



## Invesco V.I. Global Real Estate Fund



The Fund provides a complete list of its holdings four times in each fiscal year, at the quarter ends. For the second and fourth quarters, the lists appear in the Fund's semi-annual and annual reports to shareholders. For the first and third quarters, the Fund files the lists with the Securities and Exchange Commission (SEC) on Form N-Q (or any successor Form). The Fund's Form N-Q (or any successor Form) filings are available on the SEC website, [sec.gov](http://sec.gov). Copies of the Fund's Forms N-Q (or any successor Form) may be reviewed and copied at the SEC Public Reference Room in Washington, D.C. You can obtain information on the operation of the Public Reference Room, including information about duplicating fee charges, by calling 202 551 8090 or 800 732 0330, or by electronic request at the following email address: [publicinfo@sec.gov](mailto:publicinfo@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-Q (or any successor Form), 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/proxyguidelines](http://invesco.com/proxyguidelines). 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.**

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

# Fund Performance

## Performance summary

### Fund vs. Indexes

Cumulative total returns, 12/31/17 to 6/30/18, excluding variable product issuer charges. If variable product issuer charges were included, returns would be lower.

Series I Shares	-0.06%
Series II Shares	-0.12
MSCI World Index <sup>▼</sup> (Broad Market Index)	0.43
Custom Invesco Global Real Estate Index <sup>■</sup> (Style-Specific Index)	-0.52
Lipper VUF Real Estate Funds Classification Average <sup>◆</sup> (Peer Group)	0.71

Source(s): <sup>▼</sup>FactSet Research Systems Inc.; <sup>■</sup>Invesco, FactSet Research Systems Inc.; <sup>◆</sup>Lipper Inc.

The **MSCI World Index<sup>SM</sup>** is an unmanaged index considered representative of stocks of developed countries. The index is computed using the net return, which withholds applicable taxes for non-resident investors.

The **Custom Invesco Global Real Estate Index** is composed of the FTSE EPRA/NAREIT Developed Index (gross) from fund inception through February, 17, 2005; the FTSE EPRA/NAREIT Developed Index (net) from February 18, 2005, through June 30, 2014; and the FTSE EPRA/NAREIT Global Index (net) from July 1, 2014.

The **Lipper VUF Real Estate Funds Classification Average** represents an average of all of the variable insurance underlying funds in the Lipper Real Estate Funds classification.

The **FTSE EPRA/NAREIT Developed Index** is an unmanaged index considered representative of listed real estate companies and REITs worldwide. The net version of the index is computed using the net return, which withholds applicable taxes for non-resident investors.

The **FTSE EPRA/NAREIT Global Index** is designed to track the performance of listed real estate companies and REITS in developed and emerging markets. The index is computed using the net return, which withholds applicable taxes for non-resident investors.

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 6/30/18

### Series I Shares

Inception (3/31/98)	7.81%
10 Years	4.81
5 Years	5.78
1 Year	6.40

### Series II Shares

Inception (4/30/04)	7.70%
10 Years	4.56
5 Years	5.52
1 Year	6.17

The performance of the Fund's Series I and Series II share classes will differ primarily due to different class expenses.

The performance data quoted represent past performance and cannot guarantee comparable 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. Investment return and principal value will fluctuate so that you may have a gain or loss when you sell shares.

The total annual Fund operating expense ratio set forth in the most recent Fund prospectus as of the date of this report for Series I and Series II shares was 1.02% and 1.27%, respec-

tively. The expense ratios presented above may vary from the expense ratios presented in other sections of this report that are based on expenses incurred during the period covered by this report.

Invesco V.I. Global Real Estate 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.

# Schedule of Investments

June 30, 2018  
(Unaudited)

	Shares	Value
<b>Real Estate Investments Trust, Common Stocks &amp; Other Equity Interests-98.90%</b>		
<b>Australia-4.37%</b>		
Dexus	293,508	\$ 2,116,825
Goodman Group	605,553	4,323,325
GPT Group (The)	411,421	1,546,333
Mirvac Group	1,682,345	2,709,610
Scentre Group	2,084,369	6,792,063
		17,488,156
<b>Brazil-0.45%</b>		
BR Malls Participacoes S.A. <sup>(a)</sup>	259,125	651,306
BR Properties S.A.	137,500	324,314
Cyrela Brazil Realty S.A. Empreendimentos e Participacoes	72,300	204,860
MRV Engenharia e Participacoes S.A.	97,500	301,173
Multiplan Empreendimentos Imobiliarios S.A.	21,100	308,243
		1,789,896
<b>Canada-1.99%</b>		
Allied Properties REIT	57,600	1,833,544
Canadian Apartment Properties REIT	46,003	1,491,677
Chartwell Retirement Residences	95,552	1,114,180
H&R REIT	63,300	968,735
Killam Apartment REIT	87,700	999,274
RioCan REIT	84,200	1,546,687
		7,954,097
<b>Chile-0.10%</b>		
Parque Arauco S.A.	143,045	402,075
<b>China-5.24%</b>		
Agile Group Holdings Ltd.	352,000	599,409
CapitaLand Retail China Trust	213,700	238,627
China Evergrande Group <sup>(a)</sup>	653,000	1,660,201
China Jinmao Holdings Group Ltd.	1,906,000	955,146
China Overseas Grand Oceans Group Ltd.	523,000	192,283
China Overseas Land & Investment Ltd.	1,076,000	3,520,027
China Resources Land Ltd.	700,444	2,344,475
China SCE Property Holdings Ltd.	388,000	183,021
China Vanke Co., Ltd.-Class H	355,200	1,240,243
CIFI Holdings (Group) Co. Ltd.	1,100,000	696,014
Country Garden Holdings Co. Ltd.	1,854,000	3,234,511
KWG Property Holding Ltd.	447,000	556,990
Logan Property Holdings Co. Ltd.	340,000	456,927
Longfor Properties Co. Ltd.	410,000	1,105,269
Shenzhen Investment Ltd.	799,900	290,175
Shimao Property Holdings Ltd.	412,000	1,075,916
SOHO China Ltd.	507,500	240,797
Sunac China Holdings Ltd.	440,000	1,530,684
Times China Holdings Ltd.	135,000	199,376
Yanlord Land Group Ltd.	318,900	371,585
Yuexiu Property Co. Ltd.	356,000	67,852

	Shares	Value
<b>China-(continued)</b>		
Yuzhou Properties Co. Ltd.	339,000	\$ 198,514
		20,958,042
<b>France-3.03%</b>		
ICADE	32,347	3,033,059
Klepierre S.A.	43,266	1,627,279
Unibail-Rodamco-Westfield	30,243	6,658,596
Unibail-Rodamco-Westfield <sup>(a)</sup>	74,500	808,976
		12,127,910
<b>Germany-5.58%</b>		
Aroundtown S.A.	403,809	3,317,198
Deutsche Wohnen S.E.	113,339	5,473,501
Grand City Properties S.A.	151,888	3,944,478
LEG Immobilien AG	23,260	2,528,118
Vonovia S.E.	147,566	7,023,470
		22,286,765
<b>Hong Kong-7.48%</b>		
CK Asset Holdings Ltd.	765,800	6,050,748
Hang Lung Properties Ltd.	877,000	1,801,170
Hongkong Land Holdings Ltd.	223,300	1,596,595
K Wah International Holdings Ltd.	494,000	283,225
Kerry Properties Ltd.	81,500	390,069
Link REIT	661,500	6,014,047
Mapletree North Asia Commercial Trust-REGS <sup>(b)</sup>	426,500	356,851
New World Development Co. Ltd.	2,100,000	2,934,716
Sun Hung Kai Properties Ltd.	348,000	5,221,257
Swire Properties Ltd.	463,800	1,714,362
Wharf (Holdings) Ltd. (The)	398,000	1,274,830
Wharf Real Estate Investment Co. Ltd.	283,000	2,009,653
Yuexiu REIT	378,000	253,758
		29,901,281
<b>India-0.17%</b>		
Ascendas India Trust	351,200	260,339
Oberoi Realty Ltd.	62,718	437,249
		697,588
<b>Indonesia-0.35%</b>		
PT Bumi Serpong Damai Tbk <sup>(a)</sup>	2,995,300	326,461
PT Ciputra Development Tbk	7,420,638	527,174
PT Pakuwon Jati Tbk <sup>(a)</sup>	10,511,000	388,753
PT Summarecon Agung Tbk	2,181,600	137,504
		1,379,892
<b>Ireland-0.32%</b>		
Green REIT PLC	748,435	1,293,442
<b>Japan-10.49%</b>		
Activia Properties, Inc.	179	821,427
Advance Residence Investment Corp.	449	1,151,095
AEON REIT Investment Corp.	772	890,555

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

	Shares	Value
<b>Japan-(continued)</b>		
Daiwa House REIT Investment Corp.	638	\$ 1,515,178
Daiwa Office Investment Corp.	264	1,516,748
Fukuoka REIT Corp.	482	764,582
GLP J-REIT <sup>(b)</sup>	213	226,276
GLP J-REIT	1,400	1,487,263
Hulic Co., Ltd.	165,700	1,764,390
Japan Hotel REIT Investment Corp.	2,666	1,998,898
Japan Prime Realty Investment Corp.	157	570,845
Japan Real Estate Investment Corp.	377	1,995,682
Japan Retail Fund Investment Corp.	639	1,152,163
Kenedix Office Investment Corp.	128	795,519
Mitsubishi Estate Co., Ltd.	363,000	6,351,680
Mitsui Fudosan Co., Ltd.	286,300	6,915,684
Mitsui Fudosan Logistics Park Inc.	230	703,297
Nippon Building Fund Inc.	350	2,020,325
Nippon Prologis REIT Inc.	362	751,469
Nomura Real Estate Master Fund, Inc.	762	1,075,886
ORIX JREIT Inc.	470	750,322
Sumitomo Realty & Development Co., Ltd.	117,000	4,307,320
Tokyo Tatemono Co., Ltd.	91,500	1,255,287
United Urban Investment Corp.	751	1,167,176
		41,949,067
<b>Malaysia-0.38%</b>		
IOI Properties Group Bhd.	1,224,000	484,933
KLCCP Stapled Group	285,200	563,778
Mah Sing Group Bhd.	731,700	193,607
Sime Darby Property Bhd	946,900	280,634
		1,522,952
<b>Malta-0.00%</b>		
BGP Holdings PLC (Acquired 08/06/2009; Cost \$0) <sup>(a)(b)(c)</sup>	3,053,090	0
<b>Mexico-0.47%</b>		
Fibra Uno Administracion S.A. de C.V.	807,700	1,177,020
Macquarie Mexico Real Estate Management S.A. de C.V.	534,800	530,326
PLA Administradora Industrial, S. de R.L. de C.V.	132,000	180,065
		1,887,411
<b>Netherlands-0.17%</b>		
InterXion Holding N.V. <sup>(a)</sup>	10,625	663,212
<b>Philippines-0.75%</b>		
Ayala Land, Inc.	1,691,800	1,201,342
Robinsons Land Corp.	589,600	205,470
SM Prime Holdings Inc.	2,345,300	1,579,704
		2,986,516
<b>Singapore-1.94%</b>		
Ascendas REIT	1,214,800	2,357,362
CapitalLand Commercial Trust	1,234,300	1,501,597
City Developments Ltd.	213,800	1,719,177
Mapletree Commercial Trust	864,800	996,503
UOL Group Ltd.	209,500	1,168,464
		7,743,103

	Shares	Value
<b>South Africa-0.87%</b>		
Growthpoint Properties Ltd.	856,434	\$ 1,666,403
Hyprop Investments Ltd.	129,640	965,590
SA Corporate Real Estate Ltd.	2,605,476	830,054
		3,462,047
<b>Spain-0.98%</b>		
Hispania Activos Inmobiliarios SOCIMI S.A.	44,149	939,807
Inmobiliaria Colonial SOCIMI, S.A.	41,708	460,558
Merlin Properties SOCIMI, S.A.	173,828	2,524,720
		3,925,085
<b>Sweden-1.47%</b>		
Fabege AB	162,234	1,933,586
Hufvudstaden AB-Class A	142,935	2,045,189
Wihlborgs Fastigheter AB	163,313	1,887,720
		5,866,495
<b>Switzerland-0.81%</b>		
Swiss Prime Site AG	35,195	3,237,597
<b>Thailand-0.61%</b>		
AP Thailand PCL	1,192,200	294,268
Central Pattana PCL	730,800	1,543,757
Supalai PCL <sup>(a)</sup>	287,300	204,475
Supalai PCL-NVDR <sup>(a)</sup>	161,400	114,870
WHA Corp. PCL-NVDR	2,524,000	279,460
		2,436,830
<b>Turkey-0.07%</b>		
Emlak Konut Gayrimenkul Yatirim Ortakligi A.S.	590,638	261,088
<b>United Arab Emirates-0.13%</b>		
Emaar Malls PJSC	882,789	514,339
<b>United Kingdom-4.23%</b>		
Big Yellow Group PLC	100,542	1,265,250
Derwent London PLC	45,273	1,855,876
Grainger PLC	266,149	1,081,187
Great Portland Estates PLC	164,792	1,553,766
Land Securities Group PLC	240,978	3,033,643
SEGRO PLC	364,510	3,220,352
Tritax Big Box REIT PLC	1,100,525	2,264,405
UNITE Group PLC (The)	127,488	1,448,707
Workspace Group PLC	82,327	1,173,476
		16,896,662
<b>United States-46.45%</b>		
Acadia Realty Trust	23,283	637,256
Alexandria Real Estate Equities, Inc.	20,067	2,531,853
American Campus Communities, Inc.	79,187	3,395,539
American Homes 4 Rent-Class A	88,017	1,952,217
AvalonBay Communities, Inc.	7,960	1,147,593
Boston Properties, Inc.	63,326	10,885,106
Corporate Office Properties Trust	60,214	7,552,040
Cousins Properties, Inc.	57,014	1,652,836
Crown Castle International Corp.	203,978	1,976,547
CyrusOne Inc.	25,795	2,781,217
Digital Realty Trust, Inc.	11,726	684,329
	30,941	3,452,397

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



	Shares	Value
<b>United States-(continued)</b>		
EastGroup Properties, Inc.	7,194	\$ 687,459
Education Realty Trust, Inc.	44,617	1,851,605
Empire State Realty Trust Inc.-Class A	99,887	1,708,068
Equinix, Inc.	3,263	1,402,731
Equity LifeStyle Properties, Inc.	8,532	784,091
Equity Residential	84,681	5,393,333
Essex Property Trust, Inc.	16,055	3,838,269
Extra Space Storage Inc.	54,110	5,400,719
Federal Realty Investment Trust	38,110	4,822,821
GGP Inc.	182,628	3,731,090
HCP, Inc.	64,613	1,668,308
Healthcare Realty Trust, Inc.	161,243	4,688,946
Hilton Worldwide Holdings Inc.	26,029	2,060,456
Host Hotels & Resorts Inc.	88,905	1,873,228
Hudson Pacific Properties Inc.	138,824	4,918,534
Invitation Homes Inc.	141,847	3,270,992
Kilroy Realty Corp.	45,242	3,422,105
Liberty Property Trust	70,659	3,132,313
Macerich Co. (The)	54,897	3,119,797
Mid-America Apartment Communities, Inc.	45,820	4,612,699
National Health Investors, Inc.	30,359	2,236,851
National Retail Properties, Inc.	51,132	2,247,763
Park Hotels & Resorts Inc.	131,415	4,025,241
Pebblebrook Hotel Trust	54,767	2,124,960
PotlatchDeltic Corp.	20,217	1,028,034
Prologis, Inc.	186,578	12,256,309
Public Storage	50,019	11,347,310
QTS Realty Trust, Inc.-Class A	42,938	1,696,051
Realty Income Corp.	53,446	2,874,860

Investment Abbreviations:

NVDR - Non-Voting Depositary Receipt  
REGS - Regulation S  
REIT - Real Estate Investment Trust

Notes to Schedule of Investments:

- (a) Non-income producing security.  
(b) 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, 2018 was \$583,127, which represented less than 1% of the Fund's Net Assets.  
(c) Security valued using significant unobservable inputs (Level 3). See Note 3.  
(d) The money market fund and the Fund are affiliated by having the same investment adviser. The rate shown is the 7-day SEC standardized yield as of June 30, 2018.

## Portfolio Composition

By country, based on Net Assets  
as of June 30, 2018

United States	46.5%
Japan	10.5
Hong Kong	7.5
Germany	5.6
China	5.2
Australia	4.4
United Kingdom	4.2
France	3.0
Countries each less than 2.0% of portfolio	12.0
Money Market Funds Plus Other Assets Less Liabilities	1.1

	Shares	Value
<b>United States-(continued)</b>		
Regency Centers Corp.	41,334	\$ 2,566,015
Retail Opportunity Investments Corp.	273,202	5,234,550
Simon Property Group, Inc.	82,999	14,125,600
SL Green Realty Corp.	34,993	3,517,846
Sun Communities, Inc.	18,581	1,818,708
Sunstone Hotel Investors, Inc.	162,001	2,692,457
Terreno Realty Corp.	7,926	298,572
Ventas, Inc.	91,893	5,233,306
Vornado Realty Trust	3,412	252,215
Washington REIT	120,207	3,645,878
Welltower Inc.	74,726	4,684,573
Weyerhaeuser Co.	19,863	724,205
		185,667,798
Total Real Estate Investments Trust, Common Stocks & Other Equity Interests (Cost \$346,473,815)		395,299,346
<b>Money Market Funds-0.54%</b>		
Invesco Government & Agency Portfolio-Institutional Class, 1.80% <sup>(d)</sup>	759,285	759,285
Invesco Liquid Assets Portfolio-Institutional Class, 2.02% <sup>(d)</sup>	542,191	542,353
Invesco Treasury Portfolio-Institutional Class, 1.76% <sup>(d)</sup>	867,754	867,754
Total Money Market Funds (Cost \$2,169,374)		2,169,392
TOTAL INVESTMENTS IN SECURITIES-99.44% (Cost \$348,633,956)		397,468,738
OTHER ASSETS LESS LIABILITIES-0.56%		2,236,938
NET ASSETS-100.00%		\$399,705,676

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

## Statement of Assets and Liabilities

June 30, 2018  
(Unaudited)

### Assets:

Investments in securities, at value (Cost \$346,473,815)	\$395,299,346
Investments in affiliated money market funds, at value (Cost \$2,169,374)	2,169,392
Foreign currencies, at value (Cost \$488,992)	499,962
Receivable for:	
Investments sold	1,604,514
Fund shares sold	51,227
Dividends	2,170,524
Investment for trustee deferred compensation and retirement plans	69,902
Other assets	1,679
<b>Total assets</b>	<b>401,866,546</b>

### Liabilities:

Payable for:	
Investments purchased	1,041,244
Fund shares reacquired	571,273
Accrued foreign taxes	71,144
Amount due custodian	35,825
Accrued fees to affiliates	307,397
Accrued trustees' and officers' fees and benefits	4,628
Accrued other operating expenses	50,298
Trustee deferred compensation and retirement plans	79,061
<b>Total liabilities</b>	<b>2,160,870</b>
<b>Net assets applicable to shares outstanding</b>	<b>\$399,705,676</b>

### Net assets consist of:

Shares of beneficial interest	\$335,579,708
Undistributed net investment income	9,521,451
Undistributed net realized gain	5,766,048
Net unrealized appreciation	48,838,469
	<b>\$399,705,676</b>

### Net Assets:

Series I	\$142,980,222
Series II	\$256,725,454

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

Series I	8,225,435
Series II	15,249,580
Series I:	
Net asset value per share	\$ 17.38
Series II:	
Net asset value per share	\$ 16.83

## Statement of Operations

For the six months ended June 30, 2018  
(Unaudited)

### Investment income:

Dividends (net of foreign withholding taxes of \$427,300)	\$ 8,336,406
Dividends from affiliated money market funds	24,834
<b>Total investment income</b>	<b>8,361,240</b>

### Expenses:

Advisory fees	1,483,604
Administrative services fees	346,265
Custodian fees	120,292
Distribution fees – Series II	308,762
Transfer agent fees	17,748
Trustees' and officers' fees and benefits	13,118
Reports to shareholders	5,036
Professional services fees	21,439
Other	6,451
<b>Total expenses</b>	<b>2,322,715</b>
Less: Fees waived	(1,485)
<b>Net expenses</b>	<b>2,321,230</b>
<b>Net investment income</b>	<b>6,040,010</b>

### Realized and unrealized gain (loss) from:

Net realized gain (loss) from:	
Investment securities (net of foreign taxes of \$18,862)	5,357,682
Foreign currencies	(158,203)
	<b>5,199,479</b>
Change in net unrealized appreciation (depreciation) of:	
Investment securities (net of foreign taxes of \$71,143)	(12,121,514)
Foreign currencies	(14,308)
	<b>(12,135,822)</b>
<b>Net realized and unrealized gain (loss)</b>	<b>(6,936,343)</b>
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$ (896,333)</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, 2018 and the year ended December 31, 2017  
(Unaudited)

	June 30, 2018	December 31, 2017
<b>Operations:</b>		
Net investment income	\$ 6,040,010	\$ 9,862,959
Net realized gain	5,199,479	7,559,135
Change in net unrealized appreciation (depreciation)	(12,135,822)	29,881,018
Net increase (decrease) in net assets resulting from operations	(896,333)	47,303,112
<b>Distributions to shareholders from net investment income:</b>		
Series I	-	(4,949,175)
Series II	-	(7,647,921)
Total distributions from net investment income	-	(12,597,096)
<b>Distributions to shareholders from net realized gains:</b>		
Series I	-	(2,511,786)
Series II	-	(4,167,052)
Total distributions from net realized gains	-	(6,678,838)
<b>Share transactions-net:</b>		
Series I	(15,205,175)	(502,416)
Series II	(2,505,340)	26,512,911
Net increase (decrease) in net assets resulting from share transactions	(17,710,515)	26,010,495
Net increase (decrease) in net assets	(18,606,848)	54,037,673
<b>Net assets:</b>		
Beginning of period	418,312,524	364,274,851
End of period (includes undistributed net investment income of \$9,521,451 and \$3,481,441, respectively)	\$399,705,676	\$418,312,524

## Notes to Financial Statements

June 30, 2018  
(Unaudited)

### NOTE 1—Significant Accounting Policies

Invesco V.I. Global Real Estate 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 objective is total return through growth of capital 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 economic conditions, interest rates, investor perceptions 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 the accrual basis from settlement date. 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.

The Fund recharacterizes distributions received from REIT investments based on information provided by the REIT into the following categories: ordinary income, long-term and short-term capital gains, and return of capital. If information is not available on a timely basis from the REIT, the recharacterization will be based on available information which may include the previous year's allocation. If new or additional information becomes available from the REIT at a later date, a recharacterization will be made in the following year. The Fund records as dividend income the amount recharacterized as ordinary income and as realized gain the amount recharacterized as capital gain in the Statement of Operations, and the amount recharacterized as return of capital as a reduction of the cost of the related investment. These recharacterizations are reflected in the accompanying financial statements.

**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 and net realized capital gain, if any, are generally declared and paid to separate accounts of participating insurance companies annually and recorded on the ex-dividend date.

**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. 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 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.

**J. 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.

**K. Other Risks** – The Fund's investments are concentrated in a comparatively narrow segment of the economy. Consequently, the Fund may tend to be more volatile than other mutual funds, and the value of the Fund's investments may tend to rise and fall more rapidly.

Because the Fund concentrates its assets in the real estate industry, an investment in the Fund will be closely linked to the performance of the real estate markets. Property values may fall due to increasing vacancies or declining rents resulting from economic, legal, cultural or technological developments.

## 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 \$250 million	0.75%
Next \$250 million	0.74%
Next \$500 million	0.73%
Next \$1.5 billion	0.72%
Next \$2.5 billion	0.71%
Next \$2.5 billion	0.70%
Next \$2.5 billion	0.69%
Over \$10 billion	0.68%

For the six months ended June 30, 2018, the effective advisory fees incurred by the Fund was 0.75%.

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. and separate sub-advisory agreements with Invesco Capital Management LLC, formerly Invesco PowerShares Capital Management LLC, and Invesco Asset Management (India) Private Limited (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, 2019, 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 2.00% and Series II shares to 2.25% of 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, 2019. 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, 2020, 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 in such affiliated money market funds.

For the six months ended June 30, 2018, the Adviser waived advisory fees of \$1,485.

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, 2018, Invesco was paid \$48,206 for accounting and fund administrative services and was reimbursed \$298,059 for fees paid to insurance companies.

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. For the six months ended June 30, 2018, 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, 2018, expenses incurred under the Plan are detailed in the Statement of Operations as *Distribution fees*.

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, 2018. 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.

The Fund's policy is to recognize transfers in and out of the valuation levels as of the end of the reporting period.

During the six months ended June 30, 2018, there were transfers from Level 1 to Level 2 of \$31,460,661 and from Level 2 to Level 1 of \$27,633,174, due to foreign fair value adjustments.

	Level 1	Level 2	Level 3	Total
<b>Investments in Securities</b>				
Australia	\$ 0	\$ 17,488,156	\$-	\$ 17,488,156
Brazil	1,789,896	-	-	1,789,896
Canada	7,954,097	-	-	7,954,097
Chile	402,075	-	-	402,075
China	1,704,678	19,253,364	-	20,958,042
France	10,500,631	1,627,279	-	12,127,910
Germany	16,813,264	5,473,501	-	22,286,765
Hong Kong	4,057,877	25,843,404	-	29,901,281
India	697,588	-	-	697,588
Indonesia	388,753	991,139	-	1,379,892
Ireland	1,293,442	-	-	1,293,442
Japan	32,704,572	9,244,495	-	41,949,067
Malaysia	484,933	1,038,019	-	1,522,952
Malta	-	-	0	0
Mexico	1,887,411	-	-	1,887,411
Netherlands	663,212	-	-	663,212
Philippines	2,986,516	-	-	2,986,516
Singapore	996,503	6,746,600	-	7,743,103
South Africa	2,496,457	965,590	-	3,462,047
Spain	939,807	2,985,278	-	3,925,085
Sweden	-	5,866,495	-	5,866,495
Switzerland	-	3,237,597	-	3,237,597
Thailand	2,157,370	279,460	-	2,436,830
Turkey	261,088	-	-	261,088
United Arab Emirates	514,339	-	-	514,339
United Kingdom	12,781,832	4,114,830	-	16,896,662
United States	185,667,798	-	-	185,667,798
Money Market Funds	2,169,392	-	-	2,169,392
<b>Total Investments</b>	<b>\$292,313,531</b>	<b>\$105,155,207</b>	<b>\$0</b>	<b>\$397,468,738</b>

#### **NOTE 4—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 5—Cash Balances**

The Fund is permitted to temporarily carry a negative or overdrawn balance in its account with State Street Bank and Trust Company, 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.

#### **NOTE 6—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. Capital losses generated in years beginning after December 22, 2010 can be carried forward for an unlimited period, whereas previous losses expire in eight tax years. Capital losses with an expiration period may not be used to offset capital gains until all net capital losses without an expiration date have been utilized. Capital loss carryforwards with no expiration date will retain their character as either short-term or long-term capital losses instead of as short-term capital losses as under prior law. 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, 2017.

#### **NOTE 7—Investment Transactions**

The aggregate amount of investment securities (other than short-term securities, U.S. Treasury obligations and money market funds, if any) purchased and sold by the Fund during the six months ended June 30, 2018 was \$128,778,148 and \$140,733,413, 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	\$42,911,306
Aggregate unrealized (depreciation) of investments	(8,831,812)
Net unrealized appreciation of investments	\$34,079,494

Cost of investments for tax purposes is \$363,389,244.

## NOTE 8—Share Information

	Summary of Share Activity			
	Six months ended June 30, 2018 <sup>(a)</sup>		Year ended December 31, 2017	
	Shares	Amount	Shares	Amount
<b>Sold:</b>				
Series I	981,060	\$ 16,686,474	1,590,286	\$ 26,867,883
Series II	1,448,005	23,922,327	2,922,326	48,002,807
<b>Issued as reinvestment of dividends:</b>				
Series I	-	-	441,738	7,460,961
Series II	-	-	720,865	11,814,973
<b>Reacquired:</b>				
Series I	(1,857,176)	(31,891,649)	(2,054,075)	(34,831,260)
Series II	(1,626,730)	(26,427,667)	(2,037,490)	(33,304,869)
Net increase (decrease) in share activity	(1,054,841)	\$(17,710,515)	1,583,650	\$ 26,010,495

<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 58% 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.

## NOTE 9—Financial Highlights

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 06/30/18	\$17.38	\$0.27	\$(0.27)	\$ -	\$ -	\$ -	\$ -	\$17.38	(0.06)%	\$142,980	1.01% <sup>(d)</sup>	1.01% <sup>(d)</sup>	3.20% <sup>(d)</sup>	32%
Year ended 12/31/17	16.15	0.45 <sup>(e)</sup>	1.62	2.07	(0.56)	(0.28)	(0.84)	17.38	12.98	158,229	1.02	1.02	2.63 <sup>(e)</sup>	50
Year ended 12/31/16	16.36	0.30	0.08	0.38	(0.27)	(0.32)	(0.59)	16.15	2.04	147,382	1.05	1.05	1.81	66
Year ended 12/31/15	17.24	0.31	(0.59)	(0.28)	(0.60)	-	(0.60)	16.36	(1.48)	208,796	1.11	1.11	1.79	72
Year ended 12/31/14	15.29	0.33	1.89	2.22	(0.27)	-	(0.27)	17.24	14.62	209,829	1.10	1.10	1.99	44
Year ended 12/31/13	15.47	0.22	0.21	0.43	(0.61)	-	(0.61)	15.29	2.71	189,835	1.10	1.10	1.41	49
<b>Series II</b>														
Six months ended 06/30/18	16.86	0.24	(0.27)	(0.03)	-	-	-	16.83	(0.12)	256,725	1.26 <sup>(d)</sup>	1.26 <sup>(d)</sup>	2.95 <sup>(d)</sup>	32
Year ended 12/31/17	15.69	0.39 <sup>(e)</sup>	1.58	1.97	(0.52)	(0.28)	(0.80)	16.86	12.73	260,083	1.27	1.27	2.38 <sup>(e)</sup>	50
Year ended 12/31/16	15.91	0.25	0.08	0.33	(0.23)	(0.32)	(0.55)	15.69	1.82	216,893	1.30	1.30	1.56	66
Year ended 12/31/15	16.79	0.26	(0.58)	(0.32)	(0.56)	-	(0.56)	15.91	(1.74)	208,000	1.36	1.36	1.54	72
Year ended 12/31/14	14.90	0.28	1.84	2.12	(0.23)	-	(0.23)	16.79	14.34	200,299	1.35	1.35	1.74	44
Year ended 12/31/13	15.11	0.18	0.20	0.38	(0.59)	-	(0.59)	14.90	2.44	170,145	1.35	1.35	1.16	49

<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.

<sup>(d)</sup> Ratios are annualized and based on average daily net assets (000's omitted) of \$151,862 and \$249,057 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 period. Net investment income per share and the ratio of net investment income to average net assets excluding the significant dividends are \$0.38 and 2.18%, \$0.32 and 1.93% for Series I and Series II shares, respectively.



# 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, 2018 through June 30, 2018.

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.

Class	Beginning Account Value (01/01/18)	ACTUAL		HYPOTHETICAL (5% annual return before expenses)		Annualized Expense Ratio
		Ending Account Value (06/30/18) <sup>1</sup>	Expenses Paid During Period <sup>2</sup>	Ending Account Value (06/30/18)	Expenses Paid During Period <sup>2</sup>	
Series I	\$1,000.00	\$999.40	\$5.01	\$1,019.79	\$5.06	1.01%
Series II	1,000.00	998.80	6.24	1,018.55	6.31	1.26

<sup>1</sup> The actual ending account value is based on the actual total return of the Fund for the period January 1, 2018 through June 30, 2018, 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 5-6, 2018, 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. Global Real Estate 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., 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, 2018. 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 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's Investments Committee has established three Sub-Committees, which meet throughout the year to review the performance of funds advised by Invesco Advisers (the Invesco Funds). Over the course of each year, the Sub-Committees meet 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 took into account evaluations and reports that it received from the Investments Committee and Sub-Committees, as well as the information provided to such committees and the Board 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 data regarding the Invesco Funds prepared by Invesco Advisers and Broadridge Financial Solutions, Inc. (Broadridge), an independent mutual fund data provider. 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, the independent Trustees also discuss 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, 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. This information is current as of June 6, 2018.

## 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 oversight and structure, credit analysis and investment risk management. 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 also reviewed and considered the benefits to shareholders of investing in a fund that is part of the Invesco family of funds under the umbrella of Invesco Ltd., Invesco Advisers' parent company, and noted Invesco Ltd.'s depth and experience in conducting 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 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 as well as the sub-advisory contracts for the Fund, as Invesco Asset Management Limited currently manages assets of the Fund.

The Board compared the Fund's investment performance over multiple time periods ending December 31, 2017 to the performance of funds in the Broadridge performance universe and against the Lipper Variable Underlying Funds Real Estate Funds Classification Average Index. The Board noted that performance of Series I shares of the Fund was in the first 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, and reasonably comparable to the performance of the Index for the three and five year periods. The Trustees also reviewed more recent Fund performance and this review did not change their 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 does not provide information on a fund by fund basis as to what is included. The Board also reviewed the methodology used by Broadridge in providing 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 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 the Affiliated Sub-Advisers to other similarly managed client accounts. The Board noted that Invesco Advisers or the Affiliated Sub-Advisers may charge lower fees to large institutional clients. Invesco Advisers reviewed with the Board differences in the scope of services it provides to the Invesco Funds relative to certain other types of client accounts, including 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, preparation of annual registration statement updates and financial information and compliance with federal and state laws and regulations.

The Board also compared the Fund’s effective advisory fee rate (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, 2017.

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. The Board noted that Invesco Advisers retains overall responsibility for, and provides services to, sub-advised Invesco Funds, including oversight of the Affiliated Sub-Advisers as well as the additional services described herein other than day-to-day portfolio management.

#### *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. The Board also

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 noted that the Fund shares directly in economies of scale through lower fees charged by third party service providers based on the combined size of the Invesco Funds. The Board noted that the Fund may also benefit from economies of scale through initial fee setting, fee waivers and expense reimbursements.

#### *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. The Board considered the methodology used for calculating profitability and noted the periodic review of such methodology by an independent consultant. 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 and the Fund. The Board did not deem the level of profits realized by Invesco Advisers and its affiliates from providing services to the Fund to be excessive given the nature, extent and quality of the services provided. The Board received information from Invesco Advisers demonstrating that Invesco Advisers and the Affiliated Sub-Advisers are financially sound and have the resources necessary to perform their obligations under the investment advisory agreement and 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 considered comparative information regarding fees charged for these services, including information provided by Broadridge and other independent sources. The Board considered the performance of Invesco Advisers and its affiliates in providing these services and the organizational structure employed to provide these services. The Board also considered that these services are provided to the Fund pursuant to written contracts that are reviewed and approved on an annual basis by the Board; and 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 periodic reports from Invesco representing 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 money market funds advised by Invesco Advisers pursuant to procedures approved by the Board. The Board noted that Invesco Advisers receives advisory fees from these affiliated money market funds attributable to such investments, although Invesco Advisers has contractually agreed to waive through varying periods the advisory fees payable by the Invesco Funds with respect to certain investments in the affiliated money market funds. The waiver is in 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 amount of advisory fees received by Invesco Advisers from the Fund’s investment of cash collateral from any securities lending arrangements in the affiliated money market funds is fair and reasonable.

The Board also considered that an affiliated broker may receive commissions for executing certain trades for the Fund. Invesco Advisers and the Affiliated Sub-Advisers may use the affiliated broker to, among other things, control order routing and minimize information leakage, and the Board was advised that such trades are executed in compliance with rules under the federal securities laws and consistent with best execution obligations.