



## Invesco V.I. Government Money Market Fund



The Fund provides a complete list of its portfolio holdings in various monthly and quarterly regulatory filings. The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) monthly on Form N-MFP. For the second and fourth quarters, the list appears in the Fund's semiannual and annual reports to shareholders. The Fund's Form N-MFP filings are available on the SEC website, [sec.gov](http://sec.gov). The SEC file numbers for the Fund are 811-07452 and 033-57340. The Fund's most recent portfolio holdings, as filed on Form N-MFP, have also been made available to insurance companies issuing variable annuity contracts and variable life insurance policies ("variable products") that invest in the Fund.

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

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

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

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

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## About your Fund

Invesco V.I. Government Money Market 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 monthend 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.

*You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.*

*The Fund is subject to certain other risks. Please see the current prospectus for more information regarding the risks associated with an investment in the Fund.*

# Schedule of Investments

June 30, 2021  
(Unaudited)

	Interest Rate	Maturity Date	Principal Amount (000)	Value
<b>U.S. Treasury Securities-34.52%</b>				
<b>U.S. Treasury Bills-12.69%<sup>(a)</sup></b>				
U.S. Treasury Bills	0.10%	07/01/2021	\$ 5,000	\$ 5,000,000
U.S. Treasury Bills	0.09%	07/08/2021	5,000	4,999,913
U.S. Treasury Bills	0.05%	07/13/2021	10,000	9,999,833
U.S. Treasury Bills	0.16%	07/15/2021	2,000	1,999,879
U.S. Treasury Bills	0.02%	07/29/2021	20,000	19,999,689
U.S. Treasury Bills	0.03%	09/16/2021	15,000	14,999,198
U.S. Treasury Bills	0.01%	09/21/2021	20,000	19,999,499
U.S. Treasury Bills	0.14%	10/07/2021	5,000	4,998,094
U.S. Treasury Bills	0.11%	12/30/2021	5,000	4,997,220
U.S. Treasury Bills	0.07%	02/24/2022	5,000	4,997,686
U.S. Treasury Bills	0.07%	06/16/2022	5,000	4,996,597
				96,987,608
<b>U.S. Treasury Notes-21.83%</b>				
U.S. Treasury Floating Rate Notes (3 mo. U.S. Treasury Bill Money Market Yield Rate + 0.22%) <sup>(b)</sup>	0.27%	07/31/2021	3,000	3,000,184
U.S. Treasury Floating Rate Notes (3 mo. U.S. Treasury Bill Money Market Yield Rate + 0.30%) <sup>(b)</sup>	0.35%	10/31/2021	7,000	7,005,661
U.S. Treasury Floating Rate Notes (3 mo. U.S. Treasury Bill Money Market Yield Rate + 0.15%) <sup>(b)</sup>	0.20%	01/31/2022	7,000	6,999,543
U.S. Treasury Floating Rate Notes (3 mo. U.S. Treasury Bill Money Market Yield Rate + 0.11%) <sup>(b)</sup>	0.16%	04/30/2022	3,000	3,002,043
U.S. Treasury Floating Rate Notes (3 mo. U.S. Treasury Bill Money Market Yield Rate + 0.06%) <sup>(b)</sup>	0.11%	07/31/2022	7,000	7,001,052
U.S. Treasury Floating Rate Notes (3 mo. U.S. Treasury Bill Money Market Yield Rate + 0.06%) <sup>(b)</sup>	0.11%	10/31/2022	16,000	15,999,771
U.S. Treasury Floating Rate Notes (3 mo. U.S. Treasury Bill Money Market Yield Rate + 0.05%) <sup>(b)</sup>	0.10%	01/31/2023	6,000	6,000,193
U.S. Treasury Floating Rate Notes (3 mo. U.S. Treasury Bill Money Market Yield Rate + 0.03%) <sup>(b)</sup>	0.08%	04/30/2023	10,000	10,000,742
U.S. Treasury Notes	1.13%	08/31/2021	25,000	25,044,490
U.S. Treasury Notes	1.50%	08/31/2021	10,000	10,024,096
U.S. Treasury Notes	1.75%	11/30/2021	10,000	10,069,416
U.S. Treasury Notes	1.38%	01/31/2022	15,000	15,113,834
U.S. Treasury Notes	1.50%	01/31/2022	17,000	17,140,301
U.S. Treasury Notes	1.88%	04/30/2022	20,000	20,300,844
U.S. Treasury Notes	2.13%	05/15/2022	5,000	5,089,600
U.S. Treasury Notes	2.13%	06/30/2022	5,000	5,100,748
				166,892,518
Total U.S. Treasury Securities (Cost \$263,880,126)				263,880,126
<b>U.S. Government Sponsored Agency Securities-18.02%</b>				
<b>Federal Farm Credit Bank (FFCB)-5.30%</b>				
Federal Farm Credit Bank (SOFR + 0.05%) <sup>(b)</sup>	0.10%	10/05/2021	10,000	9,999,867
Federal Farm Credit Bank (SOFR + 0.09%) <sup>(b)</sup>	0.14%	06/17/2022	5,000	5,000,000
Federal Farm Credit Bank (SOFR + 0.20%) <sup>(b)</sup>	0.25%	06/23/2022	2,500	2,503,098
Federal Farm Credit Bank (SOFR + 0.15%) <sup>(b)</sup>	0.20%	07/28/2022	5,000	5,000,000
Federal Farm Credit Bank (SOFR + 0.07%) <sup>(b)</sup>	0.12%	08/11/2022	4,500	4,499,998
Federal Farm Credit Bank (SOFR + 0.06%) <sup>(b)</sup>	0.11%	08/26/2022	2,500	2,499,854
Federal Farm Credit Bank (SOFR + 0.03%) <sup>(b)</sup>	0.08%	10/12/2022	5,000	4,999,805
Federal Farm Credit Bank (SOFR + 0.06%) <sup>(b)</sup>	0.11%	02/09/2023	6,000	6,000,000
				40,502,622
<b>Federal Home Loan Bank (FHLB)-7.59%</b>				
Federal Home Loan Bank <sup>(a)</sup>	0.03%	07/21/2021	15,000	14,999,792
Federal Home Loan Bank (SOFR + 0.08%) <sup>(b)</sup>	0.13%	07/23/2021	2,000	2,000,000
Federal Home Loan Bank (SOFR + 0.14%) <sup>(b)</sup>	0.19%	08/18/2021	5,000	5,000,000
Federal Home Loan Bank (SOFR + 0.06%) <sup>(b)</sup>	0.11%	08/24/2021	5,000	5,000,000
Federal Home Loan Bank (SOFR + 0.02%) <sup>(b)</sup>	0.07%	09/02/2021	10,000	10,000,000
Federal Home Loan Bank (SOFR + 0.17%) <sup>(b)</sup>	0.22%	11/12/2021	3,000	3,000,000
Federal Home Loan Bank (SOFR + 0.15%) <sup>(b)</sup>	0.20%	11/15/2021	2,000	2,000,000
Federal Home Loan Bank (SOFR + 0.07%) <sup>(b)</sup>	0.12%	04/28/2022	2,000	2,000,000

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

	Interest Rate	Maturity Date	Principal Amount (000)	Value
<b>Federal Home Loan Bank (FHLB)-(continued)</b>				
Federal Home Loan Bank (SOFR + 0.13%) <sup>(b)</sup>	0.18%	08/05/2022	\$ 5,000	\$ 5,000,000
Federal Home Loan Bank (SOFR + 0.09%) <sup>(b)</sup>	0.14%	08/19/2022	7,000	7,000,571
Federal Home Loan Bank (SOFR + 0.06%) <sup>(b)</sup>	0.11%	12/08/2022	2,000	2,000,000
				58,000,363
<b>Federal Home Loan Mortgage Corp. (FHLMC)-1.18%</b>				
Federal Home Loan Mortgage Corp. (SOFR + 0.07%) <sup>(b)</sup>	0.12%	08/12/2022	4,000	4,000,000
Federal Home Loan Mortgage Corp. (SOFR + 0.09%) <sup>(b)</sup>	0.14%	09/16/2022	5,000	5,000,000
				9,000,000
<b>Federal National Mortgage Association (FNMA)-1.70%</b>				
Federal National Mortgage Association (SOFR + 0.23%) <sup>(b)</sup>	0.25%	07/06/2021	10,000	10,000,000
Federal National Mortgage Association (SOFR + 0.30%) <sup>(b)</sup>	0.32%	01/07/2022	3,000	3,000,000
				13,000,000
<b>U.S. International Development Finance Corp. (DFC)-2.25%</b>				
U.S. International Development Finance Corp. VRD Bonds (3 mo. U.S. Treasury Bill Rate) <sup>(c)</sup>	0.10%	06/15/2025	2,400	2,400,000
U.S. International Development Finance Corp. VRD Bonds (3 mo. U.S. Treasury Bill Rate) <sup>(c)</sup>	0.10%	07/15/2025	220	220,056
U.S. International Development Finance Corp. VRD Bonds (3 mo. U.S. Treasury Bill Rate) <sup>(c)</sup>	0.10%	02/15/2028	7,500	7,500,000
U.S. International Development Finance Corp. VRD Bonds (3 mo. U.S. Treasury Bill Rate) <sup>(c)</sup>	0.08%	07/07/2040	7,081	7,081,117
				17,201,173
Total U.S. Government Sponsored Agency Securities (Cost \$137,704,158)				137,704,158
TOTAL INVESTMENTS IN SECURITIES (excluding Repurchase Agreements)-52.54% (Cost \$401,584,284)				401,584,284
			Repurchase Amount	
<b>Repurchase Agreements-47.19%<sup>(d)</sup></b>				
BNP Paribas Securities Corp., joint term agreement dated 06/24/2021, aggregate maturing value of \$500,004,861 (collateralized by domestic agency mortgage-backed securities, U.S. government sponsored agency obligations and U.S. Treasury obligations valued at \$510,000,049; 0.00% - 7.00%; 08/15/2021 - 10/01/2056) <sup>(e)</sup>	0.05%	07/01/2021	10,000,097	10,000,000
BofA Securities, Inc., joint term agreement dated 06/02/2021, aggregate maturing value of \$495,004,125 (collateralized by domestic agency mortgage-backed securities valued at \$504,900,000; 1.50% - 2.50%; 06/01/2036 - 07/01/2051) <sup>(e)</sup>	0.01%	07/02/2021	20,000,167	20,000,000
Fixed Income Clearing Corp. - Bank of Nova Scotia, joint agreement dated 06/30/2021, aggregate maturing value of \$1,500,002,500 (collateralized by U.S. Treasury obligations valued at \$1,532,595,332; 0.13% - 3.13%; 11/30/2021 - 11/15/2028)	0.06%	07/01/2021	35,000,058	35,000,000
Fixed Income Clearing Corp. - BNP Paribas Securities Corp., joint agreement dated 06/30/2021, aggregate maturing value of \$1,250,001,736 (collateralized by U.S. Treasury obligations valued at \$1,278,777,481; 0.38% - 4.25%; 11/30/2025 - 05/15/2039)	0.05%	07/01/2021	35,000,049	35,000,000
ING Financial Markets, LLC, joint agreement dated 06/30/2021, aggregate maturing value of \$200,000,278 (collateralized by domestic agency mortgage-backed securities valued at \$204,000,000; 1.50% - 5.50%; 09/01/2029 - 05/01/2058)	0.05%	07/01/2021	35,000,049	35,000,000
ING Financial Markets, LLC, joint term agreement dated 06/24/2021, aggregate maturing value of \$150,001,750 (collateralized by domestic agency mortgage-backed securities valued at \$153,000,000; 1.50% - 7.50%; 06/01/2027 - 10/15/2060) <sup>(e)</sup>	0.06%	07/01/2021	3,000,035	3,000,000
J.P. Morgan Securities LLC, joint agreement dated 06/30/2021, aggregate maturing value of \$500,000,694 (collateralized by domestic agency mortgage-backed securities valued at \$510,000,000; 1.50% - 6.01%; 06/01/2027 - 07/01/2051)	0.05%	07/01/2021	35,000,049	35,000,000
J.P. Morgan Securities LLC, joint open agreement dated 03/27/2020 (collateralized by U.S. Treasury obligations valued at \$867,000,668; 0.00% - 7.25%; 07/13/2021 - 01/15/2025) <sup>(f)</sup>	0.05%	-	-	5,000,000
J.P. Morgan Securities LLC, joint open agreement dated 05/02/2019 (collateralized by domestic agency mortgage-backed securities and U.S. Treasury obligations valued at \$510,000,004; 1.75% - 6.00%; 11/30/2024 - 07/01/2051) <sup>(f)</sup>	0.06%	-	-	12,000,000
J.P. Morgan Securities LLC, joint open agreement dated 05/15/2019 (collateralized by domestic agency mortgage-backed securities and U.S. Treasury obligations valued at \$295,800,000; 0.00% - 5.00%; 07/31/2021 - 07/01/2051) <sup>(f)</sup>	0.10%	-	-	5,000,000
J.P. Morgan Securities LLC, joint open agreement dated 10/15/2019 (collateralized by domestic agency mortgage-backed securities and U.S. Treasury obligations valued at \$408,000,021; 0.00% - 7.00%; 09/30/2025 - 07/25/2051) <sup>(f)</sup>	0.07%	-	-	10,000,000

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

	Interest Rate	Maturity Date	Repurchase Amount	Value
Metropolitan Life Insurance Co., joint term agreement dated 06/30/2021, aggregate maturing value of \$350,019,514 (collateralized by U.S. Treasury obligations valued at \$358,641,335; 0.00% - 0.13%; 08/31/2022 - 11/15/2045) <sup>(e)</sup>	0.07%	07/07/2021	\$15,003,798	\$ 15,003,594
Mitsubishi UFJ Trust & Banking Corp., joint agreement dated 06/30/2021, aggregate maturing value of \$500,000,694 (collateralized by domestic agency mortgage-backed securities valued at \$510,000,001; 0.39% - 4.50%; 07/25/2032 - 05/20/2069)	0.05%	07/01/2021	20,794,347	20,794,318
Mitsubishi UFJ Trust & Banking Corp., joint term agreement dated 06/30/2021, aggregate maturing value of \$995,388,548 (collateralized by U.S. Treasury obligations valued at \$1,015,797,430; 0.50% - 1.50%; 02/28/2025 - 02/15/2030) <sup>(e)</sup>	0.07%	07/07/2021	29,850,406	29,850,000
RBC Capital Markets LLC, joint term agreement dated 06/30/2021, aggregate maturing value of \$750,000,000 (collateralized by domestic agency mortgage-backed securities, U.S. government sponsored agency obligations and U.S. Treasury obligations valued at \$765,000,106; 0.00% - 8.15%; 08/15/2021 - 08/20/2065) <sup>(b)(e)</sup>	0.10%	08/30/2021	15,000,000	15,000,000
RBC Dominion Securities Inc., joint agreement dated 06/30/2021, aggregate maturing value of \$2,000,002,778 (collateralized by domestic agency mortgage-backed securities and U.S. Treasury obligations valued at \$2,040,000,004; 0.00% - 6.50%; 02/28/2022 - 07/01/2051)	0.05%	07/01/2021	35,000,049	35,000,000
Societe Generale, joint open agreement dated 08/05/2020 (collateralized by U.S. Treasury obligations valued at \$1,530,000,051; 0.00% - 6.63%; 07/15/2021 - 05/15/2051) <sup>(f)</sup>	0.05%	-	-	5,000,000
Wells Fargo Securities, LLC, joint agreement dated 06/30/2021, aggregate maturing value of \$500,000,833 (collateralized by domestic agency mortgage-backed securities valued at \$510,000,001; 1.50% - 3.50%; 02/01/2023 - 06/01/2051)	0.06%	07/01/2021	35,000,058	35,000,000
Total Repurchase Agreements (Cost \$360,647,912)				360,647,912
TOTAL INVESTMENTS IN SECURITIES <sup>(g)</sup> -99.73% (Cost \$762,232,196)				762,232,196
OTHER ASSETS LESS LIABILITIES-0.27%				2,057,818
NET ASSETS-100.00%				\$764,290,014

#### Investment Abbreviations:

SOFR -Secured Overnight Financing Rate

VRD -Variable Rate Demand

#### Notes to 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) Interest or dividend rate is redetermined periodically. Rate shown is the rate in effect on June 30, 2021.

(c) Demand security payable upon demand by the Fund at specified time intervals no greater than thirteen months. Interest rate is redetermined periodically by the issuer or agent based on current market conditions. Rate shown is the rate in effect on June 30, 2021.

(d) Principal amount equals value at period end. See Note 11.

(e) The Fund may demand payment of the term repurchase agreement upon one to seven business days' notice depending on the timing of the demand.

(f) Either party may terminate the agreement upon demand. Interest rates, principal amount and collateral are redetermined daily.

(g) Also represents cost for federal income tax purposes.

## Portfolio Composition by Maturity\*

In days, as of 06/30/2021

1-7	49.2%
8-30	7.3
31-60	1.8
61-90	10.9
91-180	5.7
181+	25.1

\* The number of days to maturity of each holding is determined in accordance with the provisions of Rule 2a-7 under the Investment Company Act of 1940.

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

# Statement of Assets and Liabilities

June 30, 2021

(Unaudited)

## Assets:

Investments in securities, excluding repurchase agreements, at value and cost	\$401,584,284
Repurchase agreements, at value and cost	360,647,912
Receivable for:	
Fund shares sold	27,420,212
Interest	465,724
Fund expenses absorbed	182,884
Investment for trustee deferred compensation and retirement plans	44,652
<b>Total assets</b>	<b>790,345,668</b>

## Liabilities:

Payable for:	
Investments purchased	25,138,495
Fund shares reacquired	121,488
Dividends	52
Accrued fees to affiliates	704,685
Accrued trustees' and officers' fees and benefits	1,403
Accrued operating expenses	33,124
Trustee deferred compensation and retirement plans	56,407
<b>Total liabilities</b>	<b>26,055,654</b>
<b>Net assets applicable to shares outstanding</b>	<b>\$764,290,014</b>

## Net assets consist of:

Shares of beneficial interest	\$764,255,539
Distributable earnings	34,475
	<b>\$764,290,014</b>

## Net Assets:

Series I	\$681,392,773
Series II	\$ 82,897,241

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

Series I	681,350,786
Series II	82,891,891
Series I:	
Net asset value and offering price per share	\$ 1.00
Series II:	
Net asset value and offering price per share	\$ 1.00

# Statement of Operations

For the six months ended June 30, 2021

(Unaudited)

## Investment income:

Interest	\$ 338,330
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## Expenses:

Advisory fees	595,139
Administrative services fees	754,982
Custodian fees	2,900
Distribution fees - Series II	107,877
Transfer agent fees	8,787
Trustees' and officers' fees and benefits	25,994
Reports to shareholders	7,038
Professional services fees	25,817
Other	6,514
<b>Total expenses</b>	<b>1,535,048</b>
<b>Less: Fees waived and expenses reimbursed</b>	<b>(1,231,826)</b>
<b>Net expenses</b>	<b>303,222</b>
<b>Net investment income</b>	<b>35,108</b>
<b>Net increase in net assets resulting from operations</b>	<b>\$ 35,108</b>

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

# Statement of Changes in Net Assets

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

(Unaudited)

	June 30, 2021	December 31, 2020
<b>Operations:</b>		
Net investment income	\$ 35,108	\$ 2,162,974
Net realized gain	-	40,138
Net increase in net assets resulting from operations	35,108	2,203,112
<b>Distributions to shareholders from distributable earnings:</b>		
Series I	(31,297)	(2,008,417)
Series II	(3,811)	(154,557)
Total distributions from distributable earnings	(35,108)	(2,162,974)
<b>Share transactions-net:</b>		
Series I	(30,255,145)	112,942,473
Series II	(7,948,656)	18,863,611
Net increase (decrease) in net assets resulting from share transactions	(38,203,801)	131,806,084
Net increase (decrease) in net assets	(38,203,801)	131,846,222
<b>Net assets:</b>		
Beginning of period	802,493,815	670,647,593
End of period	\$764,290,014	\$802,493,815

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

# Financial Highlights

(Unaudited)

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

	Net asset value, beginning of period	Net investment income <sup>(a)</sup>	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends from net investment income	Net asset value, end of period	Total return <sup>(b)</sup>	Net assets, end of period (000's omitted)	Ratio of expenses to average net assets with fee waivers and/or expenses absorbed	Ratio of expenses to average net assets without fee waivers and/or expenses absorbed	Ratio of net investment income to average net assets
<b>Series I</b>											
Six months ended 06/30/21	\$1.00	\$0.00	\$ -	\$0.00	\$(0.00)	\$1.00	0.00%	\$681,393	0.08% <sup>(c)</sup>	0.36% <sup>(c)</sup>	0.01% <sup>(c)</sup>
Year ended 12/31/20	1.00	0.00	0.00	0.00	(0.00)	1.00	0.29	711,648	0.29	0.35	0.26
Year ended 12/31/19	1.00	0.02	0.00	0.02	(0.02)	1.00	1.90	598,670	0.36	0.36	1.90
Year ended 12/31/18	1.00	0.02	(0.00)	0.02	(0.02)	1.00	1.55	900,901	0.36	0.36	1.55
Year ended 12/31/17	1.00	0.01	(0.00)	0.01	(0.01)	1.00	0.56	656,368	0.40	0.40	0.56
Year ended 12/31/16	1.00	0.00	0.00	0.00	(0.00)	1.00	0.10	636,532	0.35	0.38	0.10
<b>Series II</b>											
Six months ended 06/30/21	1.00	0.00	-	0.00	(0.00)	1.00	0.00	82,897	0.08% <sup>(c)</sup>	0.61% <sup>(c)</sup>	0.01% <sup>(c)</sup>
Year ended 12/31/20	1.00	0.00	0.00	0.00	(0.00)	1.00	0.21	90,846	0.36	0.60	0.19
Year ended 12/31/19	1.00	0.02	0.00	0.02	(0.02)	1.00	1.64	71,978	0.61	0.61	1.65
Year ended 12/31/18	1.00	0.01	(0.00)	0.01	(0.01)	1.00	1.30	96,339	0.61	0.61	1.30
Year ended 12/31/17	1.00	0.00	(0.00)	0.00	(0.00)	1.00	0.31	85,541	0.65	0.65	0.31
Year ended 12/31/16	1.00	0.00	0.00	0.00	(0.00)	1.00	0.03	97,362	0.43	0.63	0.02

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

<sup>(b)</sup> Includes adjustments in accordance with accounting principles generally accepted in the United States of America. Total returns are not annualized for periods less than one year, if applicable and do not reflect charges assessed in connection with a variable product, which if included would reduce total returns.

<sup>(c)</sup> Ratios are annualized and based on average daily net assets (000's omitted) of \$713,078 and \$87,017 for Series I and Series II shares, respectively.

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



# Notes to Financial Statements

June 30, 2021  
(Unaudited)

## NOTE 1—Significant Accounting Policies

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

The Fund’s investment objective is to provide current income consistent with preservation of capital and liquidity.

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

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

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

**A. Security Valuations** - The Fund’s securities are recorded on the basis of amortized cost which approximates value as permitted by Rule 2a-7 under the 1940 Act. This method values a security at its cost on the date of purchase and, thereafter, assumes a constant amortization to maturity of any premiums or accretion of any discounts.

Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

The Fund 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.

**B. Securities Transactions and Investment Income** - Securities transactions are accounted for on a trade date basis. Realized gains or losses on sales are computed on the basis of specific identification of the securities sold. Interest income (net of withholding tax, if any) is recorded on the accrual basis from settlement date 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. Paydown gains and losses on mortgage and asset-backed securities are recorded as adjustments to interest income.

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

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

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

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

**D. Distributions** - Distributions from net investment income, if any, are declared daily and paid monthly to separate accounts of participating insurance companies. Distributions from net realized gain, if any, are generally declared and paid annually and recorded on the ex-dividend date.

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

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

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

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

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

**H. Indemnifications** - Under the Trust’s organizational documents, each Trustee, officer, employee or other agent of the Trust is indemnified against certain liabilities that may arise out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts, including the Fund’s servicing agreements, that contain a variety of indemnification clauses. The Fund’s maximum exposure under these arrangements is unknown.

as this would involve future claims that may be made against the Fund that have not yet occurred. The risk of material loss as a result of such indemnification claims is considered remote.

- I. Repurchase Agreements** - The Fund may enter into repurchase agreements. Collateral on repurchase agreements, including the Fund's pro-rata interest in joint repurchase agreements, is taken into possession by the Fund upon entering into the repurchase agreement. Collateral consisting of U.S. Government Securities and U.S. Government Sponsored Agency Securities is marked to market daily to ensure its market value is at least 102% of the sales price of the repurchase agreement. The investments in some repurchase agreements, pursuant to procedures approved by the Board of Trustees, are through participation with other mutual funds, private accounts and certain non-registered investment companies managed by the investment adviser or its affiliates ("Joint repurchase agreements"). The principal amount of the repurchase agreement is equal to the value at period-end. If the seller of a repurchase agreement fails to repurchase the security in accordance with the terms of the agreement, the Fund might incur expenses in enforcing its rights, and could experience losses, including a decline in the value of the collateral and loss of income.
- J. COVID-19 Risk** - The COVID-19 strain of coronavirus has resulted in instances of market closures and dislocations, extreme volatility, liquidity constraints and increased trading costs. Efforts to contain its spread have resulted in travel restrictions, disruptions of healthcare systems, business operations and supply chains, layoffs, lower consumer demand, and defaults, among other significant economic impacts that have disrupted global economic activity across many industries. Such economic impacts may exacerbate other pre-existing political, social and economic risks locally or globally.
- The ongoing effects of COVID-19 are unpredictable and may result in significant and prolonged effects on the Fund's performance.
- K. Other Risks** - Investments in obligations issued by agencies and instrumentalities of the U.S. Government may vary in the level of support they receive from the government. The government may choose not to provide financial support to government sponsored agencies or instrumentalities if it is not legally obligated to do so. In this case, if the issuer defaulted, the Fund may not be able to recover its investment in such issuer from the U.S. Government.

## 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 pays an advisory fee to the Adviser based on the annual rate of 0.15% of the Fund's average daily net assets.

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).

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

The Adviser and/or Invesco Distributors, Inc., ("IDI") voluntarily agreed to waive fees and/or reimburse expenses in order to increase the Fund's yield. Voluntary fee waivers and/or reimbursements may be modified at any time upon consultation with the Board of Trustees without further notice to investors.

For the six months ended June 30, 2021, Invesco voluntarily waived advisory fees of \$595,139, reimbursed fund level expenses of \$528,810 and waived class level expenses of \$107,877 for Series II shares in order to increase the Fund's yield.

The Trust has entered into a master administrative services agreement with Invesco pursuant to which the Fund has agreed to pay Invesco a fee for costs incurred in providing accounting services and fund administrative services to the Fund and to reimburse Invesco for fees paid to insurance companies that have agreed to provide certain administrative services to the Fund. These administrative services provided by the insurance companies may include, among other things: maintenance of master accounts with the Fund; tracking, recording and transmitting net purchase and redemption orders for Fund shares; maintaining and preserving records related to the purchase, redemption and other account activity of variable product owners; distributing copies of Fund documents such as prospectuses, proxy materials and periodic reports, to variable product owners, and responding to inquiries from variable product owners about the Fund. Pursuant to such agreement, for the six months ended June 30, 2021, Invesco was paid \$174,574 for accounting and fund administrative services and was reimbursed \$580,408 for fees paid to insurance companies. Also, Invesco has entered into a sub-administration agreement whereby The Bank of New York Mellon ("BNY Mellon") serves as custodian and fund accountant and provides certain administrative services to the Fund.

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, 2021, expenses incurred under the agreement are shown in the Statement of Operations as *Transfer agent fees*.

The Trust has entered into a master distribution agreement with 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. 12b-1 fees before fee waivers are shown as *Distribution fees* in the Statement of Operations. For the six months ended June 30, 2021, 12b-1 fees incurred for Series II shares were \$0, after voluntary waivers of \$107,877.

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.

As of June 30, 2021, all of the securities in this Fund were valued based on Level 2 inputs (see the Schedule of Investments for security categories). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

#### NOTE 4—Trustees' and Officers' Fees and Benefits

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

#### NOTE 5—Cash Balances

The Fund is permitted to temporarily carry a negative or overdrawn balance in its account with The Bank of New York Mellon, the custodian bank. Such balances, if any at period-end, are shown in the Statement of Assets and Liabilities under the payable caption *Amount due custodian*. To compensate the custodian bank for such overdrafts, the overdrawn Fund may either (1) leave funds as a compensating balance in the account so the custodian bank can be compensated by earning the additional interest; or (2) compensate by paying the custodian bank at a rate agreed upon by the custodian bank and Invesco, not to exceed the contractually agreed upon rate.

#### NOTE 6—Tax Information

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

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

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

#### NOTE 7—Share Information

	Summary of Share Activity			
	Six months ended June 30, 2021 <sup>(a)</sup>		Year ended December 31, 2020	
	Shares	Amount	Shares	Amount
<b>Sold:</b>				
Series I	869,286,581	\$ 869,286,581	1,782,972,429	\$ 1,782,972,429
Series II	16,723,815	16,723,815	82,180,237	82,180,237
<b>Issued as reinvestment of dividends:</b>				
Series I	30,571	30,571	1,952,855	1,952,855
Series II	3,811	3,811	154,297	154,297
<b>Reacquired:</b>				
Series I	(899,572,297)	(899,572,297)	(1,671,982,811)	(1,671,982,811)
Series II	(24,676,282)	(24,676,282)	(63,470,923)	(63,470,923)
Net increase (decrease) in share activity	(38,203,801)	\$ (38,203,801)	131,806,084	\$ 131,806,084

<sup>(a)</sup> There are entities that are record owners of more than 5% of the outstanding shares of the Fund and in the aggregate own 84% 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, 2021 through June 30, 2021.

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

## Actual expenses

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

## Hypothetical example for comparison purposes

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

*The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.*

Please note that the expenses shown in the table are meant to highlight your ongoing costs. Therefore, the hypothetical information is useful in comparing ongoing costs, and will not help you determine the relative total costs of owning different funds.

Class	Beginning Account Value (01/01/21)	ACTUAL		HYPOTHETICAL (5% annual return before expenses)		Annualized Expense Ratio
		Ending Account Value (06/30/21) <sup>1</sup>	Expenses Paid During Period <sup>2</sup>	Ending Account Value (06/30/21)	Expenses Paid During Period <sup>2</sup>	
Series I	\$1,000.00	\$1,000.00	\$0.40	\$1,024.40	\$0.40	0.08%
Series II	1,000.00	1,000.00	0.40	1,024.40	0.40	0.08

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

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

# Approval of Investment Advisory and Sub-Advisory Contracts

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

## **The Board's Evaluation Process**

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

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

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

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

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

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

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

an investment management business, as well as its commitment of financial and other resources to such business. The Board concluded that the nature, extent and quality of the services provided to the Fund by Invesco Advisers are appropriate and satisfactory.

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

### *B. Fund Investment Performance*

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

The Board compared the Fund's investment performance over multiple time periods ending December 31, 2020 to the performance of funds in the Broadridge performance universe and against the T-Bill 3 Month Index (Index). The Board noted that performance of Series I shares of the Fund was in the second quintile of its performance universe for the one year period and the first quintile for the three and five year periods (the first quintile being the best performing funds and the fifth quintile being the worst performing funds). The Board noted that performance of Series I shares of the Fund was 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 I shares of the Fund was below the median contractual management fee rate of funds in its expense group. The Board noted that the term "contractual management fee" for funds in the expense group may include both advisory

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

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

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

The Board also 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 noted that the Fund does not benefit from economies of scale through contractual breakpoints, but does share in economies of scale through Invesco Advisers' ability to negotiate lower fee arrangements with third party service providers. The Board noted that the Fund may also benefit from economies of scale through initial fee setting, fee waivers and expense reimbursements, as well as Invesco Advisers' investment in its business, including investments in business infrastructure, technology and cybersecurity.

#### *E. Profitability and Financial Resources*

The Board reviewed information from Invesco Advisers concerning the costs of the advisory and other services that Invesco Advisers and its affiliates provide to the Fund and the Invesco Funds and the profitability of Invesco Advisers and its affiliates in providing these services in the aggregate and on an individual Fund-by-Fund basis. The Board considered the methodology used for calculating profitability and noted that such methodology had recently been reviewed and enhanced. The Board noted that Invesco Advisers continues to operate at a net profit from

services Invesco Advisers and its affiliates provide to the Invesco Funds in the aggregate and to most Funds individually. The Board did not deem the level of profits realized by Invesco Advisers and its affiliates from providing such services to be excessive, given the nature, extent and quality of the services provided. The Board noted that Invesco Advisers provided information demonstrating that Invesco Advisers is financially sound and has the resources necessary to perform its obligations under the investment advisory agreement, and provided representations indicating that the Affiliated Sub-Advisers are financially sound and have the resources necessary to perform their obligations under the sub-advisory contracts.

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

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