



Invesco V.I. High Yield Fund



Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, the insurance company that offers your variable annuity or variable life insurance contract may no longer send you paper copies of the Fund's shareholder reports by mail, unless you specifically request paper copies of the reports from the insurance company or your financial intermediary. Instead of delivering paper copies of the report, the insurance company may choose to make the reports available on a website, and will notify you by mail each time a report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

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

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

The Fund provides a complete list of its holdings four times in each fiscal year, at the quarter-ends. For the second and fourth quarters, the lists appear in the Fund's semiannual and annual reports to shareholders. For the first and third quarters, the Fund files the lists 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/proxyguidelines. 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.

Fund Performance

Performance summary		Average Annual Total Returns	
Fund vs. Indexes		As of 6/30/20	
<i>Cumulative total returns, 12/31/19 to 6/30/20, excluding variable product issuer charges. If variable product issuer charges were included, returns would be lower.</i>		Series I Shares	
Series I Shares	-7.58%	Inception (5/1/98)	3.91%
Series II Shares	-7.65	10 Years	5.06
Bloomberg Barclays U.S. Aggregate Bond Index▼ (Broad Market Index)	6.14	5 Years	2.51
Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index▼ (Style-Specific Index)	-3.83	1 Year	-4.53
Lipper VUF High Yield Bond Funds Classification Average■ (Peer Group)	-4.62	Series II Shares	
Source(s): ▼RIMES Technologies Corp.; ■Lipper Inc.		Inception (3/26/02)	5.96%
The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged index considered representative of the US investment grade, fixed-rate bond market.		10 Years	4.81
The Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index is an unmanaged index considered representative of the US high-yield, fixed-rate corporate bond market. Index weights for each issuer are capped at 2%.		5 Years	2.26
The Lipper VUF High Yield Bond Funds Classification Average represents an average of all variable insurance underlying funds in the Lipper High Yield Bond Funds classification.		1 Year	-4.79
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.			

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

The performance data quoted represent past performance and cannot guarantee 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. High Yield 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 data 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

The Securities and Exchange Commission has adopted Rule 22e-4 under the Investment Company Act of 1940 (the "Liquidity Rule") in order to promote effective liquidity risk management throughout the open-end investment company industry, thereby reducing the risk that funds will be unable to meet their redemption obligations and mitigating dilution of the interests of fund shareholders. 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 30-April 1, 2020, 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 December 1, 2018 through December 31, 2019 (the "Program Reporting Period").

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

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

Schedule of Investments^(a)

June 30, 2020
(Unaudited)

	Principal Amount	Value
U.S. Dollar Denominated Bonds & Notes-91.36%		
Aerospace & Defense-2.56%		
Bombardier, Inc. (Canada), 8.75%, 12/01/2021 ^(b)	\$ 170,000	\$ 138,938
5.75%, 03/15/2022 ^(b)	215,000	159,159
7.50%, 03/15/2025 ^(b)	982,000	643,922
7.88%, 04/15/2027 ^(b)	161,000	105,726
BWX Technologies, Inc., 4.13%, 06/30/2028 ^(b)	103,000	103,129
Spirit AeroSystems, Inc., 7.50%, 04/15/2025 ^(b)	132,000	130,762
TransDigm UK Holdings PLC, 6.88%, 05/15/2026	600,000	560,136
TransDigm, Inc., 6.50%, 07/15/2024	157,000	151,489
6.50%, 05/15/2025	574,000	538,237
Triumph Group, Inc., 5.25%, 06/01/2022	229,000	196,600
7.75%, 08/15/2025	819,000	619,369
		3,347,467
Agricultural & Farm Machinery-0.59%		
Titan International, Inc., 6.50%, 11/30/2023	1,181,000	775,510
Airlines-0.47%		
Delta Air Lines, Inc., 7.00%, 05/01/2025 ^(b)	359,000	370,962
7.38%, 01/15/2026	255,000	246,961
		617,923
Alternative Carriers-1.07%		
CenturyLink, Inc., Series Y, 7.50%, 04/01/2024	696,000	766,059
Level 3 Financing, Inc., 5.38%, 05/01/2025	215,000	220,129
5.25%, 03/15/2026	400,000	413,066
		1,399,254
Aluminum-0.23%		
Novelis Corp., 4.75%, 01/30/2030 ^(b)	320,000	306,394
Apparel Retail-1.06%		
L Brands, Inc., 6.88%, 11/01/2035	684,000	571,790
6.75%, 07/01/2036	101,000	83,148
Michaels Stores, Inc., 8.00%, 07/15/2027 ^(b)	830,000	722,772
		1,377,710
Apparel, Accessories & Luxury Goods-0.54%		
Hanesbrands, Inc., 5.38%, 05/15/2025 ^(b)	398,000	403,224
William Carter Co. (The), 5.50%, 05/15/2025 ^(b)	126,000	130,174
5.63%, 03/15/2027 ^(b)	167,000	172,495
		705,893

	Principal Amount	Value
Auto Parts & Equipment-1.57%		
Adient Global Holdings Ltd., 4.88%, 08/15/2026 ^(b)	\$ 350,000	\$ 290,250
Adient US LLC, 9.00%, 04/15/2025 ^(b)	118,000	127,626
Clarios Global L.P., 6.75%, 05/15/2025 ^(b)	158,000	164,814
Clarios Global L.P./Clarios US Finance Co., 8.50%, 05/15/2027 ^(b)	354,000	356,646
Dana, Inc., 5.50%, 12/15/2024	498,000	503,550
5.38%, 11/15/2027	119,000	118,405
5.63%, 06/15/2028	68,000	67,673
Hertz Corp. (The), 7.63%, 06/01/2022 ^{(b)(c)}	152,000	114,475
7.13%, 08/01/2026 ^{(b)(c)}	198,000	62,517
Tenneco, Inc., 5.00%, 07/15/2026	365,000	238,175
		2,044,131
Automobile Manufacturers-2.29%		
Ford Motor Co., 8.50%, 04/21/2023	215,000	227,766
9.00%, 04/22/2025	201,000	217,708
9.63%, 04/22/2030	108,000	128,107
4.75%, 01/15/2043	305,000	241,635
Ford Motor Credit Co. LLC, 5.13%, 06/16/2025	204,000	204,975
4.39%, 01/08/2026	282,000	267,769
5.11%, 05/03/2029	616,000	603,350
J.B. Poindexter & Co., Inc., 7.13%, 04/15/2026 ^(b)	1,086,000	1,100,726
Motors Liquidation Co., 8.38%, 07/15/2033 ^{(c)(d)}	1,060,000	0
		2,992,036
Automotive Retail-2.02%		
Asbury Automotive Group, Inc., 4.75%, 03/01/2030 ^(b)	78,000	76,245
Capitol Investment Merger Sub 2 LLC, 10.00%, 08/01/2024 ^(b)	1,002,000	1,002,822
Lithia Motors, Inc., 5.25%, 08/01/2025 ^(b)	248,000	248,904
4.63%, 12/15/2027 ^(b)	169,000	167,732
Murphy Oil USA, Inc., 5.63%, 05/01/2027	208,000	215,500
4.75%, 09/15/2029	202,000	207,013
Penske Automotive Group, Inc., 5.50%, 05/15/2026	723,000	722,866
		2,641,082
Broadcasting-2.24%		
AMC Networks, Inc., 5.00%, 04/01/2024	486,000	482,659
4.75%, 08/01/2025	127,000	124,981
Clear Channel Worldwide Holdings, Inc., 9.25%, 02/15/2024	929,000	864,188
Gray Television, Inc., 7.00%, 05/15/2027 ^(b)	564,000	579,595
iHeartCommunications, Inc., 8.38%, 05/01/2027	817,000	750,157

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

	Principal Amount	Value
Broadcasting-(continued)		
TV Azteca S.A.B. de C.V. (Mexico), 8.25%, 08/09/2024 ^(b)	\$ 270,000	\$ 119,109
		2,920,689
Building Products-0.31%		
Standard Industries, Inc., 5.00%, 02/15/2027 ^(b)	400,000	406,162
Cable & Satellite-5.30%		
Altice Financing S.A. (Luxembourg), 7.50%, 05/15/2026 ^(b)	430,000	452,586
CCO Holdings LLC/CCO Holdings Capital Corp., 5.75%, 02/15/2026 ^(b)	1,128,000	1,169,223
CSC Holdings LLC, 10.88%, 10/15/2025 ^(b)	445,000	479,419
6.50%, 02/01/2029 ^(b)	745,000	815,309
4.63%, 12/01/2030 ^(b)	400,000	390,544
DISH DBS Corp., 5.88%, 11/15/2024	986,000	981,844
7.75%, 07/01/2026	220,000	233,636
DISH Network Corp., Conv., 3.38%, 08/15/2026	534,000	491,875
Intelsat Jackson Holdings S.A. (Luxembourg), 5.50%, 08/01/2023 ^(c)	731,000	418,296
8.50%, 10/15/2024 ^{(b)(c)}	292,000	176,498
9.75%, 07/15/2025 ^{(b)(c)}	210,000	129,339
Telenet Finance Luxembourg Notes S.a.r.l. (Belgium), 5.50%, 03/01/2028 ^(b)	400,000	420,000
Virgin Media Secured Finance PLC (United Kingdom), 5.50%, 08/15/2026 ^(b)	300,000	307,753
VTR Finance B.V. (Chile), 6.88%, 01/15/2024 ^(b)	440,000	450,085
		6,916,407
Casinos & Gaming-3.60%		
Boyd Gaming Corp., 8.63%, 06/01/2025 ^(b)	158,000	165,406
6.00%, 08/15/2026	226,000	210,985
Cirsa Finance International S.a.r.l. (Spain), 7.88%, 12/20/2023 ^(b)	200,000	185,500
Codere Finance 2 (Luxembourg) S.A. (Spain), 7.63%, 11/01/2021 ^(b)	448,000	295,465
Colt Merger Sub, Inc., 5.75%, 07/01/2025 ^(b)	86,000	86,645
8.13%, 07/01/2027 ^(b)	245,000	238,875
Melco Resorts Finance Ltd. (Hong Kong), 5.63%, 07/17/2027 ^(b)	229,000	231,953
MGM China Holdings Ltd. (Macau), 5.88%, 05/15/2026 ^(b)	206,000	212,600
MGM Resorts International, 7.75%, 03/15/2022	519,000	529,082
6.00%, 03/15/2023	305,000	308,845
6.75%, 05/01/2025	412,000	409,715
Scientific Games International, Inc., 8.63%, 07/01/2025 ^(b)	177,000	165,884
8.25%, 03/15/2026 ^(b)	158,000	140,494
7.00%, 05/15/2028 ^(b)	251,000	201,224
Station Casinos LLC, 4.50%, 02/15/2028 ^(b)	204,000	171,998
Studio City Finance Ltd. (Macau), 7.25%, 02/11/2024 ^(b)	505,000	518,299

	Principal Amount	Value
Casinos & Gaming-(continued)		
Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., 5.50%, 03/01/2025 ^(b)	\$ 685,000	\$ 628,964
		4,701,934
Coal & Consumable Fuels-0.89%		
Parsley Energy LLC/Parsley Finance Corp., 5.38%, 01/15/2025 ^(b)	145,000	141,330
4.13%, 02/15/2028 ^(b)	105,000	95,287
SunCoke Energy Partners L.P./SunCoke Energy Partners Finance Corp., 7.50%, 06/15/2025 ^(b)	1,097,000	930,602
		1,167,219
Commodity Chemicals-0.67%		
Koppers, Inc., 6.00%, 02/15/2025 ^(b)	460,000	448,781
Olin Corp., 5.63%, 08/01/2029	466,000	429,314
		878,095
Communications Equipment-0.38%		
CommScope Technologies LLC, 6.00%, 06/15/2025 ^(b)	152,000	147,182
Hughes Satellite Systems Corp., 7.63%, 06/15/2021	342,000	353,038
		500,220
Construction & Engineering-0.33%		
Valmont Industries, Inc., 5.00%, 10/01/2044	408,000	425,143
Construction Materials-0.19%		
Cemex S.A.B. de C.V. (Mexico), 5.45%, 11/19/2029 ^(b)	270,000	249,653
Consumer Finance-1.54%		
Navient Corp., 7.25%, 01/25/2022	345,000	346,630
7.25%, 09/25/2023	1,005,000	985,407
5.00%, 03/15/2027	208,000	175,177
Springleaf Finance Corp., 8.88%, 06/01/2025	465,000	498,045
		2,005,259
Copper-1.88%		
First Quantum Minerals Ltd. (Zambia), 7.50%, 04/01/2025 ^(b)	672,000	644,525
Freeport-McMoRan, Inc., 5.40%, 11/14/2034	1,118,000	1,108,321
Taseko Mines Ltd. (Canada), 8.75%, 06/15/2022 ^(b)	840,000	704,353
		2,457,199
Data Processing & Outsourced Services-0.49%		
Alliance Data Systems Corp., 4.75%, 12/15/2024 ^(b)	394,000	355,831
Cardtronics, Inc./Cardtronics USA, Inc., 5.50%, 05/01/2025 ^(b)	290,000	282,357
		638,188
Department Stores-0.93%		
Kohl's Corp., 9.50%, 05/15/2025	40,000	45,666
5.55%, 07/17/2045	407,000	364,452
Macy's, Inc., 8.38%, 06/15/2025 ^(b)	416,000	414,700

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

	Principal Amount	Value
Department Stores-(continued)		
Nordstrom, Inc., 8.75%, 05/15/2025 ^(b)	\$ 365,000	\$ 393,115
		1,217,933
Distributors-0.75%		
Core & Main Holdings L.P., 9.38% PIK Rate, 8.63% Cash Rate, 09/15/2024 ^{(b)(e)}	975,000	979,504
Diversified Banks-1.06%		
Barclays Bank PLC (United Kingdom), 7.63%, 11/21/2022	200,000	217,859
Credit Agricole S.A. (France), 8.13% ^{(b)(f)}	507,000	580,832
Societe Generale S.A. (France), 7.38% ^{(b)(f)}	308,000	311,364
Standard Chartered PLC (United Kingdom), 7.50% ^{(b)(f)}	263,000	272,598
		1,382,653
Diversified Chemicals-0.37%		
Chemours Co. (The), 7.00%, 05/15/2025	220,000	210,721
Trinseo Materials Operating S.C.A./Trinseo Materials Finance, Inc., 5.38%, 09/01/2025 ^(b)	285,000	270,928
		481,649
Diversified Metals & Mining-0.29%		
Hudbay Minerals, Inc. (Peru), 7.63%, 01/15/2025 ^(b)	396,000	380,202
Diversified REITs-1.10%		
Colony Capital, Inc., Conv., 3.88%, 01/15/2021	34,000	32,489
5.00%, 04/15/2023	268,000	231,485
iStar, Inc., 4.75%, 10/01/2024	803,000	751,391
VICI Properties L.P./VICI Note Co., Inc., 3.50%, 02/15/2025 ^(b)	147,000	138,525
3.75%, 02/15/2027 ^(b)	148,000	139,374
4.13%, 08/15/2030 ^(b)	148,000	141,387
		1,434,651
Diversified Support Services-0.22%		
IAA, Inc., 5.50%, 06/15/2027 ^(b)	274,000	283,890
Electric Utilities-0.71%		
DPL, Inc., 4.35%, 04/15/2029	405,000	410,706
NRG Energy, Inc., 5.25%, 06/15/2029 ^(b)	274,000	288,962
Talen Energy Supply LLC, 7.63%, 06/01/2028 ^(b)	221,000	221,414
		921,082
Electrical Components & Equipment-0.52%		
EnerSys, 5.00%, 04/30/2023 ^(b)	331,000	340,482
WESCO Distribution, Inc., 7.25%, 06/15/2028 ^(b)	319,000	337,205
		677,687
Electronic Equipment & Instruments-0.40%		
MTS Systems Corp., 5.75%, 08/15/2027 ^(b)	560,000	515,794

	Principal Amount	Value
Environmental & Facilities Services-0.35%		
GFL Environmental, Inc. (Canada), 7.00%, 06/01/2026 ^(b)	\$ 85,000	\$ 88,702
Waste Pro USA, Inc., 5.50%, 02/15/2026 ^(b)	382,000	365,725
		454,427
Fertilizers & Agricultural Chemicals-0.18%		
OCI N.V. (Netherlands), 6.63%, 04/15/2023 ^(b)	231,000	233,310
Food Retail-0.86%		
Albertsons Cos., Inc./Safeway, Inc./New Albertsons L.P./Albertson's LLC, 7.50%, 03/15/2026 ^(b)	278,000	301,797
5.88%, 02/15/2028 ^(b)	309,000	319,339
Simmons Foods, Inc., 5.75%, 11/01/2024 ^(b)	530,000	504,881
		1,126,017
Forest Products-0.44%		
Norbord, Inc. (Canada), 5.75%, 07/15/2027 ^(b)	560,000	573,194
Gas Utilities-0.61%		
AmeriGas Partners L.P./AmeriGas Finance Corp., 5.88%, 08/20/2026	341,000	360,544
Suburban Propane Partners L.P./Suburban Energy Finance Corp., 5.50%, 06/01/2024	375,000	372,418
Superior Plus L.P./Superior General Partner, Inc. (Canada), 7.00%, 07/15/2026 ^(b)	59,000	62,013
		794,975
Health Care Facilities-1.79%		
Community Health Systems, Inc., 9.88%, 06/30/2023 ^{(b)(g)}	226,000	176,640
6.63%, 02/15/2025 ^(b)	338,000	318,565
8.00%, 03/15/2026 ^(b)	449,000	424,844
Encompass Health Corp., 4.75%, 02/01/2030	160,000	153,070
HCA, Inc., 5.38%, 02/01/2025	490,000	526,287
5.88%, 02/15/2026	281,000	308,809
5.50%, 06/15/2047	170,000	207,419
Tenet Healthcare Corp., 7.50%, 04/01/2025 ^(b)	147,000	156,831
4.63%, 06/15/2028 ^(b)	65,000	63,842
		2,336,307
Health Care REITs-0.31%		
MPT Operating Partnership L.P./MPT Finance Corp., 5.00%, 10/15/2027	395,000	407,109
Health Care Services-0.89%		
DaVita, Inc., 4.63%, 06/01/2030 ^(b)	219,000	217,932
Hadrian Merger Sub, Inc., 8.50%, 05/01/2026 ^(b)	795,000	722,607
Team Health Holdings, Inc., 6.38%, 02/01/2025 ^(b)	384,000	224,120
		1,164,659

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

	Principal Amount	Value
Home Improvement Retail-0.18%		
Hillman Group, Inc. (The), 6.38%, 07/15/2022 ^(b)	\$ 255,000	\$ 236,254
Homebuilding-2.18%		
Ashton Woods USA LLC/Ashton Woods Finance Co., 9.88%, 04/01/2027 ^(b)	566,000	603,390
KB Home, 4.80%, 11/15/2029	300,000	295,687
Lennar Corp., 8.38%, 01/15/2021	112,000	116,026
5.38%, 10/01/2022	254,000	267,910
Mattamy Group Corp. (Canada), 5.25%, 12/15/2027 ^(b)	284,000	283,468
Meritage Homes Corp., 5.13%, 06/06/2027	350,000	361,746
PulteGroup, Inc., 6.38%, 05/15/2033	11,000	12,914
Taylor Morrison Communities, Inc., 6.63%, 07/15/2027 ^(b)	562,000	581,496
5.75%, 01/15/2028 ^(b)	320,000	330,739
		2,853,376
Hotel & Resort REITs-0.26%		
Service Properties Trust, 4.95%, 10/01/2029	407,000	345,362
Hotels, Resorts & Cruise Lines-0.59%		
Carnival Corp., 11.50%, 04/01/2023 ^(b)	294,000	318,237
Royal Caribbean Cruises Ltd., 10.88%, 06/01/2023 ^(b)	198,000	203,573
9.13%, 06/15/2023 ^(b)	194,000	192,570
11.50%, 06/01/2025 ^(b)	50,000	52,162
		766,542
Household Products-0.81%		
Energizer Holdings, Inc., 6.38%, 07/15/2026 ^(b)	77,000	79,808
7.75%, 01/15/2027 ^(b)	275,000	293,861
4.75%, 06/15/2028 ^(b)	69,000	67,859
Reynolds Group Issuer, Inc./LLC, 7.00%, 07/15/2024 ^(b)	329,000	330,696
Spectrum Brands, Inc., 5.75%, 07/15/2025	275,000	283,081
		1,055,305
Housewares & Specialties-0.14%		
Newell Brands, Inc., 4.88%, 06/01/2025	173,000	181,504
Human Resource & Employment Services-0.40%		
ASGN, Inc., 4.63%, 05/15/2028 ^(b)	534,000	522,418
Independent Power Producers & Energy Traders-0.26%		
Calpine Corp., 5.50%, 02/01/2024	334,000	335,040
Industrial Machinery-1.85%		
Clark Equipment Co. (South Korea), 5.88%, 06/01/2025 ^(b)	144,000	147,870
Cleaver-Brooks, Inc., 7.88%, 03/01/2023 ^(b)	866,000	737,092
EnPro Industries, Inc., 5.75%, 10/15/2026	545,000	546,940
Hillenbrand, Inc., 5.75%, 06/15/2025	165,000	170,981
Mueller Industries, Inc., 6.00%, 03/01/2027	825,000	809,374
		2,412,257

	Principal Amount	Value
Integrated Oil & Gas-2.04%		
Cenovus Energy, Inc. (Canada), 4.25%, 04/15/2027	\$ 496,000	\$ 450,521
Occidental Petroleum Corp., 2.70%, 08/15/2022	560,000	522,365
2.90%, 08/15/2024	323,000	276,808
3.20%, 08/15/2026	670,000	543,776
3.50%, 08/15/2029	180,000	132,462
6.20%, 03/15/2040	318,000	267,716
4.10%, 02/15/2047	475,000	322,406
Petroleos Mexicanos (Mexico), 5.95%, 01/28/2031 ^(b)	185,000	152,894
		2,668,948
Integrated Telecommunication Services-3.05%		
Altice France Holding S.A. (Luxembourg), 10.50%, 05/15/2027 ^(b)	410,000	453,429
Altice France S.A. (France), 7.38%, 05/01/2026 ^(b)	764,000	798,372
CommScope, Inc., 6.00%, 03/01/2026 ^(b)	467,000	479,903
8.25%, 03/01/2027 ^(b)	536,000	551,791
Embarq Corp., 8.00%, 06/01/2036	431,000	484,970
Frontier Communications Corp., 10.50%, 09/15/2022 ^(c)	1,501,000	523,121
11.00%, 09/15/2025 ^(c)	264,000	92,128
Telecom Italia Capital S.A. (Italy), 6.38%, 11/15/2033	95,000	107,214
7.20%, 07/18/2036	417,000	497,585
		3,988,513
Interactive Media & Services-1.29%		
Cable Onda S.A. (Panama), 4.50%, 01/30/2030 ^(b)	210,000	213,189
Cumulus Media New Holdings, Inc., 6.75%, 07/01/2026 ^(b)	684,000	633,018
Diamond Sports Group LLC/Diamond Sports Finance Co., 5.38%, 08/15/2026 ^(b)	579,000	422,624
6.63%, 08/15/2027 ^(b)	784,000	422,207
		1,691,038
Internet & Direct Marketing Retail-0.28%		
QVC, Inc., 5.45%, 08/15/2034	407,000	370,073
Internet Services & Infrastructure-0.43%		
EIG Investors Corp., 10.88%, 02/01/2024	44,000	42,840
Rackspace Hosting, Inc., 8.63%, 11/15/2024 ^(b)	509,000	518,671
		561,511
Leisure Facilities-0.05%		
Viking Cruises Ltd., 13.00%, 05/15/2025 ^(b)	63,000	66,741
Leisure Products-0.24%		
Mattel, Inc., 6.75%, 12/31/2025 ^(b)	303,000	314,888

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

	Principal Amount	Value
Managed Health Care-1.02%		
Centene Corp., 5.25%, 04/01/2025 ^(b)	\$ 367,000	\$ 378,419
5.38%, 06/01/2026 ^(b)	356,000	370,498
5.38%, 08/15/2026 ^(b)	310,000	323,725
4.63%, 12/15/2029	250,000	265,318
		1,337,960
Metal & Glass Containers-0.75%		
Flex Acquisition Co., Inc., 7.88%, 07/15/2026 ^(b)	445,000	432,943
Owens-Brockway Glass Container, Inc., 6.63%, 05/13/2027 ^(b)	124,000	129,193
Trivium Packaging Finance B.V. (Netherlands), 5.50%, 08/15/2026 ^(b)	206,000	208,832
8.50%, 08/15/2027 ^(b)	200,000	214,213
		985,181
Movies & Entertainment-1.50%		
AMC Entertainment Holdings, Inc., 10.50%, 04/15/2025 ^(b)	672,000	547,730
5.75%, 06/15/2025	735,000	237,038
6.13%, 05/15/2027	308,000	97,790
Netflix, Inc., 5.88%, 11/15/2028	577,000	657,252
5.38%, 11/15/2029 ^(b)	383,000	421,193
		1,961,003
Oil & Gas Drilling-0.74%		
Diamond Offshore Drilling, Inc., 4.88%, 11/01/2043 ^(c)	240,000	28,369
Ensign Drilling, Inc. (Canada), 9.25%, 04/15/2024 ^(b)	395,000	177,006
Nabors Industries, Inc., 5.75%, 02/01/2025	286,000	116,873
Precision Drilling Corp. (Canada), 7.75%, 12/15/2023	94,000	64,733
5.25%, 11/15/2024	405,000	272,020
Transocean, Inc., 8.00%, 02/01/2027 ^(b)	129,000	73,046
7.50%, 04/15/2031	662,000	195,290
Valaris PLC (Saudi Arabia), 7.75%, 02/01/2026	544,000	42,516
		969,853
Oil & Gas Equipment & Services-0.13%		
SESI LLC, 7.13%, 12/15/2021 ^(b)	396,000	175,230
Oil & Gas Exploration & Production-4.91%		
Antero Resources Corp., 5.63%, 06/01/2023	212,000	136,343
5.00%, 03/01/2025	107,000	63,464
Apache Corp., 5.10%, 09/01/2040	414,000	340,621
4.75%, 04/15/2043	92,000	74,187
Ascent Resources Utica Holdings LLC/ARU Finance Corp., 10.00%, 04/01/2022 ^(b)	344,000	294,332
California Resources Corp., 8.00%, 12/15/2022 ^(b)	559,000	25,504
Callon Petroleum Co., 6.13%, 10/01/2024	441,000	151,318
6.38%, 07/01/2026	169,000	56,372

	Principal Amount	Value
Oil & Gas Exploration & Production-(continued)		
Centennial Resource Production LLC, 6.88%, 04/01/2027 ^(b)	\$ 111,000	\$ 59,152
Chesapeake Energy Corp., 11.50%, 01/01/2025 ^(b)	173,000	18,732
CNX Resources Corp., 7.25%, 03/14/2027 ^(b)	145,000	133,584
Comstock Resources, Inc., 9.75%, 08/15/2026	179,000	167,964
Continental Resources, Inc., 4.50%, 04/15/2023	505,000	483,310
3.80%, 06/01/2024	78,000	73,794
Denbury Resources, Inc., 5.50%, 05/01/2022	323,000	25,840
Endeavor Energy Resources L.P./EER Finance, Inc., 6.63%, 07/15/2025 ^(b)	84,000	84,867
5.75%, 01/30/2028 ^(b)	151,000	145,310
EP Energy LLC/Everest Acquisition Finance, Inc., 8.00%, 11/29/2024 ^{(b)(c)}	420,000	12,600
EQT Corp., 6.13%, 02/01/2025	116,000	115,798
3.90%, 10/01/2027	134,000	109,564
7.00%, 02/01/2030	150,000	154,705
Genesis Energy L.P./Genesis Energy Finance Corp., 6.25%, 05/15/2026	940,000	809,754
7.75%, 02/01/2028	212,000	188,879
Gulfport Energy Corp., 6.63%, 05/01/2023	108,000	64,639
6.00%, 10/15/2024	354,000	181,646
Hilcorp Energy I L.P./Hilcorp Finance Co., 6.25%, 11/01/2028 ^(b)	244,000	196,679
Laredo Petroleum, Inc., 10.13%, 01/15/2028	160,000	110,800
MEG Energy Corp. (Canada), 6.50%, 01/15/2025 ^(b)	262,000	244,519
Oasis Petroleum, Inc., 6.88%, 01/15/2023	164,000	27,880
PDC Energy, Inc., 5.75%, 05/15/2026	118,000	107,752
QEP Resources, Inc., 5.25%, 05/01/2023	375,000	248,672
Range Resources Corp., 4.88%, 05/15/2025	311,000	234,331
SM Energy Co., 6.75%, 09/15/2026	429,000	217,263
6.63%, 01/15/2027	96,000	47,319
Southwestern Energy Co., 7.50%, 04/01/2026	109,000	95,752
7.75%, 10/01/2027	344,000	300,365
Whiting Petroleum Corp., 5.75%, 03/15/2021 ^(c)	379,000	73,431
6.25%, 04/01/2023 ^(c)	514,000	90,914
6.63%, 01/15/2026 ^(c)	519,000	93,043
WPX Energy, Inc., 5.75%, 06/01/2026	240,000	233,497
5.25%, 10/15/2027	60,000	56,153
5.88%, 06/15/2028	33,000	31,680
4.50%, 01/15/2030	27,000	23,910
		6,406,239

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	Principal Amount	Value
Oil & Gas Refining & Marketing-1.93%		
Calumet Specialty Products Partners L.P./Calumet Finance Corp., 7.63%, 01/15/2022	\$ 700,000	\$ 670,960
EnLink Midstream Partners L.P., 5.60%, 04/01/2044	282,000	173,231
NuStar Logistics L.P., 6.00%, 06/01/2026	681,000	668,548
Parkland Corp. (Canada), 6.00%, 04/01/2026 ^(b)	676,000	694,465
PBF Holding Co. LLC/PBF Finance Corp., 6.00%, 02/15/2028 ^(b)	379,000	315,518
		2,522,722

Oil & Gas Storage & Transportation-3.06%

Antero Midstream Partners L.P./Antero Midstream Finance Corp., 5.75%, 01/15/2028 ^(b)	537,000	425,589
Crestwood Midstream Partners L.P./Crestwood Midstream Finance Corp., 5.75%, 04/01/2025	196,000	169,909
DCP Midstream Operating L.P., 5.38%, 07/15/2025	379,000	377,338
	5.63%, 07/15/2027	104,000
EQM Midstream Partners L.P., 6.50%, 07/01/2027 ^(b)	345,000	354,256
	5.50%, 07/15/2028	334,000
Holly Energy Partners L.P./Holly Energy Finance Corp., 5.00%, 02/01/2028 ^(b)	151,000	144,182
NGL Energy Partners L.P./NGL Energy Finance Corp., 7.50%, 04/15/2026	781,000	595,388
Targa Resources Partners L.P./Targa Resources Partners Finance Corp., 5.88%, 04/15/2026	743,000	737,309
	5.50%, 03/01/2030 ^(b)	100,000
Western Midstream Operating L.P., 3.10%, 02/01/2025	163,000	154,814
	4.50%, 03/01/2028	148,000
	4.75%, 08/15/2028	391,000
		3,995,558

Other Diversified Financial Services-1.60%

eG Global Finance PLC (United Kingdom), 6.75%, 02/07/2025 ^(b)	449,000	443,154
	8.50%, 10/30/2025 ^(b)	212,000
Lions Gate Capital Holdings LLC, 6.38%, 02/01/2024 ^(b)	457,000	446,998
LPL Holdings, Inc., 5.75%, 09/15/2025 ^(b)	509,000	516,948
Tempo Acquisition LLC/Tempo Acquisition Finance Corp., 6.75%, 06/01/2025 ^(b)	458,000	465,152
		2,089,972

Packaged Foods & Meats-2.85%

B&G Foods, Inc., 5.25%, 04/01/2025	389,000	392,306
JBS USA LUX S.A./JBS USA Finance, Inc., 5.75%, 06/15/2025 ^(b)	180,000	182,700
JBS USA LUX S.A./JBS USA Food Co./JBS USA Finance, Inc., 5.50%, 01/15/2030 ^(b)	439,000	450,717

	Principal Amount	Value
Packaged Foods & Meats-(continued)		
Kraft Heinz Foods Co. (The), 6.88%, 01/26/2039	\$ 407,000	\$ 503,796
	5.00%, 06/04/2042	369,000
	5.50%, 06/01/2050 ^(b)	457,000
Pilgrim's Pride Corp., 5.88%, 09/30/2027 ^(b)	343,000	343,863
Post Holdings, Inc., 5.63%, 01/15/2028 ^(b)	355,000	368,247
	4.63%, 04/15/2030 ^(b)	317,000
TreeHouse Foods, Inc., 6.00%, 02/15/2024 ^(b)	289,000	295,533
		3,726,818

Paper Products-0.68%

Mercer International, Inc. (Germany), 5.50%, 01/15/2026	162,000	152,791
Schweitzer-Mauduit International, Inc., 6.88%, 10/01/2026 ^(b)	713,000	731,581
		884,372

Personal Products-0.39%

Edgewell Personal Care Co., 5.50%, 06/01/2028 ^(b)	156,000	160,778
Herbalife Nutrition Ltd./HLF Financing, Inc., 7.88%, 09/01/2025 ^(b)	337,000	348,584
		509,362

Pharmaceuticals-2.11%

Bausch Health Americas, Inc., 9.25%, 04/01/2026 ^(b)	372,000	404,067
Bausch Health Cos., Inc., 9.00%, 12/15/2025 ^(b)	974,000	1,050,371
	6.25%, 02/15/2029 ^(b)	391,000
Endo DAC/ Endo Finance LLC/Endo Finco, Inc., 9.50%, 07/31/2027 ^(b)	86,000	91,392
	6.00%, 06/30/2028 ^(b)	109,000
HLF Financing S.a.r.l. LLC/Herbalife International, Inc., 7.25%, 08/15/2026 ^(b)	400,000	402,626
Par Pharmaceutical, Inc., 7.50%, 04/01/2027 ^(b)	336,000	345,927
		2,758,921

Property & Casualty Insurance-0.14%

AmWINS Group, Inc., 7.75%, 07/01/2026 ^(b)	169,000	178,052
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Publishing-0.47%

Meredith Corp., 6.88%, 02/01/2026	735,000	611,983
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Railroads-0.85%

Kenan Advantage Group, Inc. (The), 7.88%, 07/31/2023 ^(b)	1,250,000	1,104,556
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Research & Consulting Services-0.22%

Dun & Bradstreet Corp. (The), 10.25%, 02/15/2027 ^(b)	257,000	285,865
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Restaurants-0.73%

1011778 BC ULC/New Red Finance, Inc. (Canada), 5.00%, 10/15/2025 ^(b)	332,000	330,903
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See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Restaurants-(continued)		
IRB Holding Corp., 7.00%, 06/15/2025 ^(b)	\$ 110,000	\$ 113,369
6.75%, 02/15/2026 ^(b)	531,000	508,995
		953,267
Security & Alarm Services-0.76%		
Brink's Co. (The), 5.50%, 07/15/2025 ^(b)	69,000	70,451
4.63%, 10/15/2027 ^(b)	545,000	524,783
Garda World Security Corp. (Canada), 9.50%, 11/01/2027 ^(b)	207,000	219,252
Prime Security Services Borrower LLC/ Prime Finance, Inc., 5.75%, 04/15/2026 ^(b)	172,000	178,638
		993,124
Specialized Consumer Services-0.64%		
ServiceMaster Co. LLC (The), 7.45%, 08/15/2027	765,000	830,606
Specialized REITs-1.77%		
Iron Mountain US Holdings, Inc., 5.38%, 06/01/2026 ^(b)	248,000	250,123
Iron Mountain, Inc., 5.75%, 08/15/2024	377,000	381,793
5.25%, 03/15/2028 ^(b)	578,000	576,448
5.25%, 07/15/2030 ^(b)	519,000	509,827
Rayonier A.M. Products, Inc., 5.50%, 06/01/2024 ^(b)	985,000	587,410
		2,305,601
Specialty Chemicals-0.88%		
Element Solutions, Inc., 5.88%, 12/01/2025 ^(b)	578,000	585,400
GCP Applied Technologies, Inc., 5.50%, 04/15/2026 ^(b)	567,000	567,601
		1,153,001
Specialty Stores-0.20%		
Sally Holdings LLC/Sally Capital, Inc., 8.75%, 04/30/2025 ^(b)	238,000	258,676
Steel-0.15%		
Cleveland-Cliffs, Inc., 9.88%, 10/17/2025 ^(b)	182,000	191,250
Systems Software-0.32%		
Boxer Parent Co., Inc., 7.13%, 10/02/2025 ^(b)	136,000	143,096
9.13%, 03/01/2026 ^(b)	269,000	279,592
		422,688
Technology Hardware, Storage & Peripherals-0.48%		
Dell International LLC/EMC Corp., 7.13%, 06/15/2024 ^(b)	396,000	410,627
8.10%, 07/15/2036 ^(b)	91,000	118,660
Exela Intermediate LLC/Exela Finance, Inc., 10.00%, 07/15/2023 ^(b)	114,000	28,215
Presidio Holdings, Inc., 8.25%, 02/01/2028 ^(b)	72,000	72,225
		629,727

	Principal Amount	Value
Textiles-0.44%		
Eagle Intermediate Global Holding B.V./Ruyi US Finance LLC (China), 7.50%, 05/01/2025 ^(b)	\$ 814,000	\$ 569,800
Thrifts & Mortgage Finance-0.15%		
Nationstar Mortgage Holdings, Inc., 6.00%, 01/15/2027 ^(b)	109,000	103,737
NMI Holdings, Inc., 7.38%, 06/01/2025 ^(b)	83,000	87,057
		190,794
Trading Companies & Distributors-1.88%		
AerCap Global Aviation Trust (Ireland), 6.50% (3 mo. USD LIBOR + 4.30%), 06/15/2045 ^{(b)(h)}	434,000	324,089
BMC East LLC, 5.50%, 10/01/2024 ^(b)	649,000	656,233
Herc Holdings, Inc., 5.50%, 07/15/2027 ^(b)	653,000	656,056
United Rentals North America, Inc., 5.50%, 07/15/2025	41,000	42,124
6.50%, 12/15/2026	188,000	197,757
5.25%, 01/15/2030	562,000	581,566
		2,457,825
Trucking-0.29%		
Avis Budget Car Rental LLC/Avis Budget Finance, Inc., 6.38%, 04/01/2024 ^(b)	76,000	62,692
5.25%, 03/15/2025 ^(b)	192,000	154,560
10.50%, 05/15/2025 ^(b)	139,000	154,898
		372,150
Wireless Telecommunication Services-3.27%		
Digicel Group 0.5 Ltd. (Jamaica), 2.00% PIK Rate, 8.00% Cash Rate, 04/01/2024 ^(e)	192,905	134,059
3.00% PIK Rate, 5.00% Cash Rate, 04/01/2025 ^{(b)(e)}	62,080	18,386
2.00% PIK Rate, 5.00% Cash Rate, Conv. ^{(b)(e)(f)}	10,282	874
Intelsat (Luxembourg) S.A. (Luxembourg), 7.75%, 06/01/2021 ^(c)	347,000	25,158
Intelsat Connect Finance S.A. (Luxembourg), 9.50%, 02/15/2023 ^{(b)(c)}	159,000	40,247
Oztel Holdings SPC Ltd. (Oman), 5.63%, 10/24/2023 ^(b)	477,000	479,468
Sprint Capital Corp., 8.75%, 03/15/2032	297,000	424,856
Sprint Corp., 7.25%, 09/15/2021	414,000	434,495
7.88%, 09/15/2023	1,429,000	1,611,190
7.63%, 02/15/2025	275,000	317,875
7.63%, 03/01/2026	73,000	86,336
T-Mobile USA, Inc., 6.50%, 01/15/2026	671,000	701,990
		4,274,934
Total U.S. Dollar Denominated Bonds & Notes (Cost \$129,817,343)		119,315,471

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	Principal Amount	Value
Asset-Backed Securities-1.98%		
Apidos CLO XV, Series 2013-15A, Class CRR, 2.99% (3 mo. USD LIBOR + 1.85%), 04/20/2031 ^{(b)(h)}	\$ 474,000	\$ 439,232
Bain Capital Credit CLO Ltd. (Cayman Islands), Series 2019-1A, Class C, 3.89% (3 mo. USD LIBOR + 2.75%), 04/18/2032 ^{(b)(h)}	420,000	417,355
Series 2019-3A, Class C, 3.96% (3 mo. USD LIBOR + 2.85%), 10/21/2032 ^{(b)(h)}	308,000	305,086
Magnetite XXIII Ltd., Series 2019-23A, Class C, 3.39% (3 mo. USD LIBOR + 2.40%), 10/25/2032 ^{(b)(h)}	474,000	466,895
Neuberger Berman Loan Advisers CLO 34 Ltd., Series 2019-34A, Class C1, 3.74% (3 mo. USD LIBOR + 2.60%), 01/20/2033 ^{(b)(h)}	475,000	471,567
Sonic Capital LLC, Series 2020-1A, Class A2I, 3.85%, 01/20/2050 ^(b)	455,477	480,089
Total Asset-Backed Securities (Cost \$2,590,474)		2,580,224
Non-U.S. Dollar Denominated Bonds & Notes-0.83%⁽ⁱ⁾		
Construction & Engineering-0.12%		
Sarens Finance Co. N.V. (Belgium), 5.75%, 02/21/2027 ^(b)	EUR 179,000	159,025
Diversified Banks-0.18%		
Erste Group Bank AG (Austria), 6.50% ^{(b)(f)}	EUR 200,000	234,811
Food Retail-0.30%		
Iceland Bondco PLC (United Kingdom), 4.63%, 03/15/2025 ^(b)	GBP 350,000	390,703
Highways & Railtracks-0.09%		
Rubis Terminal Infra S.A.S (France), 5.63%, 05/15/2025 ^(b)	EUR 100,000	116,668
Pharmaceuticals-0.08%		
Nidda Healthcare Holding GmbH (Germany), 3.50%, 09/30/2024 ^(b)	EUR 100,000	109,872
Textiles-0.06%		
Eagle Intermediate Global Holding B.V./Ruyi US Finance LLC (China), 5.38%, 05/01/2023 ^(b)	EUR 100,000	74,151
Total Non-U.S. Dollar Denominated Bonds & Notes (Cost \$1,165,812)		1,085,230

Investment Abbreviations:

CLO - Collateralized Loan Obligation
Conv. - Convertible
EUR - Euro
GBP - British Pound Sterling
GUC - General Unsecured Creditors
LIBOR - London Interbank Offered Rate
PIK - Pay-in-Kind
REIT - Real Estate Investment Trust
USD - U.S. Dollar

	Principal Amount	Value
U.S. Treasury Securities-0.69%		
U.S. Treasury Bills-0.69%		
0.01% - 0.40%, 09/03/2020 (Cost \$899,876) ^{(j)(k)}	\$ 900,000	\$ 899,794
Variable Rate Senior Loan Interests-0.54%^{(l)(m)}		
Cable & Satellite-0.23%		
Altice Financing S.A. (Luxembourg), Term Loan, 2.93% (1 mo. USD LIBOR + 2.75%), 07/15/2025	324,715	308,276
Pharmaceuticals-0.31%		
Bausch Health Americas, Inc. (Canada), First Lien Incremental Term Loan, 2.94% (1 mo. USD LIBOR + 2.75%), 11/27/2025	414,172	401,575
Total Variable Rate Senior Loan Interests (Cost \$734,003)		709,851
Agency Credit Risk Transfer Notes-0.08%		
Freddie Mac Multifamily Connecticut Avenue Securities Trust Series 2019- 01, Class M10, 3.43% (1 mo. USD LIBOR + 3.25%), 10/15/2049 (Cost \$107,000) ^{(b)(h)}	107,000	98,159
Common Stocks & Other Equity Interests-0.00%		
Asset Management & Custody Banks-0.00%		
Motors Liquidation Co. GUC Trust ⁽ⁿ⁾	1	2
Diversified Support Services-0.00%		
ACC Claims Holdings LLC ^{(d)(n)}	269,616	0
Total Common Stocks & Other Equity Interests (Cost \$5)		2
Money Market Funds-4.00%		
Invesco Government & Agency Portfolio, Institutional Class, 0.09% ^{(o)(p)}	1,798,022	1,798,022
Invesco Liquid Assets Portfolio, Institutional Class, 0.39% ^{(o)(p)}	1,372,125	1,373,086
Invesco Treasury Portfolio, Institutional Class, 0.08% ^{(o)(p)}	2,054,882	2,054,882
Total Money Market Funds (Cost \$5,225,861)		5,225,990
TOTAL INVESTMENTS IN SECURITIES-99.48% (Cost \$140,540,374)		129,914,721
OTHER ASSETS LESS LIABILITIES-0.52%		681,381
NET ASSETS-100.00%		\$130,596,102

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

Notes to Schedule of Investments:

- (a) Industry and/or sector classifications used in this report are generally according to the Global Industry Classification Standard, which was developed by and is the exclusive property and a service mark of MSCI Inc. and Standard & Poor's.
- (b) 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, 2020 was \$71,408,129, which represented 54.68% of the Fund's Net Assets.
- (c) Defaulted security. Currently, the issuer is in default with respect to principal and/or interest payments. The aggregate value of these securities at June 30, 2020 was \$1,880,136, which represented 1.44% of the Fund's Net Assets.
- (d) Security valued using significant unobservable inputs (Level 3). See Note 3.
- (e) All or a portion of this security is Pay-in-Kind. Pay-in-Kind securities pay interest income in the form of securities.
- (f) Perpetual bond with no specified maturity date.
- (g) Step coupon bond. The interest rate represents the coupon rate at which the bond will accrue at a specified future date.
- (h) Interest or dividend rate is redetermined periodically. Rate shown is the rate in effect on June 30, 2020.
- (i) Foreign denominated security. Principal amount is denominated in the currency indicated.
- (j) All or a portion of the value was designated as collateral to cover margin requirements for swap agreements. See Note 10.
- (k) Security traded on a discount basis. The interest rate shown represents the discount rate at the time of purchase by the Fund.
- (l) Variable rate senior loan interests often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with any accuracy. As a result, the actual remaining maturity may be substantially less than the stated maturities shown. However, it is anticipated that the variable rate senior loan interests will have an expected average life of three to five years.
- (m) Variable rate senior loan interests are, at present, not readily marketable, not registered under the 1933 Act and may be subject to contractual and legal restrictions on sale. Variable rate senior loan interests in the Fund's portfolio generally have variable rates which adjust to a base, such as the London Interbank Offered Rate ("LIBOR"), on set dates, typically every 30 days, but not greater than one year, and/or have interest rates that float at margin above a widely recognized base lending rate such as the Prime Rate of a designated U.S. bank.
- (n) Non-income producing security.
- (o) 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, 2020.

	Value December 31, 2019	Purchases at Cost	Proceeds from Sales	Change in Unrealized Appreciation	Realized Gain	Value June 30, 2020	Dividend Income
Investments in Affiliated Money Market Funds:							
Invesco Government & Agency Portfolio, Institutional Class	\$ 4,401,627	\$17,459,620	\$(20,063,225)	\$ -	\$ -	\$1,798,022	\$ 7,479
Invesco Liquid Assets Portfolio, Institutional Class	3,245,601	13,162,017	(15,035,627)	130	965	1,373,086	7,066
Invesco Treasury Portfolio, Institutional Class	5,030,431	19,953,851	(22,929,400)	-	-	2,054,882	8,339
Total	\$12,677,659	\$50,575,488	\$(58,028,252)	\$130	\$965	\$5,225,990	\$22,884

- (p) The rate shown is the 7-day SEC standardized yield as of June 30, 2020.

Portfolio Composition*

By credit quality, based on total investments as of June 30, 2020.

A	1.60%
BBB	2.48
BB	39.15
B	30.16
CCC	18.78
Non-rated	7.83

* Source: Standard & Poor's. A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSRO) of the creditworthiness of an issuer with respect to debt obligations, including specific securities, money market instruments or other debts. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest); ratings are subject to change without notice. "Non-Rated" indicates the debtor was not rated, and should not be interpreted as indicating low quality. For more information on Standard & Poor's rating methodology, please visit standardandpoors.com and select "Understanding Ratings" under Rating Resources on the homepage.

Open Over-The-Counter Credit Default Swaptions Written

Counterparty	Type of Contract	Exercise Rate	Reference Entity	(Pay)/ Receive Fixed Rate	Payment Frequency	Expiration Date	Implied Credit Spread ^(a)	Premiums Received	Notional Value	Value	Unrealized Appreciation (Depreciation)
Credit Risk											
Morgan Stanley & Co. International PLC	Put	0.98%	Markit CDX North America High Yield Index, Series 34, Version 4	(5.00)%	Quarterly	08/19/2020	5.162%	\$ (16,733)	\$ (2,500,000)	\$ (72,815)	\$ (56,082)

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

^(a) Implied credit spreads represent the current level, as of June 30, 2020, at which protection could be bought or sold given the terms of the existing credit default swap agreement and serve as an indicator of the current status of the payment/performance risk of the credit default swap agreement. An implied credit spread that has widened or increased since entry into the initial agreement may indicate a deteriorating credit profile and increased risk of default for the reference entity. A declining or narrowing spread may indicate an improving credit profile or decreased risk of default for the reference entity. Alternatively, credit spreads may increase or decrease reflecting the general tolerance for risk in the credit markets generally.

Open Forward Foreign Currency Contracts

		Contract to		Unrealized Appreciation (Depreciation)
Settlement Date	Counterparty	Deliver	Receive	
Currency Risk				
08/28/2020	Barclays Bank PLC	GBP 146,765	USD 181,076	\$ (841)
08/28/2020	Citibank, N.A.	EUR 500,629	USD 551,228	(11,928)
Total Forward Foreign Currency Contracts				\$(12,769)

Abbreviations:

EUR - Euro

GBP - British Pound Sterling

USD - U.S. Dollar

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

Statement of Assets and Liabilities

June 30, 2020

(Unaudited)

Assets:

Investments in securities, at value (Cost \$135,314,513)	\$124,688,731
Investments in affiliated money market funds, at value (Cost \$5,225,861)	5,225,990
Cash	4,188
Foreign currencies, at value (Cost \$7,845)	7,540
Receivable for:	
Investments sold	1,176,034
Fund shares sold	332,140
Dividends	719
Interest	2,479,374
Investments matured, at value (Cost \$61,000)	9,303
Investment for trustee deferred compensation and retirement plans	75,271
Total assets	133,999,290

Liabilities:

Other investments:	
Options written, at value (premiums received \$16,733)	72,815
Unrealized depreciation on forward foreign currency contracts outstanding	12,769
Payable for:	
Investments purchased	1,367,726
Fund shares reacquired	1,788,714
Accrued fees to affiliates	78,827
Accrued trustees' and officers' fees and benefits	1,905
Trustee deferred compensation and retirement plans	80,432
Total liabilities	3,403,188
Net assets applicable to shares outstanding	\$130,596,102

Net assets consist of:

Shares of beneficial interest	\$152,505,640
Distributable earnings (loss)	(21,909,538)
	\$130,596,102

Net Assets:

Series I	\$ 36,035,268
Series II	\$ 94,560,834

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

Series I	7,203,048
Series II	19,113,859
Series I:	
Net asset value per share	\$ 5.00
Series II:	
Net asset value per share	\$ 4.95

Statement of Operations

For the six months ended June 30, 2020

(Unaudited)

Investment income:

Interest	\$ 4,497,445
Dividends	48,034
Dividends from affiliated money market funds	22,884
Total investment income	4,568,363

Expenses:

Advisory fees	419,174
Administrative services fees	111,909
Custodian fees	1,156
Distribution fees - Series II	119,292
Transfer agent fees	14,184
Trustees' and officers' fees and benefits	8,288
Reports to shareholders	1,971
Professional services fees	19,591
Other	(763)
Total expenses	694,802
Less: Expenses reimbursed	(2,973)
Net expenses	691,829
Net investment income	3,876,534

Realized and unrealized gain (loss) from:

Net realized gain (loss) from:	
Investment securities	(2,793,911)
Foreign currencies	(16,253)
Forward foreign currency contracts	21,320
Option contracts written	29,700
Swap agreements	(682,414)
	(3,441,558)
Change in net unrealized appreciation (depreciation) of:	
Investment securities	(11,916,594)
Foreign currencies	(11,909)
Forward foreign currency contracts	4,066
Option contracts written	(66,807)
Swap agreements	(21,369)
	(12,012,613)
Net realized and unrealized gain (loss)	(15,454,171)
Net increase (decrease) in net assets resulting from operations	\$(11,577,637)

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, 2020 and the year ended December 31, 2019

(Unaudited)

	June 30, 2020	December 31, 2019
Operations:		
Net investment income	\$ 3,876,534	\$ 8,009,131
Net realized gain (loss)	(3,441,558)	(7,514,703)
Change in net unrealized appreciation (depreciation)	(12,012,613)	18,190,282
Net increase (decrease) in net assets resulting from operations	(11,577,637)	18,684,710
Distributions to shareholders from distributable earnings:		
Series I	-	(3,070,770)
Series II	-	(5,696,932)
Total distributions from distributable earnings	-	(8,767,702)
Share transactions-net:		
Series I	(10,929,589)	(9,441,935)
Series II	(2,014,954)	12,704,138
Net increase (decrease) in net assets resulting from share transactions	(12,944,543)	3,262,203
Net increase (decrease) in net assets	(24,522,180)	13,179,211
Net assets:		
Beginning of period	155,118,282	141,939,071
End of period	\$130,596,102	\$155,118,282

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 ^(a)	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 ^(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 to average net assets	Portfolio turnover ^(c)
Series I												
Six months ended 06/30/20	\$5.41	\$0.15	\$(0.56)	\$(0.41)	\$ -	\$5.00	(7.58)%	\$ 36,035	0.86% ^(d)	0.86% ^(d)	5.95% ^(d)	38%
Year ended 12/31/19	5.06	0.29	0.39	0.68	(0.33)	5.41	13.51	50,190	0.88	0.89	5.45	54
Year ended 12/31/18	5.51	0.26	(0.43)	(0.17)	(0.28)	5.06	(3.35)	55,703	1.17	1.17	4.84	66
Year ended 12/31/17	5.40	0.26	0.08	0.34	(0.23)	5.51	6.30	80,372	0.99	1.00	4.73	73
Year ended 12/31/16	5.06	0.28	0.28	0.56	(0.22)	5.40	11.21	94,653	0.96	0.96	5.25	99
Year ended 12/31/15	5.53	0.29	(0.46)	(0.17)	(0.30)	5.06	(3.17)	73,594	1.03	1.03	5.23	99
Series II												
Six months ended 06/30/20	5.36	0.14	(0.55)	(0.41)	-	4.95	(7.65)	94,561	1.11 ^(d)	1.11 ^(d)	5.70 ^(d)	38
Year ended 12/31/19	5.02	0.28	0.37	0.65	(0.31)	5.36	13.16	104,929	1.13	1.14	5.20	54
Year ended 12/31/18	5.46	0.25	(0.42)	(0.17)	(0.27)	5.02	(3.43)	86,236	1.42	1.42	4.59	66
Year ended 12/31/17	5.36	0.25	0.07	0.32	(0.22)	5.46	5.93	91,802	1.24	1.25	4.48	73
Year ended 12/31/16	5.03	0.26	0.28	0.54	(0.21)	5.36	10.83	82,971	1.21	1.21	5.00	99
Year ended 12/31/15	5.50	0.27	(0.45)	(0.18)	(0.29)	5.03	(3.37)	70,840	1.28	1.28	4.98	99

^(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) Ratios are annualized and based on average daily net assets (000's omitted) of \$38,905 and \$95,968 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, 2020
(Unaudited)

NOTE 1—Significant Accounting Policies

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

The Fund’s investment objective is total return, comprised of current income and capital appreciation.

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

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

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

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

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

Variable rate senior loan interests are fair valued using quotes provided by an independent pricing service. Quotes provided by the pricing service may reflect appropriate factors such as ratings, tranche type, industry, company performance, spread, individual trading characteristics, institution-size trading in similar groups of securities and other market data.

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

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

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 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. Bond premiums and discounts are amortized and/or accreted over the lives of the respective securities. Pay-in-kind interest income and non-cash

dividend income received in the form of securities in-lieu of cash are recorded at the fair value of the securities received. Dividend income (net of withholding tax, if any) is recorded on the ex-dividend date.

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

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

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

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

D. Distributions – Distributions from net investment income 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. Securities Purchased on a When-Issued and Delayed Delivery Basis – The Fund may purchase and sell interests in corporate loans and corporate debt securities and other portfolio securities on a when-issued and delayed delivery basis, with payment and delivery scheduled for a future date. No income accrues to the Fund on such interests or securities in connection with such transactions prior to the date the Fund actually takes delivery of such interests or securities. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Fund will generally purchase these securities with the intention of acquiring such securities, they may sell such securities prior to the settlement date.

F. 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.

G. 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.

H. 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.

I. 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.

J. Lower-Rated Securities – The Fund normally invests at least 80% of its net assets in lower-quality debt securities, i.e., "junk bonds". Investments in lower-rated securities or unrated securities of comparable quality tend to be more sensitive to economic conditions than higher rated securities. Junk bonds involve a greater risk of default by the issuer because such securities are generally unsecured and are often subordinated to other creditors' claims.

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

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

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

The Fund may also enter into forward foreign currency contracts for the purchase or sale of a security denominated in a foreign currency in order to "lock in" the U.S. dollar price of that security, or the Fund may also enter into forward foreign currency contracts that do not provide for physical settlement of the two currencies, but instead are settled by a single cash payment calculated as the difference between the agreed upon exchange rate and the spot rate at settlement

based upon an agreed upon notional amount (non-deliverable forwards). The Fund will set aside liquid assets in an amount equal to the daily mark-to-market obligation for forward foreign currency contracts.

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

- M. Call Options Purchased and Written** - The Fund may write covered call options and/or buy call options. A covered call option gives the purchaser of such option the right to buy, and the writer the obligation to sell, the underlying security or foreign currency at the stated exercise price during the option period. Options written by the Fund normally will have expiration dates between three and nine months from the date written. The exercise price of a call option may be below, equal to, or above the current market value of the underlying security at the time the option is written.

Additionally, the Fund may enter into an option on a swap agreement, also called a "swaption". A swaption is an option that gives the buyer the right, but not the obligation, to enter into a swap on a future date in exchange for paying a market-based premium. A receiver swaption gives the owner the right to receive the total return of a specified asset, reference rate or index. Swaptions also include options that allow an existing swap to be terminated or extended by one of the Counterparties.

When the Fund writes a covered call option, an amount equal to the premium received by the Fund is recorded as an asset and an equivalent liability in the Statement of Assets and Liabilities. The amount of the liability is subsequently "marked-to-market" to reflect the current market value of the option written. If a written covered call option expires on the stipulated expiration date, or if the Fund enters into a closing purchase transaction, the Fund realizes a gain (or a loss if the closing purchase transaction exceeds the premium received when the option was written) without regard to any unrealized gain or loss on the underlying security, and the liability related to such option is extinguished. If a written covered call option is exercised, the Fund realizes a gain or a loss from the sale of the underlying security and the proceeds of the sale are increased by the premium originally received. Realized and unrealized gains and losses on call options written are included in the Statement of Operations as Net realized gain (loss) from and Change in net unrealized appreciation (depreciation) of Option contracts written. A risk in writing a covered call option is that the Fund gives up the opportunity for profit if the market price of the security increases and the option is exercised.

When the Fund buys a call option, an amount equal to the premium paid by the Fund is recorded as an investment on the Statement of Assets and Liabilities. The amount of the investment is subsequently "marked-to-market" to reflect the current value of the option purchased. Realized and unrealized gains and losses on call options purchased are included in the 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. Put Options Purchased and Written** - The Fund may purchase and write 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.

Additionally, the Fund may enter into an option on a swap agreement, also called a "swaption". A swaption is an option that gives the buyer the right, but not the obligation, to enter into a swap on a future date in exchange for paying a market-based premium. A receiver swaption gives the owner the right to receive the total return of a specified asset, reference rate or index. Swaptions also include options that allow an existing swap to be terminated or extended by one of the Counterparties.

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 underlying portfolio securities. The Fund may write put options to earn additional income in the form of option premiums if it expects the price of the underlying instrument to remain stable or rise during the option period so that the option will not be exercised. The risk in this strategy is that the price of the underlying securities may decline by an amount greater than the premium received. Put options written are reported as a liability in the Statement of Assets and Liabilities. Realized and unrealized gains and losses on put options purchased and put options written are included in the Statement of Operations as Net realized gain (loss) from and Change in net unrealized appreciation (depreciation) of Investment securities and Option contracts written, respectively. 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.

- O. 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 or credit risk. Such transactions are agreements between Counterparties. A swap agreement may be negotiated bilaterally and traded over-the-counter ("OTC") between two parties ("uncleared/ OTC") or, in some instances, must be transacted through a future commission merchant ("FCM") and cleared through a clearinghouse that serves as a central Counterparty ("centrally cleared swap"). 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.

In a centrally cleared swap, the Fund's ultimate Counterparty is a central clearinghouse. The Fund initially will enter into centrally cleared swaps through an executing broker. When a fund enters into a centrally cleared swap, it must deliver to the central Counterparty (via the FCM) an amount referred to as "initial margin." Initial margin requirements are determined by the central Counterparty, but an FCM may require additional initial margin above the amount required by the central Counterparty. Initial margin deposits required upon entering into centrally cleared swaps are satisfied by cash or securities as collateral at the FCM. Securities deposited as initial margin are designated on the Schedule of Investments and cash deposited is recorded on the Statement of Assets and Liabilities. During the term of a cleared swap agreement, a "variation margin" amount may be required to be paid by the Fund or may be received by the Fund, based on the daily change in price of the underlying reference instrument subject to the swap agreement and is recorded as a receivable or payable for variation margin in the Statement of Assets and Liabilities until the centrally cleared swap is terminated at which time a realized gain or loss is recorded.

A CDS is an agreement between Counterparties to exchange the credit risk of an issuer. A buyer of a CDS is said to buy protection by paying a fixed payment over the life of the agreement and in some situations an upfront payment to the seller of the CDS. If a defined credit event occurs (such as payment default or bankruptcy), the Fund as a protection buyer would cease paying its fixed payment, the Fund would deliver eligible bonds issued by the reference entity to the seller, and the seller would pay the full notional value, or the "par value", of the referenced obligation to the Fund. A seller of a CDS is said to sell protection and thus would receive a fixed payment over the life of the agreement and an upfront payment, if applicable. If a credit event occurs, the Fund as a protection seller would cease to receive the fixed payment stream, the Fund would pay the buyer "par value" or the full notional value of the referenced obligation, and the Fund

would receive the eligible bonds issued by the reference entity. In turn, these bonds may be sold in order to realize a recovery value. Alternatively, the seller of the CDS and its Counterparty may agree to net the notional amount and the market value of the bonds and make a cash payment equal to the difference to the buyer of protection. If no credit event occurs, the Fund receives the fixed payment over the life of the agreement. As the seller, the Fund would effectively add leverage to its portfolio because, in addition to its total net assets, the Fund would be subject to investment exposure on the notional amount of the CDS. In connection with these agreements, cash and securities may be identified as collateral in accordance with the terms of the respective swap agreements to provide assets of value and recourse in the event of default under the swap agreement or bankruptcy/insolvency of a party to the swap agreement. If a Counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, the Fund may experience significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding. The Fund may obtain only limited recovery or may obtain no recovery in such circumstances. The Fund's maximum risk of loss from Counterparty risk, either as the protection seller or as the protection buyer, is the value of the contract. The risk may be mitigated by having a master netting arrangement between the Fund and the Counterparty and by the designation of collateral by the Counterparty to cover the Fund's exposure to the Counterparty.

Implied credit spreads represent the current level at which protection could be bought or sold given the terms of the existing CDS contract and serve as an indicator of the current status of the payment/performance risk of the CDS. An implied spread that has widened or increased since entry into the initial contract may indicate a deteriorating credit profile and increased risk of default for the reference entity. A declining or narrowing spread may indicate an improving credit profile or decreased risk of default for the reference entity. Alternatively, credit spreads may increase or decrease reflecting the general tolerance for risk in the credit markets.

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.

Changes in the value of centrally cleared and OTC swap agreements are recognized as unrealized gains (losses) in the 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 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 Statement of Operations. A liquidation payment received or made at the termination of a swap agreement is recorded as realized gain (loss) on the 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 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 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. 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.

Notional amounts of each individual credit default swap agreement outstanding as of June 30, 2020 for which the Fund is the seller of protection are disclosed in the open swap agreements table. These potential amounts would be partially offset by any recovery values of the respective referenced obligations, upfront payments received upon entering into the agreement, or net amounts received from the settlement of buy protection credit default swap agreements entered into by the Fund for the same referenced entity or entities.

- P. Other Risks** - The Fund invests in corporate loans from U.S. or non-U.S. companies (the "Borrowers"). The investment of the Fund in a corporate loan may take the form of participation interests or assignments. If the Fund purchases a participation interest from a syndicate of lenders ("Lenders") or one of the participants in the syndicate ("Participant"), one or more of which administers the loan on behalf of all the Lenders (the "Agent Bank"), the Fund would be required to rely on the Lender that sold the participation interest not only for the enforcement of the Fund's rights against the Borrower but also for the receipt and processing of payments due to the Fund under the corporate loans. As such, the Fund is subject to the credit risk of the Borrower and the Participant. Lenders and Participants interposed between the Fund and a Borrower, together with Agent Banks, are referred to as "Intermediate Participants".
- Q. 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.
- R. Collateral** - To the extent the Fund has designated or segregated a security as collateral and that security is subsequently sold, it is the Fund's practice to replace such collateral no later than the next business day.

NOTE 2-Advisory Fees and Other Fees Paid to Affiliates

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

Average Daily Net Assets	Rate
First \$200 million	0.625%
Next \$300 million	0.550%
Next \$500 million	0.500%
Over \$1 billion	0.450%

For the six months ended June 30, 2020, the effective advisory fee rate incurred by the Fund was 0.625%.

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, 2021, to waive advisory fees and/or reimburse expenses of all shares to the extent necessary to limit total annual fund operating expenses after fee waiver and/or expense reimbursement (excluding certain items discussed below) of Series I shares to 1.50% and Series II shares to 1.75% of average daily net assets (the "expense limits"). In determining the Adviser's obligation to waive advisory fees and/or reimburse expenses, the following expenses are not taken into account, and could cause the total annual fund operating expenses after fee waiver and/or expense reimbursement to exceed the numbers reflected above: (1) interest; (2) taxes; (3) dividend expense on short sales; (4) extraordinary or non-routine items, including litigation expenses; and (5) expenses that the Fund has incurred but did not actually pay because of an expense offset arrangement. Unless Invesco continues the fee waiver agreement, it will terminate on June 30, 2021. 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, 2022, 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, 2020, the Adviser waived advisory fees of \$2,973.

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, 2020, Invesco was paid \$11,346 for accounting and fund administrative services and was reimbursed \$100,563 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, 2020, expenses incurred under the agreement are shown in the Statement of Operations as *Transfer agent fees*.

The Trust has entered into a master distribution agreement with Invesco Distributors, Inc. ("IDI") to serve as the distributor for the Fund. The Trust has adopted a plan pursuant to Rule 12b-1 under the 1940 Act with respect to the Fund's Series II shares (the "Plan"). The Fund, pursuant to the Plan, pays IDI compensation at the annual rate of 0.25% of the Fund's average daily net assets of Series II shares. The fees are accrued daily and paid monthly. Of the Plan payments, up to 0.25% of the average daily net assets of the Series II shares may be paid to insurance companies who furnish continuing personal shareholder services to customers who purchase and own Series II shares of the Fund. For the six months ended June 30, 2020, expenses incurred under the Plan are detailed in the Statement of Operations as *Distribution fees*.

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

NOTE 3—Additional Valuation Information

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

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

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

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

The following is a summary of the tiered valuation input levels, as of June 30, 2020. The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

	Level 1	Level 2	Level 3	Total
Investments in Securities				
U.S. Dollar Denominated Bonds & Notes	\$ -	\$119,315,471	\$0	\$119,315,471
Asset-Backed Securities	-	2,580,224	-	2,580,224
Non-U.S. Dollar Denominated Bonds & Notes	-	1,085,230	-	1,085,230
U.S. Treasury Securities	-	899,794	-	899,794
Variable Rate Senior Loan Interests	-	709,851	-	709,851
Agency Credit Risk Transfer Notes	-	98,159	-	98,159
Common Stocks & Other Equity Interests	2	-	0	2
Money Market Funds	5,225,990	-	-	5,225,990
Total Investments in Securities	5,225,992	124,688,729	0	129,914,721
Other Investments - Assets¹				
Investments Matured	-	9,303	-	9,303
Other Investments - Liabilities¹				
Forward Foreign Currency Contracts	-	(12,769)	-	(12,769)
Options Written	-	(72,815)	-	(72,815)
	-	(85,584)	-	(85,584)
Total Other Investments	-	(76,281)	-	(76,281)
Total Investments	\$5,225,992	\$124,612,448	\$0	\$129,838,440

¹ Forward foreign currency contracts are valued at unrealized appreciation (depreciation). Investments matured and options written are shown at value.

NOTE 4—Derivative Investments

The Fund may enter into an International Swaps and Derivatives Association Master Agreement ("ISDA Master Agreement") under which a fund may trade OTC derivatives. An OTC transaction entered into under an ISDA Master Agreement typically involves a collateral posting arrangement, payment netting provisions and

close-out netting provisions. These netting provisions allow for reduction of credit risk through netting of contractual obligations. The enforceability of the netting provisions of the ISDA Master Agreement depends on the governing law of the ISDA Master Agreement, among other factors.

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

Value of Derivative Investments at Period-End

The table below summarizes the value of the Fund's derivative investments, detailed by primary risk exposure, held as of June 30, 2020:

Derivative Liabilities	Value		
	Credit Risk	Currency Risk	Total
Unrealized depreciation on forward foreign currency contracts outstanding	\$ -	\$(12,769)	\$(12,769)
Options written, at value – OTC	(72,815)	-	(72,815)
Total Derivative Liabilities	(72,815)	(12,769)	(85,584)
Derivatives not subject to master netting agreements	-	-	-
Total Derivative Liabilities subject to master netting agreements	\$(72,815)	\$(12,769)	\$(85,584)

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, 2020.

Counterparty	Financial Derivative Liabilities		Net Value of Derivatives	Collateral (Received)/Pledged		Net Amount
	Forward Foreign Currency Contracts	Options Written		Non-Cash	Cash	
Barclays Bank PLC	\$ (841)	\$ -	\$ (841)	\$-	\$-	\$ (841)
Citibank, N.A.	(11,928)	-	(11,928)	-	-	(11,928)
Morgan Stanley & Co. International PLC	-	(72,815)	(72,815)	-	-	(72,815)
Total	\$(12,769)	\$(72,815)	\$(85,584)	\$-	\$-	\$(85,584)

Effect of Derivative Investments for the six months ended June 30, 2020

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

	Location of Gain (Loss) on Statement of Operations			
	Credit Risk	Currency Risk	Equity Risk	Total
Realized Gain (Loss):				
Forward foreign currency contracts	\$ -	\$21,320	\$ -	\$ 21,320
Options purchased ^(a)	(80,190)	-	-	(80,190)
Options written	29,700	-	-	29,700
Swap agreements	(163,623)	-	(518,791)	(682,414)
Change in Net Unrealized Appreciation (Depreciation):				
Forward foreign currency contracts	-	4,066	-	4,066
Options purchased ^(a)	30,182	-	-	30,182
Options written	(66,807)	-	-	(66,807)
Swap agreements	(4,885)	-	(16,484)	(21,369)
Total	\$(255,623)	\$25,386	\$(535,275)	\$(765,512)

^(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.

	Forward Foreign Currency Contracts	Swaptions Purchased	Swaptions Written	Swap Agreements
Average notional value	\$978,990	\$15,000,000	\$8,750,000	\$13,476,800

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

NOTE 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 carryforwards in the future may be limited under the Internal Revenue Code and related regulations based on the results of future transactions.

The Fund had a capital loss carryforward as of December 31, 2019, as follows:

Capital Loss Carryforward*			
Expiration	Short-Term	Long-Term	Total
Not subject to expiration	\$6,519,207	\$12,938,153	\$19,457,360

NOTE 8—Investment Transactions

The aggregate amount of investment securities (other than short-term securities, U.S. Treasury obligations and money market funds, if any) purchased and sold by the Fund during the six months ended June 30, 2020 was \$49,345,711 and \$52,727,273, 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	\$ 3,458,318
Aggregate unrealized (depreciation) of investments	(14,272,429)
Net unrealized appreciation (depreciation) of investments	\$(10,814,111)

Cost of investments for tax purposes is \$140,652,551.

NOTE 9—Share Information

	Summary of Share Activity			
	Six months ended June 30, 2020 ^(a)		Year ended December 31, 2019	
	Shares	Amount	Shares	Amount
Sold:				
Series I	6,513,821	\$ 33,576,745	10,060,540	\$ 54,316,527
Series II	1,661,584	8,191,951	3,671,455	19,825,254
Issued as reinvestment of dividends:				
Series I	-	-	581,585	3,070,770
Series II	-	-	1,089,280	5,696,932
Reacquired:				
Series I	(8,584,443)	(44,506,334)	(12,378,602)	(66,829,232)
Series II	(2,126,601)	(10,206,905)	(2,376,915)	(12,818,048)
Net increase (decrease) in share activity	(2,535,639)	\$(12,944,543)	647,343	\$ 3,262,203

^(a) There are entities that are record owners of more than 5% of the outstanding shares of the Fund and in the aggregate own 68% of the outstanding shares of the Fund. The Fund and the Fund's principal underwriter or adviser, are parties to participation agreements with these entities whereby these entities sell units of interest in separate accounts funding variable products that are invested in the Fund. The Fund, Invesco and/or Invesco affiliates may make payments to these entities, which are considered to be related to the Fund, for providing services to the Fund, Invesco and/or Invesco affiliates including but not limited to services such as, securities brokerage, third party record keeping and account servicing and administrative services. The Fund has no knowledge as to whether all or any portion of the shares owned of record by these entities are also owned beneficially.

NOTE 10—Coronavirus (COVID-19) Pandemic

During the first quarter of 2020, the World Health Organization declared COVID-19 to be a public health emergency. COVID-19 has led to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets in general. COVID-19 may adversely impact the Fund's ability to achieve its investment objective. Because of the uncertainties on valuation, the global economy and business operations, values reflected in these financial statements may materially differ from the value received upon actual sales of those investments.

The extent of the impact on the performance of the Fund and its investments will depend on future developments, including the duration and spread of the COVID-19 outbreak, related restrictions and advisories, and the effects on the financial markets and economy overall, all of which are highly uncertain and cannot be predicted.

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, 2020 through June 30, 2020.

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

Actual expenses

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

Hypothetical example for comparison purposes

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

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

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

	Beginning Account Value (01/01/20)	ACTUAL		HYPOTHETICAL (5% annual return before expenses)		Annualized Expense Ratio
		Ending Account Value (06/30/20) ¹	Expenses Paid During Period ²	Ending Account Value (06/30/20)	Expenses Paid During Period ²	
Series I	\$1,000.00	\$924.20	\$4.11	\$1,020.59	\$4.32	0.86%
Series II	1,000.00	923.50	5.31	1,019.34	5.57	1.11

¹ The actual ending account value is based on the actual total return of the Fund for the period January 1, 2020 through June 30, 2020, 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 182/366 to reflect the most recent fiscal half year.

Approval of Investment Advisory and Sub-Advisory Contracts

At meetings held on June 3, 2020, 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. High Yield 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, 2020. 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's Investments Committee has established Sub-Committees, which 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 took into account evaluations and reports that it received from the Investments Committee and Sub-Committees, as well as the information provided to such committees and the Board throughout the year, in considering whether to approve each Invesco Fund's investment advisory agreement and sub-advisory contracts.

As part of the contract renewal process, the Board reviews and considers information provided in response to detailed requests for information submitted to management by the independent Trustees with assistance from legal counsel to the independent Trustees. The Board receives comparative investment performance and fee data regarding the Invesco Funds prepared by Invesco Advisers and Broadridge Financial Solutions, Inc. (Broadridge), an independent mutual fund data provider, 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, the independent Trustees also

discuss the continuance of the investment advisory agreement and sub-advisory contracts in separate sessions with the Senior Officer and with independent legal counsel.

The discussion below is a summary of the Senior Officer's independent written evaluation with respect to the Fund's investment advisory agreement, as well as a discussion of the material factors and related conclusions that formed the basis for the Board's approval of the Fund's investment advisory agreement and sub-advisory contracts. The Trustees' review and conclusions are based on the comprehensive consideration of all information presented to them during the course of the year and in prior years and are not the result of any single determinative factor. Moreover, one Trustee may have weighed a particular piece of information or factor differently than another Trustee. This information is current as of June 3, 2020.

Factors and Conclusions and Summary of Independent Written Fee Evaluation

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

The Board reviewed the nature, extent and quality of the advisory services provided to the Fund by Invesco Advisers under the Fund's investment advisory agreement, and the credentials and experience of the officers and employees of Invesco Advisers who provide these services, including the Fund's portfolio manager(s). The Board's review included consideration of Invesco Advisers' investment process oversight and structure, credit analysis, investment risk management and research capabilities. The Board also considered non-advisory services that Invesco Advisers and its affiliates provide to the Invesco Funds, such as various back office support functions, third party oversight, internal audit, valuation, portfolio trading and legal and compliance. The Board also received and reviewed information about Invesco Advisers' role as administrator of the Invesco Funds' liquidity risk management program. The Board reviewed and considered the benefits to shareholders of investing in a Fund that is part of the Invesco family of funds under the umbrella of Invesco Ltd., Invesco Advisers' parent company, and noted Invesco Ltd.'s depth and experience in conducting an investment management business, as well as its commitment of financial and other resources to such business. The Board also reviewed and considered information regarding the benefits to the Fund resulting from Invesco Ltd.'s acquisition of OppenheimerFunds, Inc. and its subsidiaries (the Transaction) and the resources that Invesco Advisers has committed to managing the Invesco family of funds following the Transaction. The Board concluded that the nature, extent and quality of the services provided to the Fund by Invesco Advisers are appropriate and satisfactory.

The Board reviewed the services that may be provided by the Affiliated Sub-Advisers under the sub-advisory contracts and the credentials and experience of the officers and employees of the Affiliated Sub-Advisers who provide these services. The Board noted the Affiliated Sub-Advisers' expertise with respect to certain asset classes and that the Affiliated Sub-Advisers have offices and personnel that are located in financial centers around the world.

As a result, the Board noted that the Affiliated Sub-Advisers can provide research and investment analysis on the markets and economies of various countries in which the Fund may invest, make recommendations regarding securities and assist with security trades. The Board concluded that the sub-advisory contracts may benefit the Fund and its shareholders by permitting Invesco Advisers to use the resources and talents of the Affiliated Sub-Advisers in managing the Fund. The Board concluded that the nature, extent and quality of the services that may be provided by the Affiliated Sub-Advisers are appropriate and satisfactory.

B. *Fund Investment Performance*

The Board considered Fund investment performance as a relevant factor in considering whether to approve the investment advisory agreement as well as the sub-advisory contracts for the Fund, as Invesco Canada Ltd. currently manages assets of the Fund.

The Board compared the Fund's investment performance over multiple time periods ending December 31, 2019 to the performance of funds in the Broadridge performance universe and against the Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index. The Board noted that performance of Series I shares of the Fund was in the third quintile of its performance universe for the one year period and the fourth 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 noted that the Fund's security selection in and underweight exposure to certain industries and sectors negatively impacted Fund performance. Additionally, the Board noted that an underweight allocation to BB-rated bonds also negatively impacted Fund performance. The Board recognized that the performance data reflects a snapshot in time as of a particular date and that selecting a different performance period could produce different results. The Board also reviewed more recent Fund performance as well as other performance metrics and this review did not change their conclusions.

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

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

Board also considered comparative information regarding the Fund's total expense ratio and its various components.

The Board noted that Invesco Advisers has contractually agreed to waive fees and/or limit expenses of the Fund 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 the Affiliated Sub-Advisers to other similarly managed client accounts. Invesco Advisers reviewed with the Board differences in the scope of services it provides to the Invesco Funds relative to certain other types of client accounts, including, 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.

The Board also considered the services that may be provided by the Affiliated Sub-Advisers pursuant to the sub-advisory contracts, as well as the fees payable by Invesco Advisers to the Affiliated Sub-Advisers pursuant to the sub-advisory contracts. The Board noted that Invesco Advisers retains overall responsibility for, and provides services to, sub-advised Invesco Funds, including oversight of the Affiliated Sub-Advisers as well as the additional services described herein other than day-to-day portfolio management.

D. Economies of Scale and Breakpoints

The Board considered the extent to which there may be economies of scale in the provision of advisory services to the Fund. The Board also considered that the Fund benefits from economies of scale through contractual breakpoints in the Fund's advisory fee schedule, which generally operate to reduce the Fund's expense ratio as it grows in size. The Board noted that the Fund shares directly in economies of scale through lower fees charged by third party service providers based on the combined size of the Invesco Funds. The Board noted that the Fund may also benefit from economies of scale through initial fee setting, fee waivers and expense reimbursements. The Board also considered Invesco's reinvestment 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 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 certain Funds on an individual fund level. 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 received information

from Invesco Advisers demonstrating that Invesco Advisers and the Affiliated Sub-Advisers are financially sound and have the resources necessary to perform their obligations under the investment advisory agreement and sub-advisory contracts.

F. Collateral Benefits to Invesco Advisers and its Affiliates

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

The Board considered the benefits realized by Invesco Advisers and the Affiliated Sub-Advisers as a result of portfolio brokerage transactions executed through "soft dollar" arrangements. 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 pursuant to procedures approved by the Board. The Board considered information regarding the returns of the affiliated money market funds relative to comparable overnight investments, as well as the costs to the Fund of such investments. The Board noted that Invesco Advisers receives advisory fees from these affiliated money market funds attributable to such investments, although Invesco Advisers has contractually agreed to waive through varying periods the advisory fees payable by the Invesco Funds with respect to certain investments in the affiliated money market funds. The waiver is in an amount equal to 100% of the net advisory fee Invesco Advisers receives from the affiliated money market funds with respect to the Fund's investment in the affiliated money market funds of uninvested cash, but not cash collateral. The Board concluded that the amount of advisory fees received by Invesco Advisers from the Fund's investment of cash collateral from any securities lending arrangements in the affiliated money market funds is fair and reasonable.