Futures Contracts

Short Futures Contracts	Number of Contracts	Expiration Month	Notional Value	Value	Unrealized Appreciation
<b>Interest Rate Risk</b>					
U.S. Treasury 5 Year Notes	9	September-2021	\$(1,110,867)	\$2,513	\$2,513

## Open Forward Foreign Currency Contracts

Settlement Date	Counterparty	Contract to				Unrealized Appreciation (Depreciation)
		Deliver	Receive			
<b>Currency Risk</b>						
07/30/2021	Bank of New York Mellon (The)	EUR	7,634,382	USD	9,084,411	\$ 26,693
07/30/2021	State Street Bank & Trust Co.	CHF	6,292,742	USD	6,842,911	36,728
07/30/2021	State Street Bank & Trust Co.	GBP	14,087,424	USD	19,560,664	71,876
07/30/2021	State Street Bank & Trust Co.	USD	133,573	CHF	123,542	50
Subtotal-Appreciation						135,347

<b>Currency Risk</b>						
07/30/2021	State Street Bank & Trust Co.	CAD	7,476,878	USD	6,031,086	(511)
07/30/2021	State Street Bank & Trust Co.	GBP	375,197	USD	517,881	(1,173)
07/30/2021	State Street Bank & Trust Co.	USD	92,733	CAD	114,926	(22)
07/30/2021	State Street Bank & Trust Co.	USD	1,242,156	CHF	1,139,348	(9,846)
Subtotal-Depreciation						(11,552)
Total Forward Foreign Currency Contracts						\$123,795

### Abbreviations:

CAD - Canadian Dollar  
 CHF - Swiss Franc  
 EUR - Euro  
 GBP - British Pound Sterling  
 USD - U.S. Dollar

## Portfolio Composition

*By security type, based on Net Assets  
 as of June 30, 2021*

Common Stocks & Other Equity Interests	63.63%
U.S. Dollar Denominated Bonds & Notes	20.25
U.S. Treasury Securities	11.25
Security Types Each Less Than 1% of Portfolio	0.63
Money Market Funds Plus Other Assets Less Liabilities	4.24

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

# Statement of Assets and Liabilities

June 30, 2021

(Unaudited)

## Assets:

Investments in securities, at value (Cost \$953,936,951)*	\$1,310,372,255
Investments in affiliated money market funds, at value (Cost \$85,678,921)	85,685,145
Other investments:	
Unrealized appreciation on forward foreign currency contracts outstanding	135,347
Foreign currencies, at value (Cost \$747)	749
Receivable for:	
Investments sold	4,485,499
Fund shares sold	202,208
Dividends	1,297,343
Interest	1,808,423
Investment for trustee deferred compensation and retirement plans	225,849
<b>Total assets</b>	<b>1,404,212,818</b>

## Liabilities:

Other investments:	
Variation margin payable - futures contracts	580
Unrealized depreciation on forward foreign currency contracts outstanding	11,552
Payable for:	
Investments purchased	10,582,044
Fund shares reacquired	679,904
Collateral upon return of securities loaned	22,911,283
Accrued fees to affiliates	1,240,073
Accrued other operating expenses	196,134
Trustee deferred compensation and retirement plans	247,183
<b>Total liabilities</b>	<b>35,868,753</b>
<b>Net assets applicable to shares outstanding</b>	<b>\$1,368,344,065</b>

## Net assets consist of:

Shares of beneficial interest	\$ 902,630,772
Distributable earnings	465,713,293
	<b>\$1,368,344,065</b>

## Net Assets:

Series I	\$ 75,992,437
Series II	\$1,292,351,628

## Shares outstanding, no par value, with an unlimited number of shares authorized:

Series I	3,739,490
Series II	64,064,640
Series I:	
Net asset value per share	\$ 20.32
Series II:	
Net asset value per share	\$ 20.17

\* At June 30, 2021, securities with an aggregate value of \$22,560,054 were on loan to brokers.

# Statement of Operations

For the six months ended June 30, 2021

(Unaudited)

## Investment income:

Dividends (net of foreign withholding taxes of \$146,055)	\$ 9,019,112
Interest	3,119,151
Dividends from affiliated money market funds (includes securities lending income of \$36,713)	42,249
<b>Total investment income</b>	<b>12,180,512</b>

## Expenses:

Advisory fees	2,505,818
Administrative services fees	1,090,146
Custodian fees	13,766
Distribution fees - Series II	1,588,518
Transfer agent fees	17,426
Trustees' and officers' fees and benefits	13,368
Reports to shareholders	3,302
Professional services fees	25,876
Other	14,451
<b>Total expenses</b>	<b>5,272,671</b>
Less: Fees waived	(10,023)
<b>Net expenses</b>	<b>5,262,648</b>
<b>Net investment income</b>	<b>6,917,864</b>

## Realized and unrealized gain (loss) from:

Net realized gain (loss) from:	
Unaffiliated investment securities	83,477,501
Affiliated investment securities	1,781
Foreign currencies	28,918
Forward foreign currency contracts	(421,477)
Futures contracts	11,275
	<b>83,097,998</b>
Change in net unrealized appreciation (depreciation) of:	
Unaffiliated investment securities	72,725,889
Affiliated investment securities	(611)
Foreign currencies	(20,300)
Forward foreign currency contracts	602,948
Futures contracts	5,502
	<b>73,313,428</b>
<b>Net realized and unrealized gain</b>	<b>156,411,426</b>
<b>Net increase in net assets resulting from operations</b>	<b>\$163,329,290</b>

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

# Statement of Changes in Net Assets

For the six months ended June 30, 2021 and the year ended December 31, 2020

(Unaudited)

	June 30, 2021	December 31, 2020
<b>Operations:</b>		
Net investment income	\$ 6,917,864	\$ 17,914,424
Net realized gain	83,097,998	9,273,219
Change in net unrealized appreciation	73,313,428	67,118,598
Net increase in net assets resulting from operations	163,329,290	94,306,241
<b>Distributions to shareholders from distributable earnings:</b>		
Series I	-	(2,664,901)
Series II	-	(74,585,577)
Total distributions from distributable earnings	-	(77,250,478)
<b>Share transactions-net:</b>		
Series I	26,926,987	(8,088,300)
Series II	(89,393,404)	(27,486,339)
Net increase (decrease) in net assets resulting from share transactions	(62,466,417)	(35,574,639)
Net increase (decrease) in net assets	100,862,873	(18,518,876)
<b>Net assets:</b>		
Beginning of period	1,267,481,192	1,286,000,068
End of period	\$1,368,344,065	\$1,267,481,192

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

# Financial Highlights

(Unaudited)

The following schedule presents financial highlights for a share of the Fund outstanding throughout the periods indicated.

	Net asset value, beginning of period	Net investment income <sup>(a)</sup>	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends from net investment income	Distributions from net realized gains	Total distributions	Net asset value, end of period	Total return <sup>(b)</sup>	Net assets, end of period (000's omitted)	Ratio of expenses to average net assets with fee waivers and/or expenses absorbed	Ratio of expenses to average net assets without fee waivers and/or expenses absorbed	Ratio of net investment income to average net assets	Portfolio turnover <sup>(c)</sup>
<b>Series I</b>														
Six months ended 06/30/21	\$17.93	\$0.12	\$ 2.27	\$ 2.39	\$ -	\$ -	\$ -	\$20.32	13.33%	\$ 75,992	0.56% <sup>(d)</sup>	0.56% <sup>(d)</sup>	1.28% <sup>(d)</sup>	73%
Year ended 12/31/20	17.52	0.30	1.30	1.60	(0.42)	(0.77)	(1.19)	17.93	9.95	43,099	0.56	0.57	1.84	96
Year ended 12/31/19	16.12	0.36	2.82	3.18	(0.47)	(1.31)	(1.78)	17.52	20.37	50,731	0.54	0.55	2.02	150
Year ended 12/31/18	19.04	0.35	(2.00)	(1.65)	(0.43)	(0.84)	(1.27)	16.12	(9.50)	165,924	0.54	0.55	1.91	150
Year ended 12/31/17	17.76	0.35 <sup>(e)</sup>	1.58	1.93	(0.31)	(0.34)	(0.65)	19.04	11.03	184,768	0.55	0.56	1.93 <sup>(e)</sup>	119
Year ended 12/31/16	16.23	0.29	2.10	2.39	(0.32)	(0.54)	(0.86)	17.76	15.12	157,774	0.60	0.61	1.78	101
<b>Series II</b>														
Six months ended 06/30/21	17.82	0.10	2.25	2.35	-	-	-	20.17	13.19	1,292,352	0.81 <sup>(d)</sup>	0.81 <sup>(d)</sup>	1.03 <sup>(d)</sup>	73
Year ended 12/31/20	17.42	0.26	1.28	1.54	(0.37)	(0.77)	(1.14)	17.82	9.65	1,224,382	0.81	0.82	1.59	96
Year ended 12/31/19	16.04	0.31	2.80	3.11	(0.42)	(1.31)	(1.73)	17.42	20.01	1,235,269	0.79	0.80	1.77	150
Year ended 12/31/18	18.95	0.31	(2.00)	(1.69)	(0.38)	(0.84)	(1.22)	16.04	(9.73)	1,041,911	0.79	0.80	1.66	150
Year ended 12/31/17	17.68	0.31 <sup>(e)</sup>	1.57	1.88	(0.27)	(0.34)	(0.61)	18.95	10.78	1,385,490	0.80	0.81	1.68 <sup>(e)</sup>	119
Year ended 12/31/16	16.16	0.25	2.09	2.34	(0.28)	(0.54)	(0.82)	17.68	14.84	1,314,323	0.85	0.86	1.53	101

<sup>(a)</sup> Calculated using average shares outstanding.

<sup>(b)</sup> Includes adjustments in accordance with accounting principles generally accepted in the United States of America and as such, the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions. Total returns are not annualized for periods less than one year, if applicable, and do not reflect charges assessed in connection with a variable product, which if included would reduce total returns.

<sup>(c)</sup> Portfolio turnover is calculated at the fund level and is not annualized for periods less than one year, if applicable. For the six months ended June 30, 2021, the portfolio turnover calculation excludes the value of securities purchased of \$22,225,472 in connection with the acquisition of Invesco V.I. Managed Volatility Fund into the Fund.

<sup>(d)</sup> Ratios are annualized and based on average daily net assets (000's omitted) of \$55,273 and \$1,281,346 for Series I and Series II shares, respectively.

<sup>(e)</sup> Net investment income per share and the ratio of net investment income to average net assets includes significant dividends received during the year ended December 31, 2017. Net investment income per share and the ratio of net investment income to average net assets excluding the significant dividends are \$0.30 and 1.64% and \$0.26 and 1.39% for Series I and Series II shares, respectively.

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

# Notes to Financial Statements

June 30, 2021  
(Unaudited)

## NOTE 1—Significant Accounting Policies

Invesco V.I. Equity and Income Fund (the “Fund”) is a series portfolio of AIM Variable Insurance Funds (Invesco Variable Insurance Funds) (the “Trust”). The Trust is a Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end series management investment company. Information presented in these financial statements pertains only to the Fund. Matters affecting the Fund or each class will be voted on exclusively by the shareholders of the Fund or each class. Current Securities and Exchange Commission (“SEC”) guidance, however, requires participating insurance companies offering separate accounts to vote shares proportionally in accordance with the instructions of the contract owners whose investments are funded by shares of each Fund or class.

The Fund’s investment objectives are both capital appreciation and current income.

The Fund currently offers two classes of shares, Series I and Series II, both of which are offered to insurance company separate accounts funding variable annuity contracts and variable life insurance policies (“variable products”).

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 946, *Financial Services - Investment Companies*.

The following is a summary of the significant accounting policies followed by the Fund in the preparation of its financial statements.

### A. Security Valuations – Securities, including restricted securities, are valued according to the following policy.

A security listed or traded on an exchange (except convertible securities) is valued at its last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded, or lacking any sales or official closing price on a particular day, the security may be valued at the closing bid price on that day. Securities traded in the over-the-counter market are valued based on prices furnished by independent pricing services or market makers. When such securities are valued by an independent pricing service they may be considered fair valued. Futures contracts are valued at the final settlement price set by an exchange on which they are principally traded. Listed options are valued at the mean between the last bid and asked prices from the exchange on which they are principally traded. Options not listed on an exchange are valued by an independent source at the mean between the last bid and asked prices. For purposes of determining net asset value (“NAV”) per share, futures and option contracts generally are valued 15 minutes after the close of the customary trading session of the New York Stock Exchange (“NYSE”).

Investments in open-end and closed-end registered investment companies that do not trade on an exchange are valued at the end-of-day net asset value per share. Investments in open-end and closed-end registered investment companies that trade on an exchange are valued at the last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded.

Debt obligations (including convertible securities) and unlisted equities are fair valued using an evaluated quote provided by an independent pricing service. Evaluated quotes provided by the pricing service may be determined without exclusive reliance on quoted prices, and may reflect appropriate factors such as institution-size trading in similar groups of securities, developments related to specific securities, dividend rate (for unlisted equities), yield (for debt obligations), quality, type of issue, coupon rate (for debt obligations), maturity (for debt obligations), individual trading characteristics and other market data. Pricing services generally value debt obligations assuming orderly transactions of institutional round lot size, but a fund may hold or transact in the same securities in smaller, odd lot sizes. Odd lots often trade at lower prices than institutional round lots. Debt obligations are subject to interest rate and credit risks. In addition, all debt obligations involve some risk of default with respect to interest and/or principal payments.

Foreign securities’ (including foreign exchange contracts) prices are converted into U.S. dollar amounts using the applicable exchange rates as of the close of the NYSE. If market quotations are available and reliable for foreign exchange-traded equity securities, the securities will be valued at the market quotations. Because trading hours for certain foreign securities end before the close of the NYSE, closing market quotations may become unreliable. If between the time trading ends on a particular security and the close of the customary trading session on the NYSE, events occur that the investment adviser determines are significant and make the closing price unreliable, the Fund may fair value the security. If the event is likely to have affected the closing price of the security, the security will be valued at fair value in good faith using procedures approved by the Board of Trustees. Adjustments to closing prices to reflect fair value may also be based on a screening process of an independent pricing service to indicate the degree of certainty, based on historical data, that the closing price in the principal market where a foreign security trades is not the current value as of the close of the NYSE. Foreign securities’ prices meeting the approved degree of certainty that the price is not reflective of current value will be priced at the indication of fair value from the independent pricing service. Multiple factors may be considered by the independent pricing service in determining adjustments to reflect fair value and may include information relating to sector indices, American Depositary Receipts and domestic and foreign index futures. Foreign securities may have additional risks including exchange rate changes, potential for sharply devalued currencies and high inflation, political and economic upheaval, the relative lack of issuer information, relatively low market liquidity and the potential lack of strict financial and accounting controls and standards.

Securities for which market prices are not provided by any of the above methods may be valued based upon quotes furnished by independent sources. The last bid price may be used to value equity securities. The mean between the last bid and asked prices is used to value debt obligations, including corporate loans.

Securities for which market quotations are not readily available or became unreliable are valued at fair value as determined in good faith by or under the supervision of the Trust’s officers following procedures approved by the Board of Trustees. Issuer specific events, market trends, bid/asked quotes of brokers and information providers and other market data may be reviewed in the course of making a good faith determination of a security’s fair value.

The Fund may invest in securities that are subject to interest rate risk, meaning the risk that the prices will generally fall as interest rates rise and, conversely, the prices will generally rise as interest rates fall. Specific securities differ in their sensitivity to changes in interest rates depending on their individual characteristics. Changes in interest rates may result in increased market volatility, which may affect the value and/or liquidity of certain Fund investments.

Valuations change in response to many factors including the historical and prospective earnings of the issuer, the value of the issuer’s assets, general market conditions which are not specifically related to the particular issuer, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates, regional or global instability, natural or environmental disasters, widespread disease or other public health issues, war, acts of terrorism or adverse investor sentiment generally and market liquidity. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

### B. Securities Transactions and Investment Income – Securities transactions are accounted for on a trade date basis. Realized gains or losses on sales are computed on the basis of specific identification of the securities sold. Interest income (net of withholding tax, if any) is recorded on an accrual basis from settlement date and includes coupon interest and amortization of premium and accretion of discount on debt securities as applicable. Pay-in-kind interest income and non-cash dividend income received in the form of securities in-lieu of cash are recorded at the fair value of the securities received. Dividend income (net of withholding tax, if any) is recorded on the ex-dividend date.

The Fund may periodically participate in litigation related to Fund investments. As such, the Fund may receive proceeds from litigation settlements. Any proceeds received are included in the Statement of Operations as realized gain (loss) for investments no longer held and as unrealized gain (loss) for investments still held.



Brokerage commissions and mark ups are considered transaction costs and are recorded as an increase to the cost basis of securities purchased and/or a reduction of proceeds on a sale of securities. Such transaction costs are included in the determination of net realized and unrealized gain (loss) from investment securities reported in the Statement of Operations and the Statement of Changes in Net Assets and the net realized and unrealized gains (losses) on securities per share in the Financial Highlights. Transaction costs are included in the calculation of the Fund's net asset value and, accordingly, they reduce the Fund's total returns. These transaction costs are not considered operating expenses and are not reflected in net investment income reported in the Statement of Operations and the Statement of Changes in Net Assets, or the net investment income per share and the ratios of expenses and net investment income reported in the Financial Highlights, nor are they limited by any expense limitation arrangements between the Fund and the investment adviser.

The Fund allocates income and realized and unrealized capital gains and losses to a class based on the relative net assets of each class.

**C. Country Determination** – For the purposes of making investment selection decisions and presentation in the Schedule of Investments, the investment adviser may determine the country in which an issuer is located and/or credit risk exposure based on various factors. These factors include the laws of the country under which the issuer is organized, where the issuer maintains a principal office, the country in which the issuer derives 50% or more of its total revenues and the country that has the primary market for the issuer's securities, as well as other criteria. Among the other criteria that may be evaluated for making this determination are the country in which the issuer maintains 50% or more of its assets, the type of security, financial guarantees and enhancements, the nature of the collateral and the sponsor organization. Country of issuer and/or credit risk exposure has been determined to be the United States of America, unless otherwise noted.

**D. Distributions** - Distributions from net investment income, if any, are declared and paid monthly. Distributions from net realized capital gain, if any, are generally declared and paid annually and recorded on the ex-dividend date. The Fund may elect to treat a portion of the proceeds from redemptions as distributions for federal income tax purposes.

**E. Federal Income Taxes** - The Fund intends to comply with the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), necessary to qualify as a regulated investment company and to distribute substantially all of the Fund's taxable earnings to shareholders. As such, the Fund will not be subject to federal income taxes on otherwise taxable income (including net realized capital gain) that is distributed to shareholders. Therefore, no provision for federal income taxes is recorded in the financial statements.

The Fund recognizes the tax benefits of uncertain tax positions only when the position is more likely than not to be sustained. Management has analyzed the Fund's uncertain tax positions and concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions. Management is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

The Fund files tax returns in the U.S. Federal jurisdiction and certain other jurisdictions. Generally, the Fund is subject to examinations by such taxing authorities for up to three years after the filing of the return for the tax period.

**F. Expenses** - Fees provided for under the Rule 12b-1 plan of a particular class of the Fund and which are directly attributable to that class are charged to the operations of such class. All other expenses are allocated among the classes based on relative net assets.

**G. Accounting Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period including estimates and assumptions related to taxation. Actual results could differ from those estimates by a significant amount. In addition, the Fund monitors for material events or transactions that may occur or become known after the period-end date and before the date the financial statements are released to print.

**H. Indemnifications** - Under the Trust's organizational documents, each Trustee, officer, employee or other agent of the Trust is indemnified against certain liabilities that may arise out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts, including the Fund's servicing agreements, that contain a variety of indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. The risk of material loss as a result of such indemnification claims is considered remote.

**I. Securities Lending** - The Fund may lend portfolio securities having a market value up to one-third of the Fund's total assets. Such loans are secured by collateral equal to no less than the market value of the loaned securities determined daily by the securities lending provider. Such collateral will be cash or debt securities issued or guaranteed by the U.S. Government or any of its sponsored agencies. Cash collateral received in connection with these loans is invested in short-term money market instruments or affiliated money market funds and is shown as such on the Schedule of Investments. The Fund bears the risk of loss with respect to the investment of collateral. It is the Fund's policy to obtain additional collateral from or return excess collateral to the borrower by the end of the next business day, following the valuation date of the securities loaned. Therefore, the value of the collateral held may be temporarily less than the value of the securities on loan. When loaning securities, the Fund retains certain benefits of owning the securities, including the economic equivalent of dividends or interest generated by the security. Lending securities entails a risk of loss to the Fund if, and to the extent that, the market value of the securities loaned were to increase and the borrower did not increase the collateral accordingly, and the borrower failed to return the securities. The securities loaned are subject to termination at the option of the borrower or the Fund. Upon termination, the borrower will return to the Fund the securities loaned and the Fund will return the collateral. Upon the failure of the borrower to return the securities, collateral may be liquidated and the securities may be purchased on the open market to replace the loaned securities. The Fund could experience delays and costs in gaining access to the collateral and the securities may lose value during the delay which could result in potential losses to the Fund. Some of these losses may be indemnified by the lending agent. The Fund bears the risk of any deficiency in the amount of the collateral available for return to the borrower due to any loss on the collateral invested. Dividends received on cash collateral investments for securities lending transactions, which are net of compensation to counterparties, are included in *Dividends from affiliated money market funds* on the Statement of Operations. The aggregate value of securities out on loan, if any, is shown as a footnote on the Statement of Assets and Liabilities.

**J. Foreign Currency Translations** - Foreign currency is valued at the close of the NYSE based on quotations posted by banks and major currency dealers. Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of portfolio securities (net of foreign taxes withheld on disposition) and income items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Fund does not separately account for the portion of the results of operations resulting from changes in foreign exchange rates on investments and the fluctuations arising from changes in market prices of securities held. The combined results of changes in foreign exchange rates and the fluctuation of market prices on investments (net of estimated foreign tax withholding) are included with the net realized and unrealized gain or loss from investments in the Statement of Operations. Reported net realized foreign currency gains or losses arise from (1) sales of foreign currencies, (2) currency gains or losses realized between the trade and settlement dates on securities transactions, and (3) the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign currency gains and losses arise from changes in the fair values of assets and liabilities, other than investments in securities at fiscal period end, resulting from changes in exchange rates.

The Fund may invest in foreign securities, which may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests and are shown in the Statement of Operations.

**K. Forward Foreign Currency Contracts** – The Fund may engage in foreign currency transactions either on a spot (i.e. for prompt delivery and settlement) basis, or through forward foreign currency contracts, to manage or minimize currency or exchange rate risk.

The Fund may also enter into forward foreign currency contracts for the purchase or sale of a security denominated in a foreign currency in order to “lock in” the U.S. dollar price of that security, or the Fund may also enter into forward foreign currency contracts that do not provide for physical settlement of the two currencies, but instead are settled by a single cash payment calculated as the difference between the agreed upon exchange rate and the spot rate at settlement based upon an agreed upon notional amount (non-deliverable forwards). The Fund will set aside liquid assets in an amount equal to the daily mark-to-market obligation for forward foreign currency contracts.

A forward foreign currency contract is an obligation between two parties (“Counterparties”) to purchase or sell a specific currency for an agreed-upon price at a future date. The use of forward foreign currency contracts does not eliminate fluctuations in the price of the underlying securities the Fund owns or intends to acquire but establishes a rate of exchange in advance. Fluctuations in the value of these contracts are measured by the difference in the contract date and reporting date exchange rates and are recorded as unrealized appreciation (depreciation) until the contracts are closed. When the contracts are closed, realized gains (losses) are recorded. Realized and unrealized gains (losses) on the contracts are included in the Statement of Operations. The primary risks associated with forward foreign currency contracts include failure of the Counterparty to meet the terms of the contract and the value of the foreign currency changing unfavorably. These risks may be in excess of the amounts reflected in the Statement of Assets and Liabilities.

**L. Futures Contracts** – The Fund may enter into futures contracts to manage exposure to interest rate, equity and market price movements and/or currency risks. A futures contract is an agreement between Counterparties to purchase or sell a specified underlying security, currency or commodity (or delivery of a cash settlement price, in the case of an index future) for a fixed price at a future date. The Fund currently invests only in exchange-traded futures and they are standardized as to maturity date and underlying financial instrument. Initial margin deposits required upon entering into futures contracts are satisfied by the segregation of specific securities or cash as collateral at the futures commission merchant (broker). During the period the futures contracts are open, changes in the value of the contracts are recognized as unrealized gains or losses by recalculating the value of the contracts on a daily basis. Subsequent or variation margin payments are received or made depending upon whether unrealized gains or losses are incurred. These amounts are reflected as receivables or payables on the Statement of Assets and Liabilities. When the contracts are closed or expire, the Fund recognizes a realized gain or loss equal to the difference between the proceeds from, or cost of, the closing transaction and the Fund’s basis in the contract. The net realized gain (loss) and the change in unrealized gain (loss) on futures contracts held during the period is included on the Statement of Operations. The primary risks associated with futures contracts are market risk and the absence of a liquid secondary market. If the Fund were unable to liquidate a futures contract and/or enter into an offsetting closing transaction, the Fund would continue to be subject to market risk with respect to the value of the contracts and continue to be required to maintain the margin deposits on the futures contracts. Futures contracts have minimal Counterparty risk since the exchange’s clearinghouse, as Counterparty to all exchange-traded futures, guarantees the futures against default. Risks may exceed amounts recognized in the Statement of Assets and Liabilities.

**M. COVID-19 Risk** - The COVID-19 strain of coronavirus has resulted in instances of market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. Efforts to contain its spread have resulted in travel restrictions, disruptions of healthcare systems, business operations and supply chains, layoffs, lower consumer demand, and defaults, among other significant economic impacts that have disrupted global economic activity across many industries. Such economic impacts may exacerbate other pre-existing political, social and economic risks locally or globally.

The ongoing effects of COVID-19 are unpredictable and may result in significant and prolonged effects on the Fund’s performance.

**N. Collateral** – To the extent the Fund has designated or segregated a security as collateral and that security is subsequently sold, it is the Fund’s practice to replace such collateral no later than the next business day. This practice does not apply to securities pledged as collateral for securities lending transactions.

## NOTE 2—Advisory Fees and Other Fees Paid to Affiliates

The Trust has entered into a master investment advisory agreement with Invesco Advisers, Inc. (the “Adviser” or “Invesco”). Under the terms of the investment advisory agreement, the Fund accrues daily and pays monthly an advisory fee to the Adviser based on the annual rate of the Fund’s average daily net assets as follows:

Average Daily Net Assets	Rate
First \$150 million	0.500%
Next \$100 million	0.450%
Next \$100 million	0.400%
Over \$350 million	0.350%

For the six months ended June 30, 2021, the effective advisory fee rate incurred by the Fund was 0.38%.

Under the terms of a master sub-advisory agreement between the Adviser and each of Invesco Asset Management Deutschland GmbH, Invesco Asset Management Limited, Invesco Asset Management (Japan) Limited, Invesco Hong Kong Limited, Invesco Senior Secured Management, Inc. and Invesco Canada Ltd. (collectively, the “Affiliated Sub-Advisers”) the Adviser, not the Fund, will pay 40% of the fees paid to the Adviser to any such Affiliated Sub-Adviser(s) that provide(s) discretionary investment management services to the Fund based on the percentage of assets allocated to such Affiliated Sub-Adviser(s).

The Adviser has contractually agreed, through at least June 30, 2022, to waive advisory fees and/or reimburse expenses of all shares to the extent necessary to limit total annual fund operating expenses after fee waiver and/or expense reimbursement (excluding certain items discussed below) of Series I shares to 1.50% and Series II shares to 1.75% of the Fund’s average daily net assets (the “expense limits”). In determining the Adviser’s obligation to waive advisory fees and/or reimburse expenses, the following expenses are not taken into account, and could cause the total annual fund operating expenses after fee waiver and/or expense reimbursement to exceed the numbers reflected above: (1) interest; (2) taxes; (3) dividend expense on short sales; (4) extraordinary or non-routine items, including litigation expenses; and (5) expenses that the Fund has incurred but did not actually pay because of an expense offset arrangement. Unless Invesco continues the fee waiver agreement, it will terminate on June 30, 2022. During its term, the fee waiver agreement cannot be terminated or amended to increase the expense limits or reduce the advisory fee waiver without approval of the Board of Trustees. The Adviser did not waive fees and/or reimburse expenses during the period under these expense limits.

Further, the Adviser has contractually agreed, through at least June 30, 2023, to waive the advisory fee payable by the Fund in an amount equal to 100% of the net advisory fees the Adviser receives from the affiliated money market funds on investments by the Fund of uninvested cash (excluding investments of cash collateral from securities lending) in such affiliated money market funds.

For the six months ended June 30, 2021, the Adviser waived advisory fees of \$10,023.

The Trust has entered into a master administrative services agreement with Invesco pursuant to which the Fund has agreed to pay Invesco a fee for costs incurred in providing accounting services and fund administrative services to the Fund and to reimburse Invesco for fees paid to insurance companies that have agreed to provide certain administrative services to the Fund. These administrative services provided by the insurance companies may include, among other things: maintenance of master accounts with the Fund; tracking, recording and transmitting net purchase and redemption orders for Fund shares; maintaining and preserving records related to the purchase, redemption and other account activity of variable product owners; distributing copies of Fund documents such as prospectuses, proxy materials and periodic reports, to variable product owners, and responding to inquiries from variable product owners about the Fund. Pursuant to such agreement, for the six months ended June 30, 2021, Invesco was paid \$95,941 for accounting and fund administrative services and was reimbursed \$994,205 for fees paid to insurance

companies. Invesco has entered into a sub-administration agreement whereby State Street Bank and Trust Company (“SSB”) serves as fund accountant and provides certain administrative services to the Fund. Pursuant to a custody agreement with the Trust on behalf of the Fund, SSB also serves as the Fund’s custodian.

The Trust has entered into a transfer agency and service agreement with Invesco Investment Services, Inc. (“IIS”) pursuant to which the Fund has agreed to pay IIS a fee for providing transfer agency and shareholder services to the Fund and reimburse IIS for certain expenses incurred by IIS in the course of providing such services. IIS may make payments to intermediaries that provide omnibus account services, sub-accounting services and/or networking services. All fees payable by IIS to intermediaries that provide omnibus account services or sub-accounting services are charged back to the Fund, subject to certain limitations approved by the Trust’s Board of Trustees. For the six months ended June 30, 2021, expenses incurred under the agreement are shown in the Statement of Operations as *Transfer agent fees*.

The Trust has entered into a master distribution agreement with Invesco Distributors, Inc. (“IDI”) to serve as the distributor for the Fund. The Trust has adopted a plan pursuant to Rule 12b-1 under the 1940 Act with respect to the Fund’s Series II shares (the “Plan”). The Fund, pursuant to the Plan, pays IDI compensation at the annual rate of 0.25% of the Fund’s average daily net assets of Series II shares. The fees are accrued daily and paid monthly. Of the Plan payments, up to 0.25% of the average daily net assets of the Series II shares may be paid to insurance companies who furnish continuing personal shareholder services to customers who purchase and own Series II shares of the Fund. For the six months ended June 30, 2021, expenses incurred under the Plan are detailed in the Statement of Operations as *Distribution fees*.

For the six months ended June 30, 2021, the Fund incurred \$5,336 in brokerage commissions with Invesco Capital Markets, Inc., an affiliate of the Adviser and IDI, for portfolio transactions executed on behalf of the Fund.

Certain officers and trustees of the Trust are officers and directors of the Adviser, IIS and/or IDI.

### NOTE 3—Additional Valuation Information

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under current market conditions. GAAP establishes a hierarchy that prioritizes the inputs to valuation methods, giving the highest priority to readily available unadjusted quoted prices in an active market for identical assets (Level 1) and the lowest priority to significant unobservable inputs (Level 3), generally when market prices are not readily available or are unreliable. Based on the valuation inputs, the securities or other investments are tiered into one of three levels. Changes in valuation methods may result in transfers in or out of an investment’s assigned level:

Level 1 - Prices are determined using quoted prices in an active market for identical assets.

Level 2 - Prices are determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, yield curves, loss severities, default rates, discount rates, volatilities and others.

Level 3 - Prices are determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Fund’s own assumptions about the factors market participants would use in determining fair value of the securities or instruments and would be based on the best available information.

The following is a summary of the tiered valuation input levels, as of June 30, 2021. The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

	Level 1	Level 2	Level 3	Total
<b>Investments in Securities</b>				
Common Stocks & Other Equity Interests	\$824,776,615	\$ 45,841,534	\$-	\$ 870,618,149
U.S. Dollar Denominated Bonds & Notes	-	277,064,832	-	277,064,832
U.S. Treasury Securities	-	153,992,298	-	153,992,298
Preferred Stocks	7,693,363	-	-	7,693,363
U.S. Government Sponsored Agency Mortgage-Backed Securities	-	1,003,613	-	1,003,613
Money Market Funds	62,773,862	22,911,283	-	85,685,145
<b>Total Investments in Securities</b>	<b>895,243,840</b>	<b>500,813,560</b>	<b>-</b>	<b>1,396,057,400</b>
<b>Other Investments - Assets*</b>				
Futures Contracts	2,513	-	-	2,513
Forward Foreign Currency Contracts	-	135,347	-	135,347
	2,513	135,347	-	137,860
<b>Other Investments - Liabilities*</b>				
Forward Foreign Currency Contracts	-	(11,552)	-	(11,552)
<b>Total Other Investments</b>	<b>2,513</b>	<b>123,795</b>	<b>-</b>	<b>126,308</b>
<b>Total Investments</b>	<b>\$895,246,353</b>	<b>\$500,937,355</b>	<b>\$-</b>	<b>\$1,396,183,708</b>

\* Unrealized appreciation (depreciation).

### NOTE 4—Derivative Investments

The Fund may enter into an International Swaps and Derivatives Association Master Agreement (“ISDA Master Agreement”) under which a fund may trade OTC derivatives. An OTC transaction entered into under an ISDA Master Agreement typically involves a collateral posting arrangement, payment netting provisions and close-out netting provisions. These netting provisions allow for reduction of credit risk through netting of contractual obligations. The enforceability of the netting provisions of the ISDA Master Agreement depends on the governing law of the ISDA Master Agreement, among other factors.

For financial reporting purposes, the Fund does not offset OTC derivative assets or liabilities that are subject to ISDA Master Agreements in the Statement of Assets and Liabilities.

### Value of Derivative Investments at Period-End

The table below summarizes the value of the Fund's derivative investments, detailed by primary risk exposure, held as of June 30, 2021:

Derivative Assets	Value		
	Currency Risk	Interest Rate Risk	Total
Unrealized appreciation on futures contracts – Exchange-Traded <sup>(a)</sup>	\$ -	\$ 2,513	\$ 2,513
Unrealized appreciation on forward foreign currency contracts outstanding	135,347	-	135,347
Total Derivative Assets	135,347	2,513	137,860
Derivatives not subject to master netting agreements	-	(2,513)	(2,513)
Total Derivative Assets subject to master netting agreements	\$135,347	\$ -	\$135,347

Derivative Liabilities	Value		
	Currency Risk	Interest Rate Risk	Total
Unrealized depreciation on forward foreign currency contracts outstanding	\$ (11,552)	\$ -	\$ (11,552)
Derivatives not subject to master netting agreements	-	-	-
Total Derivative Liabilities subject to master netting agreements	\$ (11,552)	\$ -	\$ (11,552)

<sup>(a)</sup> The daily variation margin receivable (payable) at period-end is recorded in the Statement of Assets and Liabilities.

### Offsetting Assets and Liabilities

The table below reflects the Fund's exposure to Counterparties subject to either an ISDA Master Agreement or other agreement for OTC derivative transactions as of June 30, 2021.

Counterparty	Financial Derivative Assets	Financial Derivative Liabilities	Net Value of Derivatives	Collateral (Received)/Pledged		Net Amount
	Forward Foreign Currency Contracts	Forward Foreign Currency Contracts		Non-Cash	Cash	
Bank of New York Mellon (The)	\$ 26,693	\$ -	\$ 26,693	\$-	\$-	\$ 26,693
State Street Bank & Trust Co.	108,654	(11,552)	97,102	-	-	97,102
Total	\$135,347	\$(11,552)	\$123,795	\$-	\$-	\$123,795

### Effect of Derivative Investments for the six months ended June 30, 2021

The table below summarizes the gains (losses) on derivative investments, detailed by primary risk exposure, recognized in earnings during the period:

	Location of Gain (Loss) on Statement of Operations		
	Currency Risk	Interest Rate Risk	Total
Realized Gain (Loss):			
Forward foreign currency contracts	\$(421,477)	\$ -	\$(421,477)
Futures contracts	-	11,275	11,275
Change in Net Unrealized Appreciation:			
Forward foreign currency contracts	602,948	-	602,948
Futures contracts	-	5,502	5,502
Total	\$ 181,471	\$16,777	\$ 198,248

The table below summarizes the average notional value of derivatives held during the period.

	Forward Foreign Currency Contracts	Futures Contracts
Average notional value	\$45,816,703	\$1,137,671

### NOTE 5—Security Transactions with Affiliated Funds

The Fund is permitted to purchase or sell securities from or to certain other Invesco Funds under specified conditions outlined in procedures adopted by the Board of Trustees of the Trust. The procedures have been designed to ensure that any purchase or sale of securities by the Fund from or to another fund or portfolio that is or could be considered an affiliate by virtue of having a common investment adviser (or affiliated investment advisers), common Trustees and/or common officers complies with Rule 17a-7 of the 1940 Act. Further, as defined under the procedures, each transaction is effected at the current market price. Pursuant to these procedures, for the six months ended June 30, 2021, the Fund engaged in securities purchases of \$1,880,377.

## NOTE 6—Trustees' and Officers' Fees and Benefits

Trustees' and Officers' Fees and Benefits include amounts accrued by the Fund to pay remuneration to certain Trustees and Officers of the Fund. Trustees have the option to defer compensation payable by the Fund, and Trustees' and Officers' Fees and Benefits also include amounts accrued by the Fund to fund such deferred compensation amounts. Those Trustees who defer compensation have the option to select various Invesco Funds in which their deferral accounts shall be deemed to be invested. Finally, certain current Trustees were eligible to participate in a retirement plan that provided for benefits to be paid upon retirement to Trustees over a period of time based on the number of years of service. The Fund may have certain former Trustees who also participate in a retirement plan and receive benefits under such plan. Trustees' and Officers' Fees and Benefits include amounts accrued by the Fund to fund such retirement benefits. Obligations under the deferred compensation and retirement plans represent unsecured claims against the general assets of the Fund.

## NOTE 7—Cash Balances

The Fund is permitted to temporarily carry a negative or overdrawn balance in its account with SSB, the custodian bank. Such balances, if any at period-end, are shown in the Statement of Assets and Liabilities under the payable caption *Amount due custodian*. To compensate the custodian bank for such overdrafts, the overdrawn Fund may either (1) leave funds as a compensating balance in the account so the custodian bank can be compensated by earning the additional interest; or (2) compensate by paying the custodian bank at a rate agreed upon by the custodian bank and Invesco, not to exceed the contractually agreed upon rate. The Fund may not purchase additional securities when any borrowings from banks or broker-dealers exceed 5% of the Fund's total assets, or when any borrowings from an Invesco Fund are outstanding.

## NOTE 8—Tax Information

The amount and character of income and gains to be distributed are determined in accordance with income tax regulations, which may differ from GAAP. Reclassifications are made to the Fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryforward) under income tax regulations. The tax character of distributions paid during the year and the tax components of net assets will be reported at the Fund's fiscal year-end.

Capital loss carryforward is calculated and reported as of a specific date. Results of transactions and other activity after that date may affect the amount of capital loss carryforward actually available for the Fund to utilize. The ability to utilize capital loss carryforwards in the future may be limited under the Internal Revenue Code and related regulations based on the results of future transactions.

The Fund did not have a capital loss carryforward as of December 31, 2020.

## NOTE 9—Investment Transactions

The aggregate amount of investment securities (other than short-term securities, U.S. Government obligations and money market funds, if any) purchased and sold by the Fund during the six months ended June 30, 2021 was \$170,267,567 and \$348,567,534, respectively. Cost of investments, including any derivatives, on a tax basis includes the adjustments for financial reporting purposes as of the most recently completed federal income tax reporting period-end.

### Unrealized Appreciation (Depreciation) of Investments on a Tax Basis

Aggregate unrealized appreciation of investments	\$344,250,839
Aggregate unrealized (depreciation) of investments	(3,153,424)
Net unrealized appreciation of investments	\$341,097,415

Cost of investments for tax purposes is \$1,055,086,293.

## NOTE 10—Share Information

### Summary of Share Activity

	Six months ended June 30, 2021 <sup>(a)</sup>		Year ended December 31, 2020	
	Shares	Amount	Shares	Amount
<b>Sold:</b>				
Series I	187,558	\$ 3,762,169	192,505	\$ 3,212,832
Series II	703,652	13,780,097	8,497,726	137,573,138
<b>Issued as reinvestment of dividends:</b>				
Series I	-	-	166,556	2,664,901
Series II	-	-	4,685,024	74,585,577
<b>Issued in connection with acquisitions:<sup>(b)</sup></b>				
Series I	1,511,358	30,408,542	-	-
Series II	55,570	1,110,840	-	-
<b>Reacquired:</b>				
Series I	(363,409)	(7,243,724)	(851,279)	(13,966,033)
Series II	(5,388,746)	(104,284,341)	(15,407,946)	(239,645,054)
Net increase (decrease) in share activity	(3,294,017)	\$ (62,466,417)	(2,717,414)	\$ (35,574,639)

<sup>(a)</sup> There are entities that are record owners of more than 5% of the outstanding shares of the Fund and in the aggregate own 72% of the outstanding shares of the Fund. The Fund and the Fund's principal underwriter or adviser, are parties to participation agreements with these entities whereby these entities sell units of interest in separate accounts funding variable products that are invested in the Fund. The Fund, Invesco and/or Invesco affiliates may make payments to these entities, which are considered to be related to the Fund, for providing services to the Fund, Invesco and/or Invesco affiliates including but not limited to services such as, securities brokerage, third party record keeping and account servicing and administrative services. The Fund has no knowledge as to whether all or any portion of the shares owned of record by these entities are also owned beneficially.

(b) After the close of business on April 30, 2021, the Fund acquired all the net assets of Invesco V.I. Managed Volatility Fund (the "Target Fund") pursuant to a plan of reorganization approved by the Board of Trustees of the Fund on December 3, 2020 and by the shareholders of the Target Fund on April 5, 2021. The reorganization was executed in order to reduce overlap and increase efficiencies in the Adviser's product line. The acquisition was accomplished by a tax-free exchange of 1,566,928 shares of the Fund for 2,556,075 shares outstanding of the Target Fund as of the close of business on April 30, 2021. Shares of the Target Fund were exchanged for the like class of shares of the Fund, based on the relative net asset value of the Target Fund to the net asset value of the Fund on the close of business, April 30, 2021. The Target Fund's net assets as of the close of business on April 30, 2021 of \$31,519,382, including \$8,543,643 of unrealized appreciation (depreciation), were combined with those of the Fund. The net assets of the Fund immediately before the acquisition were \$1,356,523,614 and \$1,388,042,996 immediately after the acquisition.

The pro forma results of operations for the six months ended June 30, 2021 assuming the reorganization had been completed on January 1, 2021, the beginning of the semi-annual reporting period are as follows:

Net investment income	\$ 6,912,393
Net realized/unrealized gains	158,787,176
Change in net assets resulting from operations	<u>\$165,699,569</u>

As the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of the Target Fund that has been included in the Fund's Statement of Operations since May 1, 2021.

# Calculating your ongoing Fund expenses

## Example

As a shareholder of the Fund, you incur ongoing costs, including management fees; distribution and/or service fees (12b-1); and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with 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 entire period January 1, 2021 through June 30, 2021.

The actual and hypothetical expenses in the examples below do not represent the effect of any fees or other expenses assessed in connection with a variable product; if they did, the expenses shown would be higher while the ending account values shown would be lower.

## Actual expenses

The table below provides information about actual account values and actual expenses. You may use the information in this table, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the table under the heading entitled "Actual Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

## Hypothetical example for comparison purposes

The table below also provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return.

*The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% 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. Therefore, the hypothetical information is useful in comparing ongoing costs, and will not help you determine the relative total costs of owning different funds.

	Beginning Account Value (01/01/21)	ACTUAL		HYPOTHETICAL (5% annual return before expenses)		Annualized Expense Ratio
		Ending Account Value (06/30/21) <sup>1</sup>	Expenses Paid During Period <sup>2</sup>	Ending Account Value (06/30/21)	Expenses Paid During Period <sup>2</sup>	
Series I	\$1,000.00	\$1,133.30	\$2.96	\$1,022.02	\$2.81	0.56%
Series II	1,000.00	1,131.90	4.28	1,020.78	4.06	0.81

<sup>1</sup> The actual ending account value is based on the actual total return of the Fund for the period January 1, 2021 through June 30, 2021, after actual expenses and will differ from the hypothetical ending account value which is based on the Fund's expense ratio and a hypothetical annual return of 5% before expenses.

<sup>2</sup> Expenses are equal to the Fund's annualized expense ratio as indicated above multiplied by the average account value over the period, multiplied by 181/365 to reflect the most recent fiscal half year.

# Approval of Investment Advisory and Sub-Advisory Contracts

At meetings held on June 10, 2021, the Board of Trustees (the Board or the Trustees) of AIM Variable Insurance Funds (Invesco Variable Insurance Funds) as a whole, and the independent Trustees, who comprise over 75% of the Board, voting separately, approved the continuance of the Invesco V.I. Equity and Income Fund's (the Fund) Master Investment Advisory Agreement with Invesco Advisers, Inc. (Invesco Advisers and the investment advisory agreement) and the Master Intergroup Sub-Advisory Contract for Mutual Funds with Invesco Asset Management Deutschland GmbH, Invesco Asset Management Limited, Invesco Asset Management (Japan) Limited, Invesco Hong Kong Limited, Invesco Senior Secured Management, Inc. and Invesco Canada Ltd. and separate sub-advisory contracts with Invesco Capital Management LLC and Invesco Asset Management (India) Private Limited (collectively, the Affiliated Sub-Advisers and the sub-advisory contracts) for another year, effective July 1, 2021. After evaluating the factors discussed below, among others, the Board approved the renewal of the Fund's investment advisory agreement and the sub-advisory contracts and determined that the compensation payable thereunder by the Fund to Invesco Advisers and by Invesco Advisers to the Affiliated Sub-Advisers is fair and reasonable.

## The Board's Evaluation Process

The Board has established an Investments Committee, which in turn has established Sub-Committees that meet throughout the year to review the performance of funds advised by Invesco Advisers (the Invesco Funds). The Sub-Committees meet regularly with portfolio managers for their assigned Invesco Funds and other members of management to review detailed information about investment performance and portfolio attributes of these funds. The Board has established additional standing and ad hoc committees that meet regularly throughout the year to review matters within their purview. The Board took into account evaluations and reports that it received from its committees and sub-committees, as well as the information provided to the Board and its committees and sub-committees throughout the year, in considering whether to approve each Invesco Fund's investment advisory agreement and sub-advisory contracts.

As part of the contract renewal process, the Board reviews and considers information provided in response to detailed requests for information submitted to management by the independent Trustees with assistance from legal counsel to the independent Trustees. The Board receives comparative investment performance and fee and expense data regarding the Invesco Funds prepared by Broadridge Financial Solutions, Inc. (Broadridge), an independent mutual fund data provider, as well as information on the composition of the peer groups provided by Broadridge and its methodology for determining peer groups. The Board also receives an independent written evaluation from the Senior Officer, an officer of the Invesco Funds who reports directly to the independent Trustees. The Senior Officer's evaluation is prepared as part of his responsibility to manage the process by which the Invesco Funds' proposed management fees are negotiated during the annual contract renewal

process to ensure they are negotiated in a manner that is at arms' length and reasonable. In addition to meetings with Invesco Advisers and fund counsel throughout the year and as part of meetings convened on April 27, 2021 and June 10, 2021, the independent Trustees also discussed the continuance of the investment advisory agreement and sub-advisory contracts in separate sessions with the Senior Officer and with independent legal counsel.

The discussion below is a summary of the Senior Officer's independent written evaluation with respect to the Fund's investment advisory agreement and sub-advisory contracts, as well as a discussion of the material factors and related conclusions that formed the basis for the Board's approval of the Fund's investment advisory agreement and sub-advisory contracts. The Trustees' review and conclusions are based on the comprehensive consideration of all information presented to them during the course of the year and in prior years and are not the result of any single determinative factor. Moreover, one Trustee may have weighed a particular piece of information or factor differently than another Trustee. The information received and considered by the Board was current as of various dates prior to the Board's approval on June 10, 2021.

## Factors and Conclusions and Summary of Independent Written Fee Evaluation

### A. Nature, Extent and Quality of Services Provided by Invesco Advisers and the Affiliated Sub-Advisers

The Board reviewed the nature, extent and quality of the advisory services provided to the Fund by Invesco Advisers under the Fund's investment advisory agreement, and the credentials and experience of the officers and employees of Invesco Advisers who provide these services, including the Fund's portfolio manager(s). The Board's review included consideration of Invesco Advisers' investment process and oversight, credit analysis, and research capabilities. The Board considered information regarding Invesco Advisers' programs for and resources devoted to risk management, including management of investment, enterprise, operational, liquidity, valuation and compliance risks, and technology used to manage such risks. The Board also received and reviewed information about Invesco Advisers' role as administrator of the Invesco Funds' liquidity risk management program. The Board received a description of Invesco Advisers' business continuity plans and of its approach to data privacy and cybersecurity, including related testing. The Board considered how the cybersecurity and business continuity plans of Invesco Advisers and its key service providers operated in the increased remote working environment resulting from the novel coronavirus ("COVID-19") pandemic. The Board also considered non-advisory services that Invesco Advisers and its affiliates provide to the Invesco Funds, such as various back office support functions, third party oversight, internal audit, valuation, portfolio trading and legal and compliance. The Board observed that Invesco Advisers has been able to effectively manage, operate and oversee the Invesco Funds through the challenging COVID-19 pandemic period. The Board reviewed and considered the benefits to shareholders of investing in a Fund that is

part of the family of funds under the umbrella of Invesco Ltd., Invesco Advisers' parent company, and noted Invesco Ltd.'s depth and experience in running an investment management business, as well as its commitment of financial and other resources to such business. The Board concluded that the nature, extent and quality of the services provided to the Fund by Invesco Advisers are appropriate and satisfactory.

The Board reviewed the services that may be provided by the Affiliated Sub-Advisers under the sub-advisory contracts and the credentials and experience of the officers and employees of the Affiliated Sub-Advisers who provide these services. The Board noted the Affiliated Sub-Advisers' expertise with respect to certain asset classes and that the Affiliated Sub-Advisers have offices and personnel that are located in financial centers around the world. As a result, the Board noted that the Affiliated Sub-Advisers can provide research and investment analysis on the markets and economies of various countries in which the Fund may invest, make recommendations regarding securities and assist with security trades. The Board concluded that the sub-advisory contracts may benefit the Fund and its shareholders by permitting Invesco Advisers to use the resources and talents of the Affiliated Sub-Advisers in managing the Fund. The Board concluded that the nature, extent and quality of the services that may be provided to the Fund by the Affiliated Sub-Advisers are appropriate and satisfactory.

### B. Fund Investment Performance

The Board considered Fund investment performance as a relevant factor in considering whether to approve the investment advisory agreement. The Board did not view Fund investment performance as a relevant factor in considering whether to approve the sub-advisory contracts for the Fund, as no Affiliated Sub-Adviser currently manages assets of the Fund.

The Board compared the Fund's investment performance over multiple time periods ending December 31, 2020 to the performance of funds in the Broadridge performance universe and against the Russell 1000<sup>®</sup> Value Index (Index). The Board noted that performance of Series I shares of the Fund was in the fourth quintile of its performance universe for the one, three and five year periods (the first quintile being the best performing funds and the fifth quintile being the worst performing funds). The Board noted that performance of Series I shares of the Fund was above the performance of the Index for the one year period, reasonably comparable to the performance of the Index for the three year period, and below the performance of the Index for the five year period. The Board noted that the Fund's stock selection in certain sectors, as well as exposure to issuers operating in industries that were significantly impacted by the COVID-19 pandemic detracted from Fund performance. The Board recognized that the performance data reflects a snapshot in time as of a particular date and that selecting a different performance period could produce different results. The Board also reviewed more recent Fund performance as well as other performance metrics, which did not change its conclusions.



*C. Advisory and Sub-Advisory Fees and Fund Expenses*

The Board compared the Fund's contractual management fee rate to the contractual management fee rates of funds in the Fund's Broadridge expense group. The Board noted that the contractual management fee rate for Series I shares of the Fund was below the median contractual management fee rate of funds in its expense group. The Board noted that the term "contractual management fee" for funds in the expense group may include both advisory and certain non-portfolio management administrative services fees, but that Broadridge is not able to provide information on a fund by fund basis as to what is included. The Board also reviewed the methodology used by Broadridge in calculating expense group information, which includes using each fund's contractual management fee schedule (including any applicable breakpoints) as reported in the most recent prospectus or statement of additional information for each fund in the expense group. The Board also considered comparative information regarding the Fund's total expense ratio and its various components.

The Board noted that Invesco Advisers has contractually agreed to waive fees and/or limit expenses of the Fund for the term disclosed in the Fund's registration statement in an amount necessary to limit total annual operating expenses to a specified percentage of average daily net assets for each class of the Fund.

The Board also considered the fees charged by Invesco Advisers and its affiliates to other client accounts that are similarly managed. Invesco Advisers reviewed with the Board differences in the scope of services it provides to the Invesco Funds relative to that provided by Invesco Advisers and its affiliates to certain other types of client accounts, including, among others: management of cash flows as a result of redemptions and purchases; necessary infrastructure such as officers, office space, technology, legal and distribution; oversight of service providers; costs and business risks associated with launching new funds and sponsoring and maintaining the product line; and compliance with federal and state laws and regulations. Invesco Advisers also advised the Board that many of the similarly managed client accounts have all-inclusive fee structures, which are not easily un-bundled.

The Board also compared the Fund's effective advisory fee rate (defined for this purpose as the advisory fee rate after advisory fee waivers and before other expense limitations/waivers) to the effective advisory fee rates of other similarly managed third-party mutual funds advised or sub-advised by Invesco Advisers and its affiliates, based on asset balances as of December 31, 2020.

The Board also considered the services that may be provided by the Affiliated Sub-Advisers pursuant to the sub-advisory contracts, as well as the fees payable by Invesco Advisers to the Affiliated Sub-Advisers pursuant to the sub-advisory contracts.

*D. Economies of Scale and Breakpoints*

The Board considered the extent to which there may be economies of scale in the provision of advisory services to the Fund and the Invesco Funds, and the extent to which such economies of scale are shared with the Fund and the Invesco Funds. The Board considered that the Fund benefits from economies of scale through contractual breakpoints in the Fund's advisory fee schedule, which generally operate to reduce the Fund's expense ratio as it grows in size.

The Board requested and received additional information from Invesco Advisers regarding the levels of the Fund's breakpoints in light of current assets. The Board noted that the Fund also shares in economies of scale through Invesco Advisers' ability to negotiate lower fee arrangements with third party service providers. The Board noted that the Fund may also benefit from economies of scale through initial fee setting, fee waivers and expense reimbursements, as well as Invesco Advisers' investment in its business, including investments in business infrastructure, technology and cybersecurity.

*E. Profitability and Financial Resources*

The Board reviewed information from Invesco Advisers concerning the costs of the advisory and other services that Invesco Advisers and its affiliates provide to the Fund and the Invesco Funds and the profitability of Invesco Advisers and its affiliates in providing these services in the aggregate and on an individual Fund-by-Fund basis. The Board considered the methodology used for calculating profitability and noted that such methodology had recently been reviewed and enhanced. The Board noted that Invesco Advisers continues to operate at a net profit from services Invesco Advisers and its affiliates provide to the Invesco Funds in the aggregate and to most Funds individually. The Board did not deem the level of profits realized by Invesco Advisers and its affiliates from providing such services to be excessive, given the nature, extent and quality of the services provided. The Board noted that Invesco Advisers provided information demonstrating that Invesco Advisers is financially sound and has the resources necessary to perform its obligations under the investment advisory agreement, and provided representations indicating that the Affiliated Sub-Advisers are financially sound and have the resources necessary to perform their obligations under the sub-advisory contracts.

*F. Collateral Benefits to Invesco Advisers and its Affiliates*

The Board considered various other benefits received by Invesco Advisers and its affiliates from the relationship with the Fund, including the fees received for providing administrative, transfer agency and distribution services to the Fund. The Board received comparative information regarding fees charged for these services, including information provided by Broadridge and other independent sources. The Board reviewed the performance of Invesco Advisers and its affiliates in providing these services and the organizational structure employed to provide these services. The Board noted that these services are provided to the Fund pursuant to written contracts that are reviewed and subject to approval on an annual basis by the Board based on its determination that the services are required for the operation of the Fund.

The Board considered the benefits realized by Invesco Advisers and the Affiliated Sub-Advisers as a result of portfolio brokerage transactions executed through "soft dollar" arrangements. The Board noted that soft dollar arrangements may result in the Fund bearing costs to purchase research that may be used by Invesco Advisers or the Affiliated Sub-Advisers with other clients and may reduce Invesco Advisers' or the Affiliated Sub-Advisers' expenses. The Board also considered that it receives from Invesco Advisers periodic reports that include a representation to the effect that these arrangements are consistent with

regulatory requirements. The Board did not deem the soft dollar arrangements to be inappropriate.

The Board considered that the Fund's uninvested cash and cash collateral from any securities lending arrangements may be invested in registered money market funds or, with regard to securities lending cash collateral, unregistered funds that comply with Rule 2a-7 (collectively referred to as "affiliated money market funds") advised by Invesco Advisers. The Board considered information regarding the returns of the affiliated money market funds relative to comparable overnight investments, as well as the fees paid by the affiliated money market funds to Invesco Advisers and its affiliates. In this regard, the Board noted that Invesco Advisers receives advisory fees from these affiliated money market funds attributable to the Fund's investments. The Board also noted that Invesco Advisers has contractually agreed to waive through varying periods an amount equal to 100% of the net advisory fee Invesco Advisers receives from the affiliated money market funds with respect to the Fund's investment in the affiliated money market funds of uninvested cash, but not cash collateral. The Board concluded that the advisory fees payable to Invesco Advisers from the Fund's investment of cash collateral from any securities lending arrangements in the affiliated money market funds are for services that are not duplicative of services provided by Invesco Advisers to the Fund.

The Board also received information about commissions that an affiliated broker may receive for executing certain trades for the Fund. Invesco Advisers and the Affiliated Sub-Advisers advised the Board of the benefits to the Fund of executing trades through the affiliated broker and that such trades were executed in compliance with rules under the federal securities laws and consistent with best execution obligations.