Invesco

Semiannual Report to Shareholders **June 30, 2022**

Invesco V.I. Balanced-Risk Allocation Fund

The Fund provides a complete list of its portfolio holdings four times each 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. 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. The information is also available on the SEC website, 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. The information is also available on the SEC website, 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, 12/31/21 to 6/30/22, excluding variable product issuer charges. If variable product issuer charges were included, returns would be lower.

Series I Shares	-10.78%
Series II Shares	-10.90
MSCI World Index▼ (Broad Market Index)	-20.51
Custom Invesco V.I. Balanced-Risk Allocation Index■ (Style-Specific Index)	-16.34
Lipper VUF Absolute Return Funds Classification Average◆ (Peer Group)	-1.30

Source(s): ▼RIMES Technologies Corp.; ■Invesco, RIMES Technologies Corp.; ◆Lipper Inc.

The **MSCI World Index℠** 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 V.I. Balanced-Risk Allocation Index** is composed of the MSCI World Index and Bloomberg U.S. Aggregate Bond Index. Prior to May 2, 2011, the index comprised the MSCI World Index, JP Morgan GBI Global Index and FTSE US 3-Month Treasury Bill Index. The Bloomberg U.S. Aggregate Bond Index is considered representative of the US investment-grade, fixed-rate bond market. The FTSE US 3-Month Treasury Bill Index is considered representative of three-month US Treasury bills. The JP Morgan GBI Global Index tracks the performance of fixed-rate issuances from high-income developed market countries.

The **Lipper VUF Absolute Return Funds Classification Average** represents an average of all variable insurance underlying funds in the Lipper Absolute Return Funds Classification.

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 6/30/22

Series I Shares	
Inception (1/23/09)	7.22%
10 Years	4.51
5 Years	4.59
1 Year	-9.04
Series II Shares	
Inception (1/23/09)	6.94%
10 Years	4.25
5 Years	4.33
1 Year	-9.26

The returns shown above include the returns of Invesco Van Kampen V.I. Global Tactical Asset Allocation Fund (the first predecessor fund) for the period June 1, 2010, to May 2, 2011, the date the first predecessor fund was reorganized into the Fund, and the returns of Van Kampen Life Investment Trust Global Tactical Asset Allocation Portfolio (the second predecessor fund) for the period prior to June 1, 2010, the date the second predecessor fund was reorganized into the first predecessor fund. The second predecessor fund was advised by Van Kampen Asset Management. Returns shown above for Series I and Series II shares are blended returns of the predecessor funds and Invesco V.I. Balanced-Risk Allocation Fund. Share class returns will differ from the predecessor funds 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. Balanced-Risk Allocation 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.

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 21-23, 2022, 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, 2021 through December 31, 2021 (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.

Consolidated Schedule of Investments

June 30, 2022
(Unaudited)

	Interest Rate	Maturity Date	Principal Amount (000)	Value
U.S. Treasury Securities–11.60%[a]				
U.S. Treasury Bills–11.60%				
U.S. Treasury Bills	0.84%	09/15/2022	$ 42,000	$ 41,860,350
U.S. Treasury Bills	1.74%	12/08/2022	10,320	10,216,674
U.S. Treasury Bills	2.31%	12/15/2022	40,500	40,076,811
U.S. Treasury Bills	1.48%	01/05/2023	10,300	10,214,832
Total U.S. Treasury Securities (Cost $102,475,642)				102,368,667
		Expiration Date		
Commodity-Linked Securities–3.93%				
Canadian Imperial Bank of Commerce EMTN, U.S. Federal Funds Effective Rate minus 0.02% (linked to the Canadian Imperial Bank of Commerce Custom 7 Agriculture Commodity Index, multiplied by 2) (Canada)[b][c]		11/30/2022	10,670	15,744,365
Cargill, Inc., Commodity-Linked Notes, 1 mo. SOFR minus 0.10% (linked to the Monthly Rebalance Commodity Excess Return Index, multiplied by 2)[b][c]		07/05/2023	23,580	18,912,901
Total Commodity-Linked Securities (Cost $34,250,000)				34,657,266
			Shares	
Money Market Funds–76.20%[d]				
Invesco Government & Agency Portfolio, Institutional Class, 1.38%[e]			173,013,108	173,013,108
Invesco Government Money Market Fund, Cash Reserve Shares, 0.90%[e]			30,163,298	30,163,298
Invesco Premier U.S. Government Money Portfolio, Institutional Class, 1.21%[e]			122,348,756	122,348,756
Invesco STIC (Global Series) PLC, U.S. Dollar Liquidity Portfolio (Ireland), Institutional Class, 1.43%[e]			49,567,342	49,567,342
Invesco Treasury Obligations Portfolio, Institutional Class, 1.07%[e]			171,324,067	171,324,067
Invesco Treasury Portfolio, Institutional Class, 1.35%[e]			109,108,259	109,108,259
Invesco V.I. Government Money Market Fund, Series I, 1.08%[e]			16,640,310	16,640,310
Total Money Market Funds (Cost $672,165,140)				672,165,140
Options Purchased–2.03%				
(Cost $13,427,957)[f]				17,882,586
TOTAL INVESTMENTS IN SECURITIES–93.76% (Cost $822,318,739)				827,073,659
OTHER ASSETS LESS LIABILITIES–6.24%				55,004,744
NET ASSETS–100.00%				$882,078,403

Investment Abbreviations:

EMTN – European Medium-Term Notes
SOFR – Secured Overnight Financing Rate

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

Notes to Consolidated Schedule of Investments:

(a) Security traded on a discount basis. The interest rate shown represents the discount rate at the time of purchase by the Fund.

(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, 2022 was $34,657,266, which represented 3.93% of the Fund's Net Assets.

(c) The Reference Entity Components table below includes additional information regarding the underlying components of certain reference entities that are not publicly available.

(d) The rate shown is the 7-day SEC standardized yield as of June 30, 2022.

(e) 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, 2022.

	Value December 31, 2021	Purchases at Cost	Proceeds from Sales	Change in Unrealized Appreciation	Realized Gain	Value June 30, 2022	Dividend Income
Investments in Affiliated Money Market Funds:							
Invesco Government & Agency Portfolio, Institutional Class	$221,762,138	$210,427,383	$(259,176,413)	$-	$-	$173,013,108	$ 355,149
Invesco Government Money Market Fund, Cash Reserve Shares	31,293,325	44,117,511	(45,247,538)	-	-	30,163,298	35,659
Invesco Premier U.S. Government Money Portfolio, Institutional Class	99,254,510	34,120,673	(11,026,427)	-	-	122,348,756	159,927
Invesco STIC (Global Series) PLC, U.S. Dollar Liquidity Portfolio, Institutional Class	49,355,914	331,368,393	(331,156,965)	-	-	49,567,342	64,699
Invesco Treasury Obligations Portfolio, Institutional Class	171,324,067	-	-	-	-	171,324,067	222,954
Invesco Treasury Portfolio, Institutional Class	160,648,618	195,890,693	(247,431,052)	-	-	109,108,259	163,926
Invesco V.I. Government Money Market Fund, Series I	16,640,310	-	-	-	-	16,640,310	21,158
Total	$750,278,882	$815,924,653	$(894,038,395)	$-	$-	$672,165,140	$1,023,472

(f) The table below details options purchased.

Open Exchange-Traded Index Options Purchased

Description	Type of Contract	Expiration Date	Number of Contracts	Exercise Price	Notional Value[a]	Value
Equity Risk						
EURO STOXX 50 Index	Put	09/16/2022	60	EUR 3,850.00	EUR 2,310,000	$ 270,183
EURO STOXX 50 Index	Put	12/16/2022	60	EUR 3,800.00	EUR 2,280,000	277,916
EURO STOXX 50 Index	Put	12/16/2022	58	EUR 4,050.00	EUR 2,349,000	390,762
EURO STOXX 50 Index	Put	12/16/2022	60	EUR 3,900.00	EUR 2,340,000	325,011
EURO STOXX 50 Index	Put	05/19/2023	55	EUR 3,500.00	EUR 1,925,000	207,782
EURO STOXX 50 Index	Put	06/16/2023	60	EUR 3,600.00	EUR 2,160,000	268,673
EURO STOXX 50 Index	Put	09/16/2022	60	EUR 3,900.00	EUR 2,340,000	297,848
EURO STOXX 50 Index	Put	09/16/2022	60	EUR 4,000.00	EUR 2,400,000	356,198
EURO STOXX 50 Index	Put	03/17/2023	55	EUR 4,150.00	EUR 2,282,500	433,547
EURO STOXX 50 Index	Put	01/20/2023	60	EUR 4,000.00	EUR 2,400,000	382,669
EURO STOXX 50 Index	Put	02/17/2023	60	EUR 3,600.00	EUR 2,160,000	218,812
EURO STOXX 50 Index	Put	04/21/2023	60	EUR 3,700.00	EUR 2,220,000	271,566
FTSE 100 Index	Put	07/15/2022	26	GBP 6,400.00	GBP 1,664,000	3,323
FTSE 100 Index	Put	05/19/2023	26	GBP 7,225.00	GBP 1,878,500	178,347
FTSE 100 Index	Put	06/16/2023	26	GBP 7,375.00	GBP 1,917,500	209,838
FTSE 100 Index	Put	08/19/2022	26	GBP 6,625.00	GBP 1,722,500	29,276
FTSE 100 Index	Put	09/16/2022	26	GBP 6,750.00	GBP 1,755,000	51,589
FTSE 100 Index	Put	10/21/2022	26	GBP 6,650.00	GBP 1,729,000	58,552
FTSE 100 Index	Put	11/18/2022	26	GBP 6,900.00	GBP 1,794,000	91,943
FTSE 100 Index	Put	12/16/2022	26	GBP 6,800.00	GBP 1,768,000	91,310
FTSE 100 Index	Put	01/20/2023	26	GBP 7,350.00	GBP 1,911,000	169,168
FTSE 100 Index	Put	02/17/2023	26	GBP 7,175.00	GBP 1,865,500	152,710
FTSE 100 Index	Put	03/17/2023	26	GBP 7,025.00	GBP 1,826,500	141,949
FTSE 100 Index	Put	04/21/2023	26	GBP 7,250.00	GBP 1,885,000	177,714
MSCI Emerging Markets Index	Put	07/15/2022	33	USD 1,310.00	USD 4,323,000	1,004,190

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

Open Exchange-Traded Index Options Purchased—(continued)

Description	Type of Contract	Expiration Date	Number of Contracts	Exercise Price	Notional Value[(a)]	Value
MSCI Emerging Markets Index	Put	04/21/2023	34	USD 1,110.00	USD 3,774,000	$ 481,780
MSCI Emerging Markets Index	Put	05/19/2023	33	USD 1,030.00	USD 3,399,000	338,910
MSCI Emerging Markets Index	Put	06/16/2023	33	USD 1,030.00	USD 3,399,000	353,100
MSCI Emerging Markets Index	Put	08/19/2022	33	USD 1,220.00	USD 4,026,000	711,150
MSCI Emerging Markets Index	Put	09/16/2022	33	USD 1,250.00	USD 4,125,000	809,490
MSCI Emerging Markets Index	Put	10/21/2022	33	USD 1,180.00	USD 3,894,000	589,710
MSCI Emerging Markets Index	Put	11/18/2022	33	USD 1,210.00	USD 3,993,000	685,410
MSCI Emerging Markets Index	Put	12/16/2022	33	USD 1,170.00	USD 3,861,000	567,600
MSCI Emerging Markets Index	Put	01/20/2023	34	USD 1,180.00	USD 4,012,000	618,120
MSCI Emerging Markets Index	Put	02/17/2023	34	USD 1,170.00	USD 3,978,000	594,320
MSCI Emerging Markets Index	Put	03/17/2023	32	USD 1,130.00	USD 3,616,000	474,560
Nikkei 225 Index	Put	09/09/2022	16	JPY 27,500.00	JPY 440,000,000	189,859
Nikkei 225 Index	Put	06/09/2023	16	JPY 25,500.00	JPY 408,000,000	232,901
Nikkei 225 Index	Put	06/09/2023	16	JPY 26,000.00	JPY 416,000,000	258,844
Nikkei 225 Index	Put	09/09/2022	16	JPY 26,500.00	JPY 424,000,000	125,590
Nikkei 225 Index	Put	09/09/2022	16	JPY 27,250.00	JPY 436,000,000	171,580
Nikkei 225 Index	Put	12/09/2022	16	JPY 27,250.00	JPY 436,000,000	240,566
Nikkei 225 Index	Put	12/09/2022	16	JPY 26,750.00	JPY 428,000,000	209,906
Nikkei 225 Index	Put	12/09/2022	16	JPY 28,250.00	JPY 452,000,000	317,217
Nikkei 225 Index	Put	03/10/2023	17	JPY 28,500.00	JPY 484,500,000	402,823
Nikkei 225 Index	Put	03/10/2023	16	JPY 25,500.00	JPY 408,000,000	189,859
Nikkei 225 Index	Put	03/10/2023	16	JPY 25,750.00	JPY 412,000,000	201,651
Nikkei 225 Index	Put	06/09/2023	17	JPY 27,250.00	JPY 463,250,000	356,464
S&P 500 Index	Put	07/15/2022	4	USD 4,150.00	USD 1,660,000	146,180
S&P 500 Index	Put	05/19/2023	4	USD 4,075.00	USD 1,630,000	180,240
S&P 500 Index	Put	06/16/2023	4	USD 4,050.00	USD 1,620,000	178,380
S&P 500 Index	Put	08/19/2022	4	USD 4,250.00	USD 1,700,000	188,160
S&P 500 Index	Put	09/16/2022	4	USD 4,375.00	USD 1,750,000	237,060
S&P 500 Index	Put	10/21/2022	4	USD 4,175.00	USD 1,670,000	172,060
S&P 500 Index	Put	11/18/2022	4	USD 4,450.00	USD 1,780,000	267,080
S&P 500 Index	Put	12/16/2022	4	USD 4,475.00	USD 1,790,000	276,540
S&P 500 Index	Put	01/20/2023	4	USD 4,650.00	USD 1,860,000	337,020
S&P 500 Index	Put	02/17/2023	4	USD 4,375.00	USD 1,750,000	245,580
S&P 500 Index	Put	03/17/2023	4	USD 4,225.00	USD 1,690,000	207,220
S&P 500 Index	Put	04/21/2023	4	USD 4,425.00	USD 1,770,000	264,780
Total Index Options Purchased						$17,882,586

[(a)] Notional Value is calculated by multiplying the Number of Contracts by the Exercise Price by the multiplier.

Open Futures Contracts[(a)]

Long Futures Contracts	Number of Contracts	Expiration Month	Notional Value	Value	Unrealized Appreciation (Depreciation)
Commodity Risk					
Brent Crude	228	August-2022	$ 24,074,520	$ 979,238	$ 979,238
Gasoline Reformulated Blendstock Oxygenate Blending	160	July-2022	23,763,936	(1,208,240)	(1,208,240)
Natural Gas	182	November-2022	10,297,560	(4,032,789)	(4,032,789)
New York Harbor Ultra-Low Sulfur Diesel	131	November-2022	19,527,148	(1,080,928)	(1,080,928)
Silver	129	September-2022	13,127,040	(905,358)	(905,358)
WTI Crude	230	August-2022	23,713,000	1,104,185	1,104,185
Subtotal				(5,143,892)	(5,143,892)

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

Open Futures Contracts[a]—(continued)

Long Futures Contracts	Number of Contracts	Expiration Month	Notional Value	Value	Unrealized Appreciation (Depreciation)
Equity Risk					
E-Mini Russell 2000 Index	718	September-2022	$ 61,317,200	$ (4,339,835)	$ (4,339,835)
E-Mini S&P 500 Index	23	September-2022	4,357,925	(262,074)	(262,074)
EURO STOXX 50 Index	565	September-2022	20,373,877	(539,884)	(539,884)
FTSE 100 Index	439	September-2022	38,054,255	(306,694)	(306,694)
MSCI Emerging Markets Index	475	September-2022	23,814,125	(18,777)	(18,777)
Nikkei 225 Index	242	September-2022	47,051,592	(2,581,673)	(2,581,673)
Subtotal				(8,048,937)	(8,048,937)
Interest Rate Risk					
Australia 10 Year Bond	2,185	September-2022	179,316,974	(452,162)	(452,162)
Canada 10 Year Bonds	1,298	September-2022	125,030,314	(3,834,740)	(3,834,740)
Euro-Bund	734	September-2022	114,440,876	(1,254,140)	(1,254,140)
Japan 10 Year Bonds	74	September-2022	81,052,034	(419,761)	(419,761)
Long Gilt	566	September-2022	78,531,303	(1,332,316)	(1,332,316)
U.S. Treasury Long Bonds	695	September-2022	96,344,375	(1,663,082)	(1,663,082)
Subtotal				(8,956,201)	(8,956,201)
Total Futures Contracts				$(22,149,030)	$(22,149,030)

[a] Futures contracts collateralized by $45,944,500 cash held with Goldman Sachs & Co., the futures commission merchant.

Open Over-The-Counter Total Return Swap Agreements[a][b]

Counterparty	Pay/ Receive	Reference Entity[c]	Fixed Rate	Payment Frequency	Number of Contracts	Maturity Date	Notional Value	Upfront Payments Paid (Received)	Value	Unrealized Appreciation (Depreciation)
Commodity Risk										
Merrill Lynch International	Receive	Merrill Lynch Gold Excess Return Index	0.14%	Monthly	78,200	February–2023	USD 16,220,440	$–	$ 0	$ 0
Commodity Risk										
Canadian Imperial Bank of Commerce	Receive	Canadian Imperial Bank of Commerce Dynamic Roll LME Copper Excess Return Index 2	0.30	Monthly	134,000	February–2023	USD 15,203,921	–	(1,716,299)	(1,716,299)
Cargill, Inc.	Receive	Monthly Rebalance Commodity Excess Return Index	0.47	Monthly	18,850	February–2023	USD 24,339,218	–	(1,918,217)	(1,918,217)
Cargill, Inc.	Receive	Single Commodity Index Excess Return	0.12	Monthly	1,480	December–2022	USD 1,714,368	–	(33,848)	(33,848)
Goldman Sachs International	Receive	Goldman Sachs Commodity i-Select Strategy 1121	0.40	Monthly	12,800	December–2022	USD 1,671,868	–	(146,574)	(146,574)
J.P. Morgan Chase Bank, N.A.	Receive	J.P. Morgan Contag Beta Gas Oil Excess Return Index	0.25	Monthly	43,100	March–2023	USD 20,586,857	–	(1,482,774)	(1,482,774)
J.P. Morgan Chase Bank, N.A.	Receive	S&P GSCI Gold Index Excess Return	0.09	Monthly	98,000	March–2023	USD 13,193,642	–	(223,205)	(223,205)
Merrill Lynch International	Receive	MLCX Natural Gas Annual Excess Return Index	0.25	Monthly	78,500	June–2023	USD 10,498,143	–	(1,321,791)	(1,321,791)
Subtotal – Depreciation								–	(6,842,708)	(6,842,708)
Total – Total Return Swap Agreements								$–	$(6,842,708)	$(6,842,708)

[a] Open Over-The-Counter Total Return Swap Agreements are collateralized by cash held with the swap Counterparties in the amount of $4,820,000.
[b] The Fund receives or pays payments based on any positive or negative return on the Reference Entity, respectively.
[c] The Reference Entity Components table below includes additional information regarding the underlying components of certain reference entities that are not publicly available.

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

Open Over-The-Counter Total Return Swap Agreements[(a)(b)]

Counterparty	Pay/ Receive	Reference Entity	Floating Rate Index	Payment Frequency	Number of Contracts	Maturity Date	Notional Value	Upfront Payments Paid (Received)	Value	Unrealized Appreciation (Depreciation)
Equity Risk										
BNP Paribas S.A.	Receive	Invesco US Large Cap Broad Quality Total Return Index	SOFR + 0.280%	Monthly	1,205	November–2022	USD 9,669,161	$ –	$ 343,798	$ 343,798
BNP Paribas S.A.	Receive	MSCI Japan Minimum Volatility Index	TONAR - 0.170%	Monthly	202,373	September–2022	JPY 526,066,589	–	16,571	16,571
BNP Paribas S.A.	Receive	MSCI USA Minimum Volatility Index	SOFR - 0.250%	Monthly	2,279	September–2022	USD 10,337,179	–	535,839	535,839
Citibank, N.A.	Receive	MSCI Japan Minimum Volatility Index	TONAR - 0.440%	Monthly	857,948	July–2022	JPY 2,230,227,246	–	70,252	70,252
Goldman Sachs International	Receive	MSCI Japan Minimum Volatility Index	TONAR - 0.430%	Monthly	494,679	July–2022	JPY 1,285,913,113	–	40,506	40,506
Goldman Sachs International	Receive	MSCI Japan Minimum Volatility Index	TONAR - 0.450%	Monthly	35,000	July–2022	JPY 90,982,150	–	2,866	2,866
J.P. Morgan Chase Bank, N.A.	Receive	Invesco UK Broad Low Volatility Net Total Return Index	SONIA + 0.190%	Monthly	1,085	November–2022	GBP 4,987,517	–	67,153	67,153
J.P. Morgan Chase Bank, N.A.	Receive	Invesco US Large Cap Broad Price Momentum Index	SOFR + 0.280%	Monthly	1,394	November–2022	USD 9,157,312	–	362,521	362,521
Merrill Lynch International	Receive	Invesco UK Broad Low Volatility Net Total Return Index	SONIA + 0.190%	Monthly	1,080	November–2022	GBP 4,964,533	–	66,843	66,843
Merrill Lynch International	Receive	Invesco UK Broad Low Volatility Net Total Return Index	SONIA + 0.190%	Monthly	320	November–2022	GBP 1,470,973	–	19,805	19,805
Subtotal – Appreciation								–	1,526,154	1,526,154

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

Open Over-The-Counter Total Return Swap Agreements[(a)(b)]–(continued)

Counterparty	Pay/ Receive	Reference Entity	Floating Rate Index	Payment Frequency	Number of Contracts	Maturity Date	Notional Value	Upfront Payments Paid (Received)	Value	Unrealized Appreciation (Depreciation)
Equity Risk										
BNP Paribas S.A.	Receive	MSCI EMU Minimum Volatility Index	1 Month EURIBOR - 0.720%	Monthly	4,500	September–2022	EUR 12,909,825	$2,346	$ (116,480)	$ (118,826)
BNP Paribas S.A.	Receive	MSCI EMU Momentum Index	1 Month EURIBOR - 0.360%	Monthly	2,850	December–2022	EUR 14,211,870	–	(1,127,885)	(1,127,885)
BNP Paribas S.A.	Receive	MSCI Japan Quality Index	TONAR - 0.140%	Monthly	188,572	September–2022	JPY 495,401,272	–	(106,530)	(106,530)
Goldman Sachs International	Receive	Invesco Emerging Markets + Korea Large Cap Broad Price Momentum Index	SOFR + 0.760%	Monthly	800	November–2022	USD 5,305,352	–	(184,137)	(184,137)
Goldman Sachs International	Receive	Invesco Emerging Markets + Korea Large Cap Broad Price Momentum Index	SOFR + 0.760%	Monthly	990	November–2022	USD 6,565,373	–	(227,869)	(227,869)
Goldman Sachs International	Receive	MSCI Emerging Markets Minimum Volatility Daily Net Total Return Index	SOFR + 0.070%	Monthly	5,805	December–2022	USD 11,030,371	–	(385,046)	(385,046)
Goldman Sachs International	Receive	MSCI Japan Quality Index	TONAR - 0.280%	Monthly	494,891	July–2022	JPY 1,300,138,043	–	(279,580)	(279,580)
Goldman Sachs International	Receive	MSCI Japan Quality Index	TONAR - 0.280%	Monthly	45,000	July–2022	JPY 118,220,400	–	(25,422)	(25,422)
Goldman Sachs International	Receive	MSCI Japan Quality Index	TONAR - 0.310%	Monthly	801,537	July–2022	JPY 2,105,733,883	–	(452,814)	(452,814)
J.P. Morgan Chase Bank, N.A.	Receive	Invesco Emerging Markets + Korea Large Cap Broad Price Momentum Index	SOFR + 0.550%	Monthly	3,160	November–2022	USD 20,956,140	–	(727,341)	(727,341)
J.P. Morgan Chase Bank, N.A.	Receive	Invesco UK Broad Price Momentum Net Total Return Index	SONIA + 0.190%	Monthly	810	November–2022	GBP 4,502,612	–	(34,774)	(34,774)
J.P. Morgan Chase Bank, N.A.	Receive	Invesco UK Broad Price Momentum Net Total Return Index	SONIA + 0.190%	Monthly	813	November–2022	GBP 4,519,288	–	(34,903)	(34,903)
J.P. Morgan Chase Bank, N.A.	Receive	Invesco UK Broad Price Momentum Net Total Return Index	SONIA + 0.230%	Monthly	460	November–2022	GBP 2,557,039	–	(19,748)	(19,748)

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

Open Over-The-Counter Total Return Swap Agreements[(a)(b)]–(continued)

Counterparty	Pay/ Receive	Reference Entity	Floating Rate Index	Payment Frequency	Number of Contracts	Maturity Date		Notional Value	Upfront Payments Paid (Received)	Value	Unrealized Appreciation (Depreciation)
J.P. Morgan Chase Bank, N.A.	Receive	Invesco UK Broad Quality Net Total Return Index	SONIA + 0.230%	Monthly	410	November–2022	GBP	2,524,690	$ –	$ (17,896)	$ (17,896)
J.P. Morgan Chase Bank, N.A.	Receive	Invesco UK Broad Quality Net Total Return Index	SONIA + 0.230%	Monthly	730	November–2022	GBP	4,495,179	–	(31,863)	(31,863)
J.P. Morgan Chase Bank, N.A.	Receive	MSCI Emerging Markets Minimum Volatility Daily Net Total Return Index	SOFR + 0.920%	Monthly	469	July–2022	USD	860,643	–	(582)	(582)
J.P. Morgan Chase Bank, N.A.	Receive	MSCI Emerging Markets Minimum Volatility Daily Net Total Return Index	SOFR + 0.920%	Monthly	4,426	September–2022	USD	8,121,976	–	(5,488)	(5,488)
Merrill Lynch International	Receive	Invesco UK Broad Quality Net Total Return Index	SONIA + 0.190%	Monthly	730	November–2022	GBP	4,495,179	–	(31,863)	(31,863)
Merrill Lynch International	Receive	MSCI Emerging Markets Minimum Volatility Daily Net Total Return Index	SOFR + 0.880%	Monthly	3,200	July–2022	USD	5,872,192	–	(3,968)	(3,968)
Merrill Lynch International	Receive	MSCI Emerging Markets Minimum Volatility Daily Net Total Return Index	SOFR + 0.950%	Monthly	3,200	September–2022	USD	5,872,192	–	(3,968)	(3,968)
Merrill Lynch International	Receive	MSCI EMU Quality Index	1 Month EURIBOR - 0.950%	Monthly	3,700	July–2022	EUR	12,508,886	4,429	(45,475)	(49,904)
Subtotal – Depreciation									6,775	(3,863,632)	(3,870,407)
Total – Total Return Swap Agreements									$6,775	$(2,337,478)	$(2,344,253)

(a) Open Over-The-Counter Total Return Swap Agreements are collateralized by cash held with the swap Counterparties in the amount of $4,820,000.
(b) The Fund receives or pays payments based on any positive or negative return on the Reference Entity, respectively.

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

Reference Entity Components

Reference Entity	Underlying Components	Percentage
Canadian Imperial Bank of Commerce Custom 7 Agriculture Commodity Index		
	Long Futures Contracts	
	Coffee 'C'	5.48%
	Corn	5.99
	Cotton No. 2	20.30
	Lean Hogs	0.55
	Live Cattle	0.73
	Soybean Meal	21.32
	Soybean Oil	12.84
	Soybeans	19.84
	Sugar No. 11	5.83
	Wheat	7.12
	Total	100.00%
Monthly Rebalance Commodity Excess Return Index		
	Long Futures Contracts	
	Coffee 'C'	5.48%
	Corn	5.99
	Cotton No. 2	20.30
	Lean Hogs	0.55
	Live Cattle	0.73
	Soybean Meal	21.32
	Soybean Oil	12.84
	Soybeans	19.84
	Sugar No. 11	5.83
	Wheat	7.12
	Total	100.00%
Merrill Lynch Gold Excess Return Index		
	Long Futures Contracts	
	Gold	100.00%
Canadian Imperial Bank of Commerce Dynamic Roll LME Copper Excess Return Index 2		
	Long Futures Contracts	
	Copper	100.00%
Single Commodity Index Excess Return		
	Long Futures Contracts	
	Gold	100.00%

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

Reference Entity Components—(continued)

Reference Entity	Underlying Components	Percentage
Goldman Sachs Commodity i-Select Strategy 1121		
	Long Futures Contracts	
	Coffee 'C'	5.48%
	Corn	5.99
	Cotton No. 2	20.30
	Lean Hogs	0.55
	Live Cattle	0.73
	Soybean Meal	21.32
	Soybean Oil	12.84
	Soybeans	19.84
	Sugar No. 11	5.83
	Wheat	7.12
	Total	100.00%
J.P. Morgan Contag Beta Gas Oil Excess Return Index		
	Long Futures Contracts	
	Gas Oil	100.00%
S&P GSCI Gold Index Excess Return		
	Long Futures Contracts	
	Gold	100.00%
MLCX Natural Gas Annual Excess Return Index		
	Long Futures Contracts	
	Natural Gas	100.00%

Abbreviations:

EMU —European Economic and Monetary Union
EUR —Euro
EURIBOR —Euro Interbank Offered Rate
GBP —British Pound Sterling
JPY —Japanese Yen
SOFR —Secured Overnight Financing Rate
SONIA —Sterling Overnight Index Average
TONAR —Tokyo Overnight Average Rate
USD —U.S. Dollar

Target Risk Contribution and Notional Asset Weights as of June 30, 2022

By asset class

Asset Class	Target Risk Contribution*	Notional Asset Weights**
Equities	40.95%	67.11%
Fixed Income	23.90	74.89
Commodities	35.15	32.50
Total	100.00%	174.50%

* Reflects the risk that each asset class is expected to contribute to the overall risk of the Fund as measured by standard deviation and estimates of risk based on historical data. Standard deviation measures the annualized fluctuations (volatility) of monthly returns.

** Proprietary models determine the Notional Asset Weights necessary to achieve the Target Risk Contributions. Total Notional Asset Weight greater than 100% is achieved through derivatives and other instruments that create leverage.

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

Consolidated Statement of Assets and Liabilities

June 30, 2022

(Unaudited)

Assets:	
Investments in unaffiliated securities, at value (Cost $150,153,599)	$154,908,519
Investments in affiliated money market funds, at value (Cost $672,165,140)	672,165,140
Other investments:	
Swaps receivable – OTC	26,233
Unrealized appreciation on swap agreements – OTC	1,526,154
Premiums paid on swap agreements – OTC	6,775
Deposits with brokers:	
Cash collateral – exchange-traded futures contracts	45,944,500
Cash collateral – OTC Derivatives	4,820,000
Foreign currencies, at value (Cost $16,035,881)	15,954,368
Due from broker	2,991,000
Receivable for:	
Fund shares sold	227,631
Dividends	504,525
Interest	236
Investment for trustee deferred compensation and retirement plans	85,568
Other assets	568
Total assets	899,161,217
Liabilities:	
Other investments:	
Variation margin payable - futures contracts	3,738,250
Swaps payable – OTC	493,687
Unrealized depreciation on swap agreements–OTC	10,713,115
Payable for:	
Fund shares reacquired	540,835
Amount due custodian	699,227
Accrued fees to affiliates	729,797
Accrued trustees' and officers' fees and benefits	3,035
Accrued other operating expenses	67,948
Trustee deferred compensation and retirement plans	96,920
Total liabilities	17,082,814
Net assets applicable to shares outstanding	$882,078,403
Net assets consist of:	
Shares of beneficial interest	$884,127,495
Distributable earnings (loss)	(2,049,092)
	$882,078,403
Net Assets:	
Series I	$ 44,516,639
Series II	$837,561,764
Shares outstanding, no par value, with an unlimited number of shares authorized:	
Series I	4,638,259
Series II	89,110,466
Series I:	
Net asset value per share	$ 9.60
Series II:	
Net asset value per share	$ 9.40

Consolidated Statement of Operations

For the six months ended June 30, 2022

(Unaudited)

Investment income:	
Interest	$ 209,812
Dividends from affiliated money market funds	1,023,472
Total investment income	1,233,284
Expenses:	
Advisory fees	4,277,788
Administrative services fees	767,301
Custodian fees	43,563
Distribution fees - Series II	1,103,828
Transfer agent fees	26,074
Trustees' and officers' fees and benefits	11,241
Reports to shareholders	1,424
Professional services fees	33,327
Other	37,674
Total expenses	6,302,220
Less: Fees waived	(1,873,521)
Net expenses	4,428,699
Net investment income (loss)	(3,195,415)
Realized and unrealized gain (loss) from:	
Net realized gain (loss) from:	
Unaffiliated investment securities	13,000,713
Foreign currencies	(2,044,821)
Futures contracts	(48,011,274)
Swap agreements	(20,710,294)
	(57,765,676)
Change in net unrealized appreciation (depreciation) of:	
Unaffiliated investment securities	1,886,745
Foreign currencies	(92,108)
Futures contracts	(30,346,586)
Swap agreements	(17,362,007)
	(45,913,956)
Net realized and unrealized gain (loss)	(103,679,632)
Net increase (decrease) in net assets resulting from operations	$(106,875,047)

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

Consolidated Statement of Changes in Net Assets

For the six months ended June 30, 2022 and the year ended December 31, 2021

(Unaudited)

	June 30, 2022	December 31, 2021
Operations:		
Net investment income (loss)	$ (3,195,415)	$ (9,250,996)
Net realized gain (loss)	(57,765,676)	111,543,363
Change in net unrealized appreciation (depreciation)	(45,913,956)	(14,006,322)
Net increase (decrease) in net assets resulting from operations	(106,875,047)	88,286,045
Distributions to shareholders from distributable earnings:		
Series I	–	(3,189,391)
Series II	–	(57,937,140)
Total distributions from distributable earnings	–	(61,126,531)
Share transactions–net:		
Series I	365,670	1,372,815
Series II	7,216,748	(27,784,944)
Net increase (decrease) in net assets resulting from share transactions	7,582,418	(26,412,129)
Net increase (decrease) in net assets	(99,292,629)	747,385
Net assets:		
Beginning of period	981,371,032	980,623,647
End of period	$ 882,078,403	$981,371,032

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

Consolidated 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 (loss)[a]	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends from net investment income	Distributions from net realized gains	Return of capital	Total distributions	Net asset value, end of period	Total return[b]	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 (loss) to average net assets	Portfolio turnover[c]
Series I															
Six months ended 06/30/22	$10.76	$(0.02)	$(1.14)	$(1.16)	$ –	$ –	$ –	$ –	$ 9.60	(10.78)%	$ 44,517	0.71%[d]	1.12%[d]	(0.44)%[d]	58%
Year ended 12/31/21	10.48	(0.08)	1.08	1.00	(0.36)	(0.36)	–	(0.72)	10.76	9.55	49,456	0.71	1.11	(0.69)	107
Year ended 12/31/20	10.91	(0.03)	1.03	1.00	(0.87)	(0.56)	–	(1.43)	10.48	10.22	46,853	0.66[e]	1.10	(0.25)	82
Year ended 12/31/19	9.47	0.14	1.30	1.44	–	–	–	–	10.91	15.21	45,427	0.64[e]	1.10	1.38	94
Year ended 12/31/18	11.31	0.11	(0.79)	(0.68)	(0.14)	(0.99)	(0.03)	(1.16)	9.47	(6.46)	37,450	0.65[e]	1.10	1.03	199
Year ended 12/31/17	11.35	0.01	1.08	1.09	(0.48)	(0.65)	–	(1.13)	11.31	10.06	39,340	0.68[e]	1.11	0.10	52
Series II															
Six months ended 06/30/22	10.55	(0.04)	(1.11)	(1.15)	–	–	–	–	9.40	(10.90)	837,562	0.96[d]	1.37[d]	(0.69)[d]	58
Year ended 12/31/21	10.29	(0.10)	1.05	0.95	(0.33)	(0.36)	–	(0.69)	10.55	9.26	931,915	0.96	1.36	(0.94)	107
Year ended 12/31/20	10.73	(0.05)	1.01	0.96	(0.84)	(0.56)	–	(1.40)	10.29	9.99	933,770	0.91[e]	1.35	(0.50)	82
Year ended 12/31/19	9.34	0.12	1.27	1.39	–	–	–	–	10.73	14.88	976,477	0.89[e]	1.35	1.13	94
Year ended 12/31/18	11.17	0.08	(0.78)	(0.70)	(0.11)	(0.99)	(0.03)	(1.13)	9.34	(6.71)	968,329	0.90[e]	1.35	0.78	199
Year ended 12/31/17	11.22	(0.02)	1.07	1.05	(0.45)	(0.65)	–	(1.10)	11.17	9.83	1,158,077	0.93[e]	1.36	(0.15)	52

[a] Calculated using average shares outstanding.

[b] 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.

[c] Portfolio turnover is calculated at the fund level and is not annualized for periods less than one year, if applicable.

[d] Annualized.

[e] In addition to the fees and expenses which the Fund bears directly; the Fund indirectly bears a pro rata share of the fees and expenses of the underlying funds in which the Fund invests. Because the underlying funds have varied expenses and fee levels and the Fund may own different proportions at different times, the amount of fees and expenses incurred indirectly by the Fund will vary. Estimated underlying fund expenses are not expenses that are incurred directly by your Fund. They are expenses that are incurred directly by the underlying funds and are deducted from the value of the funds your Fund invests in. The effect of the estimated underlying fund expenses that you bear indirectly is included in your Fund's total return. Estimated acquired fund fees from underlying funds were 0.15%, 0.15%, 0.16% and 0.15% for the years ended December 31, 2020, 2019, 2018 and 2017, respectively.

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

Notes to Consolidated Financial Statements

June 30, 2022
(Unaudited)

NOTE 1—Significant Accounting Policies

Invesco V.I. Balanced-Risk Allocation 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 consolidated financial statements pertains only to the Fund and the Invesco Cayman Commodity Fund IV Ltd. (the "Subsidiary"), a wholly-owned subsidiary of the Fund organized under the laws of the Cayman Islands. 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 will seek to gain exposure to the commodity markets primarily through investments in the Subsidiary. The Subsidiary was organized by the Fund to invest in commodity-linked derivatives and other securities that may provide leveraged and non-leveraged exposure to commodities. The Fund may invest up to 25% of its total assets in the Subsidiary.

The Fund's investment objective is total return with a low to moderate correlation to traditional financial market indices.

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 consolidated financial statements.

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

Debt obligations (including convertible debt 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.

A security listed or traded on an exchange 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 may be valued up to 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.

Swap agreements are fair valued using an evaluated quote, if available, provided by an independent pricing service. Evaluated quotes provided by the pricing service are valued based on a model which may include end-of-day net present values, spreads, ratings, industry, company performance and returns of referenced assets. Centrally cleared swap agreements are valued at the daily settlement price determined by the relevant exchange or clearinghouse.

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 consolidated 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 Consolidated 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 Consolidated Statement of Operations and the Consolidated Statement of Changes in Net Assets and the net realized and unrealized gains (losses) on securities per share in the Consolidated 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 Consolidated Statement of Operations and the Consolidated 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 Consolidated 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 Consolidated 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 consolidated 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 Subsidiary is classified as a controlled foreign corporation under Subchapter N of the Internal Revenue Code. Therefore, the Fund is required to increase its taxable income by its share of the Subsidiary's income. Net investment losses of the Subsidiary cannot be deducted by the Fund in the current period nor carried forward to offset taxable income in future periods.

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 financial statements are prepared on a consolidated basis in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which 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. The accompanying financial statements reflect the financial position of the Fund and its Subsidiary and the results of operations on a consolidated basis. All inter-company accounts and transactions have been eliminated in consolidation.

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 consolidated financial statements are released to print.

H. Indemnifications – Under the Trust's organizational documents, each Trustee, officer, employee or other agent of the Trust, and under the Subsidiary's organizational documents, the directors and officers of the Subsidiary, are indemnified against certain liabilities that may arise out of the performance of their duties to the Fund and/or the Subsidiary, respectively. 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. Structured Securities – The Fund may invest in structured securities. Structured securities are a type of derivative security whose value is determined by reference to changes in the value of underlying securities, currencies, interest rates, commodities, indices or other financial indicators ("reference instruments"). Most structured securities are fixed-income securities that have maturities of three years or less. Structured securities may be positively or negatively indexed (i.e., their principal value or interest rates may increase or decrease if the underlying reference instrument appreciates) and may have return characteristics similar to direct investments in the underlying reference instrument.

Structured securities may entail a greater degree of market risk than other types of debt securities because the investor bears the risk of the reference instruments. In addition to the credit risk of structured securities and the normal risks of price changes in response to changes in interest rates, the principal amount of structured notes or indexed securities may decrease as a result of changes in the value of the underlying reference instruments. Changes in the daily value of structured securities are recorded as unrealized gains (losses) in the Consolidated Statement of Operations. When the structured securities mature or are sold, the Fund recognizes a realized gain (loss) on the Consolidated Statement of Operations.

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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated Statement of Assets and Liabilities.

L. Futures Contracts – The Fund may enter into futures contracts to equitize the Fund's cash holdings or to manage exposure to interest rate, equity, commodity 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 Consolidated 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 Consolidated 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 Consolidated Statement of Assets and Liabilities.

M. Put Options Purchased – The Fund may purchase put options including options on securities indexes, or foreign currency and/or futures contracts. By purchasing a put option, the Fund obtains the right (but not the obligation) to sell the option's underlying instrument at a fixed strike price. In return for this right, the Fund pays an option premium. The option's underlying instrument may be a security, securities index, or a futures contract. Put options may be used by the Fund to hedge securities it owns by locking in a minimum price at which the Fund can sell. If security prices fall, the put option could be exercised to offset all or a portion of the Fund's resulting losses. At the same time, because the maximum the Fund has at risk is the cost of the option, purchasing put options does not eliminate the potential for the Fund to profit from an increase in the value of the securities hedged. Realized and unrealized gains and losses on put options purchased are included in the Consolidated Statement of Operations as Net realized gain (loss) from and Change in net unrealized appreciation (depreciation) of Investment securities. A risk in buying an option is that the Fund pays a premium whether or not the option is exercised. In addition, there can be no assurance that a liquid secondary market will exist for any option purchased.

N. Swap Agreements – The Fund may enter into various swap transactions, including interest rate, total return, index, currency and credit default swap contracts ("CDS") for investment purposes or to manage interest rate, currency, commodity or credit risk. Such transactions are agreements between Counterparties. These agreements may contain among other conditions, events of default and termination events, and various covenants and representations such as provisions that require the Fund to maintain a pre-determined level of net assets, and/or provide limits regarding the decline of the Fund's NAV over specific periods of time. If the Fund were to trigger such provisions and have open derivative positions at that time, the Counterparty may be able to terminate such agreement and request immediate payment in an amount equal to the net liability positions, if any.

Interest rate, total return, index, and currency swap agreements are two-party contracts entered into primarily to exchange the returns (or differentials in rates of returns) earned or realized on particular predetermined investments or instruments. The gross returns to be exchanged or "swapped" between the parties are calculated with respect to a notional amount, i.e., the return on or increase in value of a particular dollar amount invested at a particular interest rate or return of an underlying asset, in a particular foreign currency, or in a "basket" of securities representing a particular index.

An interest rate swap is an agreement between Counterparties pursuant to which the parties exchange a floating rate payment for a fixed rate payment based on a specified notional amount.

A total return swap is an agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income generated and capital gains, if any. The unrealized appreciation (depreciation) on total return swaps includes dividends on the underlying securities and financing rate payable from the Counterparty. At the maturity date, a net cash flow is exchanged where the total return is equivalent to the return of the underlying reference less a financing rate, if any. As a receiver, the Fund would receive payments based on any positive total return and would owe payments in the event of a negative total return. As the payer, the Fund would owe payments on any net positive total return, and would receive payment in the event of a negative total return.

Changes in the value of swap agreements are recognized as unrealized gains (losses) in the Consolidated Statement of Operations by "marking to market" on a daily basis to reflect the value of the swap agreement at the end of each trading day. Payments received or paid at the beginning of the agreement are reflected as such on the Consolidated Statement of Assets and Liabilities and may be referred to as upfront payments. The Fund accrues for the fixed payment stream and amortizes upfront payments, if any, on swap agreements on a daily basis with the net amount, recorded as a component of realized gain (loss) on the Consolidated Statement of Operations. A liquidation payment received or made at the termination of a swap agreement is recorded as realized gain (loss) on the Consolidated Statement of Operations. The Fund segregates cash or liquid securities having a value at least equal to the amount of the potential obligation of a Fund under any swap transaction. Cash held as collateral is recorded as deposits with brokers on the Consolidated Statement of Assets and Liabilities. Entering into these agreements involves, to varying degrees, lack of liquidity and elements of credit, market, and Counterparty risk in excess of amounts recognized on the Consolidated Statement of Assets and Liabilities. Such risks involve the possibility that a swap is difficult to sell or liquidate; the Counterparty does not honor its obligations under the agreement and unfavorable interest rates and market fluctuations. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Fund's ability to terminate existing swap agreements or to realize amounts to be received under such

agreements. Additionally, an International Swaps and Derivatives Association Master Agreement ("ISDA Master Agreement") includes credit related contingent features which allow Counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event that, for example, the Fund's net assets decline by a stated percentage or the Fund fails to meet the terms of its ISDA master agreements, which would cause the Fund to accelerate payment of any net liability owed to the Counterparty. A short position in a security poses more risk than holding the same security long. As there is no limit on how much the price of the security can increase, the Fund's exposure is unlimited.

O. Leverage Risk – Leverage exists when the Fund can lose more than it originally invests because it purchases or sells an instrument or enters into a transaction without investing an amount equal to the full economic exposure of the instrument or transaction.

P. Other Risks - The Fund will seek to gain exposure to commodity markets primarily through an investment in the Subsidiary and through investments in commodity futures and swaps, commodity related exchange-traded funds and exchange-traded notes and commodity linked notes, some or all of which will be owned through the Subsidiary. The Subsidiary, unlike the Fund, may invest without limitation in commodities, commodity-linked derivatives and other securities, such as exchange-traded and commodity-linked notes, that may provide leveraged and non-leveraged exposure to commodity markets. The Fund is indirectly exposed to the risks associated with the Subsidiary's investments.

The current low interest rate environment was created in part by the Federal Reserve Board (FRB) and certain foreign central banks keeping the federal funds and equivalent foreign rates near historical lows. Increases in the federal funds and equivalent foreign rates may expose fixed income markets to heightened volatility and reduced liquidity for certain fixed income investments, particularly those with longer maturities. In addition, decreases in fixed income dealer market-making capacity may also potentially lead to heightened volatility and reduced liquidity in the fixed income markets. As a result, the value of the Fund's investments and share price may decline. Changes in central bank policies could also result in higher than normal shareholder redemptions, which could potentially increase portfolio turnover and the Fund's transaction costs. Additionally, from time to time, uncertainty regarding the status of negotiations in the U.S. Government to increase the statutory debt limit, commonly called the "debt ceiling", could increase the risk that the U.S. Government may default on payments on certain U.S. Government securities, cause the credit rating of the U.S. Government to be downgraded, increase volatility in the stock and bond markets, result in higher interest rates, reduce prices of U.S. Treasury securities, and/or increase the costs of various kinds of debt. If a U.S. Government-sponsored entity is negatively impacted by legislative or regulatory action, is unable to meet its obligations, or its creditworthiness declines, the performance of a Fund that holds securities of that entity will be adversely impacted.

In addition to risks associated with the underlying commodities, investments in commodity-linked notes may be subject to additional risks, such as non-payment of interest and loss of principal, counterparty risk, lack of a secondary market and risk of greater volatility than traditional equity and debt securities. The value of the commodity-linked notes the Fund buys may fluctuate significantly because the values of the underlying investments to which they are linked are themselves volatile. Additionally, certain commodity-linked notes employ "economic" leverage by requiring payment by the issuer of an amount that is a multiple of the price increase or decrease of the underlying commodity, commodity index, or other economic variable. Such economic leverage will increase the volatility of the value of these commodity-linked notes and the Fund to the extent it invests in such notes.

Active trading of portfolio securities may result in added expenses, a lower return and increased tax liability.

Q. 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 (including business closures) and supply chains, layoffs, lower consumer demand and employee availability, and defaults and credit downgrades, 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 and cause general concern and uncertainty. The full economic impact and ongoing effects of COVID-19 (or other future epidemics or pandemics) at the macro-level and on individual businesses are unpredictable and may result in significant and prolonged effects on the Fund's performance.

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 less the amount paid by the Subsidiary 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	0.950%
Next $250 million	0.925%
Next $500 million	0.900%
Next $1.5 billion	0.875%
Next $2.5 billion	0.850%
Next $2.5 billion	0.825%
Next $2.5 billion	0.800%
Over $10 billion	0.775%

For the six months ended June 30, 2022, the effective advisory fee rate incurred by the Fund was 0.92%.

The Subsidiary has entered into a separate contract with the Adviser whereby the Adviser provides investment advisory and other services to the Subsidiary. In consideration of these services, the Subsidiary pays an advisory fee to the Adviser based on the annual rate of the Subsidiary's average daily net assets as set forth in the table above.

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 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).

Effective May 1, 2022, the Adviser has contractually agreed, through at least April 30, 2023, 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 (including prior fiscal year-end Acquired Fund Fees and Expenses of 0.07% and excluding certain items discussed below) of Series I shares to 0.88% and Series II shares to 1.13% of the Fund's average daily net assets (the "expense limits"). Prior to May 1, 2022, the Adviser had contractually agreed 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 (including prior fiscal year-end Acquired Fund Fees and Expenses of 0.15% and excluding certain items discussed below) of Series I shares to 0.80% and Series II shares to 1.05% of the Fund's average daily net assets. 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. Acquired Fund Fees and Expenses are not operating expenses of the Fund directly, but are fees and expenses, including management fees, of the investment companies in which the Fund invests. As a result, the total annual fund operating expenses after expense reimbursement may exceed the expense limits above. Unless Invesco continues the fee waiver agreement, it will terminate on April 30, 2023. 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. To the extent that the annualized expense ratio does not exceed the expense limits, the Adviser will retain its ability to be reimbursed for such fee waivers or reimbursements prior to the end of each fiscal year.

Further, the Adviser has contractually agreed, through at least June 30, 2024, 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, 2022, the Adviser waived advisory fees of $1,873,521.

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, 2022, Invesco was paid $69,833 for accounting and fund administrative services and was reimbursed $697,468 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. For the six months ended June 30, 2022, expenses incurred under the agreement are shown in the Consolidated 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, 2022, expenses incurred under the Plan are detailed in the Consolidated 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, 2022. 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 consolidated financial statements may materially differ from the value received upon actual sale of those investments.

	Level 1	Level 2	Level 3	Total
Investments in Securities				
U.S. Treasury Securities	$ –	$102,368,667	$–	$102,368,667
Commodity-Linked Securities	–	34,657,266	–	34,657,266
Money Market Funds	672,165,140	–	–	672,165,140
Options Purchased	17,882,586	–	–	17,882,586
Total Investments in Securities	690,047,726	137,025,933	–	827,073,659
Other Investments - Assets*				
Futures Contracts	2,083,423	–	–	2,083,423
Swap Agreements	–	1,526,154	–	1,526,154
	2,083,423	1,526,154	–	3,609,577
Other Investments - Liabilities*				
Futures Contracts	(24,232,453)	–	–	(24,232,453)
Swap Agreements	–	(10,713,115)	–	(10,713,115)
	(24,232,453)	(10,713,115)	–	(34,945,568)
Total Other Investments	(22,149,030)	(9,186,961)	–	(31,335,991)
Total Investments	$667,898,696	$127,838,972	$–	$795,737,668

* Unrealized appreciation (depreciation).

NOTE 4—Derivative Investments

The Fund may enter into an 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 Consolidated 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, 2022:

	Value			
Derivative Assets	**Commodity Risk**	**Equity Risk**	**Interest Rate Risk**	**Total**
Unrealized appreciation on futures contracts –Exchange-Traded[a]	$ 2,083,423	$ –	$ –	$ 2,083,423
Unrealized appreciation on swap agreements – OTC	0	1,526,154	–	1,526,154
Options purchased, at value – Exchange-Traded[b]	–	17,882,586	–	17,882,586
Total Derivative Assets	2,083,423	19,408,740	–	21,492,163
Derivatives not subject to master netting agreements	(2,083,423)	(17,882,586)	–	(19,966,009)
Total Derivative Assets subject to master netting agreements	$ 0	$ 1,526,154	$ –	$ 1,526,154

	Value			
Derivative Liabilities	**Commodity Risk**	**Equity Risk**	**Interest Rate Risk**	**Total**
Unrealized depreciation on futures contracts –Exchange-Traded[a]	$ (7,227,315)	$ (8,048,937)	$(8,956,201)	$(24,232,453)
Unrealized depreciation on swap agreements – OTC	(6,842,708)	(3,870,407)	–	(10,713,115)
Total Derivative Liabilities	(14,070,023)	(11,919,344)	(8,956,201)	(34,945,568)
Derivatives not subject to master netting agreements	7,227,315	8,048,937	8,956,201	24,232,453
Total Derivative Liabilities subject to master netting agreements	$ (6,842,708)	$ (3,870,407)	$ –	$(10,713,115)

[a] The daily variation margin receivable (payable) at period-end is recorded in the Consolidated Statement of Assets and Liabilities.
[b] Options purchased, at value as reported in the Consolidated Schedule of Investments.

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, 2022.

	Financial Derivative Assets	Financial Derivative Liabilities		Collateral (Received)/Pledged		
Counterparty	**Swap Agreements**	**Swap Agreements**	**Net Value of Derivatives**	**Non-Cash**	**Cash**	**Net Amount[a]**
Fund						
BNP Paribas S.A.	$ 903,482	$ (1,370,678)	$ (467,196)	$-	$ -	$ (467,196)
Citibank, N.A.	73,712	-	73,712	-	-	73,712
Goldman Sachs International	49,312	(1,578,207)	(1,528,895)	-	840,000	(688,895)
J.P. Morgan Chase Bank, N.A.	431,630	(921,673)	(490,043)	-	-	(490,043)
Merrill Lynch International	94,251	(109,802)	(15,551)	-	-	(15,551)
Subtotal - Fund	1,552,387	(3,980,360)	(2,427,973)	-	840,000	(1,587,973)
Subsidiary						
Canadian Imperial Bank of Commerce	-	(1,718,580)	(1,718,580)	-	1,450,000	(268,580)
Cargill, Inc.	-	(1,960,152)	(1,960,152)	-	1,740,000	(220,152)
Goldman Sachs International	-	(147,020)	(147,020)	-	-	(147,020)
J.P. Morgan Chase Bank, N.A.	-	(1,707,563)	(1,707,563)	-	790,000	(917,563)
Merrill Lynch International	0	(1,693,127)	(1,693,127)	-	-	(1,693,127)
Subtotal – Subsidiary	0	(7,226,442)	(7,226,442)	-	3,980,000	(3,246,442)
Total	$1,552,387	$(11,206,802)	$(9,654,415)	$-	$4,820,000	$(4,834,415)

[a] The Fund and the Subsidiary are recognized as separate legal entities and as such are subject to separate netting arrangements with the Counterparty.

Effect of Derivative Investments for the six months ended June 30, 2022

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 Consolidated Statement of Operations			
	Commodity Risk	Equity Risk	Interest Rate Risk	Total
Realized Gain (Loss):				
Futures contracts	$38,557,691	$(29,877,307)	$(56,691,658)	$ (48,011,274)
Options purchased[(a)]	-	(1,379,235)	-	(1,379,235)
Swap agreements	16,328,642	(37,038,936)	-	(20,710,294)
Change in Net Unrealized Appreciation (Depreciation):				
Futures contracts	(7,834,547)	(10,036,005)	(12,476,034)	(30,346,586)
Options purchased[(a)]	-	8,447,472	-	8,447,472
Swap agreements	(9,440,346)	(7,921,661)	-	(17,362,007)
Total	$37,611,440	$(77,805,672)	$(69,167,692)	$(109,361,924)

[(a)] Options purchased are included in the net realized gain (loss) from investment securities and the change in net unrealized appreciation (depreciation) of investment securities.

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

	Futures Contracts	Index Options Purchased	Swap Agreements
Average notional value	$886,253,185	$172,327,240	$1,101,501,421
Average contracts	–	1,702	–

NOTE 5—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 6—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 Consolidated 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 7—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 carryforward 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, 2021.

NOTE 8—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, 2022 was $30,414,950 and $33,665,325, 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	$ 14,455,854
Aggregate unrealized (depreciation) of investments	(51,401,930)
Net unrealized appreciation (depreciation) of investments	$(36,946,076)

Cost of investments for tax purposes is $832,690,519.

NOTE 9—Share Information

Summary of Share Activity

	Six months ended June 30, 2022[a]		Year ended December 31, 2021	
	Shares	Amount	Shares	Amount
Sold:				
Series I	457,952	$ 4,698,478	369,779	$ 4,089,604
Series II	8,416,499	84,267,696	4,573,534	49,111,175
Issued as reinvestment of dividends:				
Series I	-	-	298,353	3,189,392
Series II	-	-	5,523,083	57,937,139
Reacquired:				
Series I	(415,046)	(4,332,808)	(544,502)	(5,906,181)
Series II	(7,616,732)	(77,050,948)	(12,555,988)	(134,833,258)
Net increase (decrease) in share activity	842,673	$ 7,582,418	(2,335,741)	$ (26,412,129)

[a] There are entities that are record owners of more than 5% of the outstanding shares of the Fund and in the aggregate own 80% 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.

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, 2022 through June 30, 2022.

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.

		ACTUAL		HYPOTHETICAL (5% annual return before expenses)		
	Beginning Account Value (01/01/22)	Ending Account Value (06/30/22)[1]	Expenses Paid During Period[2]	Ending Account Value (06/30/22)	Expenses Paid During Period[2]	Annualized Expense Ratio
Series I	$1,000.00	$892.20	$3.33	$1,021.27	$3.56	0.71%
Series II	1,000.00	891.00	4.50	1,020.03	4.81	0.96

[1] The actual ending account value is based on the actual total return of the Fund for the period January 1, 2022 through June 30, 2022, 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.

[2] 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 13, 2022, 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. Balanced-Risk Allocation 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, 2022. 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 and the Senior Officer, an officer of the Invesco Funds who reports directly 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. 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 accordance with certain negotiated regulatory requirements. In addition to meetings with Invesco Advisers and fund counsel throughout the year and as part of meetings convened on May 2, 2022 and June 13, 2022, 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. Also, as part of the contract renewal process, the independent Trustees reviewed and considered information provided in response to detailed follow-up requests for information submitted by the independent Trustees to management. The independent Trustees met and discussed those follow-up responses with legal counsel to the independent Trustees and the Senior Officer.

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 13, 2022.

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, and reports related to, Invesco Advisers' global security program and 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 remote and hybrid working environment resulting from the novel coronavirus ("COVID-19") pandemic and paved the way for a hybrid working framework in a normalized environment as employees return to the office. 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' systems preparedness and ongoing investment enabled Invesco Advisers to manage, operate and oversee the Invesco Funds with minimal impact or disruption through challenging environments. 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, 2021 to the performance of funds in the Broadridge performance universe and against the Custom Invesco V.I. Balanced-Risk Allocation Style Index (Index). The Board noted that performance of Series II shares of the Fund was in the third quintile of its performance universe for the one and three year periods and the fourth quintile for the five year period (the first quintile being the best performing funds and the fifth quintile being the worst performing funds). The Board noted that performance of Series II shares of the Fund was below the performance of the Index for the one, three and five year periods. 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 II shares of the Fund was above 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. As previously noted, the independent Trustees reviewed and considered information provided in response to detailed follow-up requests for information submitted by the independent Trustees to management, including with respect to management's philosophy regarding breakpoints in the Fund's contractual management fee schedule. The independent Trustees met and discussed those follow-up responses with legal counsel to the independent Trustees and the Senior Officer, and subsequently with representatives of management. The Board also considered comparative information regarding the Fund's total expense ratio and its various components. The Board noted that the Fund's total expense ratio was in the fourth quintile of its expense group and its contractual management fees were in the fifth quintile of its expense group and discussed with management reasons for such relative total expenses and contractual management fees. The Board requested and considered additional information from management regarding such total expenses and contractual management fees, including the differentiated client base associated with variable insurance products.

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, 2021.

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 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 the periodic review and enhancement of such methodology. 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. Invesco Advisers noted that the Fund does not execute brokerage transactions through "soft dollar" arrangements to any significant degree.

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 considered that Invesco Advisers may serve as the Fund's affiliated securities lending agent and evaluated the benefits realized by Invesco Advisers when serving in such role, including the compensation received. The Board considered Invesco Advisers' securities lending platform and corporate governance structure for securities lending, including Invesco Advisers' Securities Lending Governance Committee and its related responsibilities. The Board noted that to the extent the Fund utilizes Invesco Advisers as an affiliated securities lending agent, the Fund conducts its securities lending in accordance with, and in reliance upon, no-action letters issued by the SEC staff that provide guidance on how an affiliate may act as a direct agent lender and receive compensation for those services without obtaining exemptive relief. The Board considered information provided by Invesco Advisers related to the performance of Invesco Advisers as securities lending agent, including a summary of the securities lending services provided to the Fund by Invesco Advisers and the compensation paid to Invesco Advisers for such services, as well as any revenues generated for the Fund in connection with such securities lending activity and the allocation of such revenue between the Fund and Invesco Advisers.

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.