



Invesco V.I. Equity and Income Fund



The Fund provides a complete list of its holdings four times in each fiscal year, at the quarter-ends. For the second and fourth quarters, the lists appear in the Fund's semiannual and annual reports to shareholders. For the first and third quarters, the Fund files the lists with the Securities and Exchange Commission (SEC) on Form N-Q. The Fund's Form N-Q filings are available on the SEC website, sec.gov. Copies of the Fund's Forms N-Q may be reviewed and copied at the SEC Public Reference Room in Washington, D.C. You can obtain information on the operation of the Public Reference Room, including information about duplicating fee charges, by calling 202 551 8090 or 800 732 0330, or by electronic request at the following email address: publicinfo@sec.gov. The SEC file numbers for the Fund are 811-07452 and 033-57340. The Fund's most recent portfolio holdings, as filed on Form N-Q, 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.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

Management's Discussion of Fund Performance

Performance summary

For the year ended December 31, 2017, Series I shares of Invesco V.I. Equity and Income Fund (the Fund) underperformed the Russell 1000 Value Index.

Your Fund's long-term performance appears later in this report.

Fund vs. Indexes

Total returns, 12/31/16 to 12/31/17, excluding variable product issuer charges. If variable product issuer charges were included, returns would be lower.

Series I Shares	11.03%
Series II Shares	10.78
Russell 1000 Value Index▼ (Broad Market Index)	13.66
Bloomberg Barclays U.S. Government/Credit Index▼ (Style-Specific Index)	4.00
Lipper VUF Mixed-Asset Target Allocation Growth Funds Index■ (Peer Group Index)	16.46

Source(s): ▼FactSet Research Systems Inc.; ■Lipper Inc.

Market conditions and your Fund

Despite highly destructive hurricanes that threatened to derail a years-long economic recovery, the US economy continued to expand throughout the year ended December 31, 2017. Gross domestic product – the value of all goods and services produced in the US – expanded in the first three quarters of 2017. Inflation remained subdued even as unemployment continued its multiyear decline.

Given signs of an improving economy, the US Federal Reserve (the Fed) raised interest rates three times during the reporting period, most recently in December 2017; each rate hike was 25 basis points. (A basis point is 0.01%.) The Fed pledged that “realized and expected economic conditions relative to its objectives of maximum employment and 2 percent inflation” will guide its future actions. At the close of the reporting period, Fed policy remained accommodative, and the fed funds target rate stood at a range of 1.25% to 1.50%.¹

Higher inventories and a worsening outlook caused oil prices and many energy stocks to decline during the first half of 2017. However, oil prices rose signifi-

cantly in the second half of the reporting period as expectations for lower supplies increased, partly due to continued OPEC production cuts, and demand began normalizing.

Major US stock market indexes repeatedly hit all-time highs throughout the reporting period. The stock market rally that began after the 2016 presidential election continued throughout the reporting period, fueled by generally positive economic data, strong corporate earnings and improved consumer confidence. Finally, after much debate in Congress, a tax reform bill was signed into law in December 2017. While its enactment further strengthened stocks, its effect on the US economy remained uncertain.

For the reporting period as a whole, financials, consumer discretionary and telecommunication services were the strongest-performing sectors for the Fund, while consumer staples and materials were the weakest-performing sectors for the Fund, relative to the Russell 1000 Value Index.

The financials sector was the largest contributor to the Fund's performance versus the Russell 1000 Value Index due to strong stock selection in and over-

weight exposure to the sector. Specifically, **Citigroup**, **Bank of America** and **Morgan Stanley** were the Fund's top contributors. These companies benefited from investor optimism about future interest rates, an improving economy and lower corporate tax rates. Financials also benefited when the Fed's Comprehensive Capital Analysis and Review was better than expected, providing a favorable view of the financial strength of US banks and their ability to return capital to their shareholders.

Stock selection in the consumer discretionary sector also benefited the Fund's performance relative to the Russell 1000 Value Index. **Carnival** was a key contributor in this sector. The stock performed well and posted a return of over 30% for the reporting period, leading the cruise operator to raise its outlook after reporting better pricing and strong forward-booking volumes for 2017. **Michael Kors** also contributed to the Fund's relative results. Mid-year, the company reported better-than-expected results and a better revenue outlook due to fewer promotions and increased sales within its high-end product lines.

Stock selection in the telecommunication services sector, as well as underweight exposure to the sector relative to the Russell 1000 Value Index, contributed to relative Fund performance. The Fund's lack of exposure to some of the weaker names in the sector, namely AT&T, helped on a relative basis as the sector posted negative returns for the year. Similarly, the Fund's lack of exposure to the real estate sector contributed to relative returns. The Fund remained materially underweight in these sectors because we believed they were overvalued, as investors have driven up stock prices in a quest for yield in a low-interest rate environment.

Portfolio Composition	
By security type	% of total net assets
Common Stocks & Other Equity Interests	64.5%
Bonds & Notes	16.4
U.S. Treasury Securities	11.5
Security Types	
Each Less Than 1% of Portfolio	0.6
Money Market Funds	
Plus Other Assets Less Liabilities	7.0

Top 10 Equity Holdings*	
	% of total net assets
1. Citigroup Inc.	3.8%
2. Bank of America Corp.	3.2
3. JPMorgan Chase & Co.	2.7
4. Morgan Stanley	2.1
5. Citizens Financial Group, Inc.	1.7
6. Royal Dutch Shell PLC-Class A	1.5
7. Oracle Corp.	1.5
8. Occidental Petroleum Corp.	1.3
9. Devon Energy Corp.	1.3
10. Apache Corp.	1.2

Total Net Assets	\$1.6 billion
Total Number of Holdings*	378

The Fund's holdings are subject to change, and there is no assurance that the Fund will continue to hold any particular security.

*Excluding money market fund holdings.

Data presented here are as of December 31, 2017.

Stock selection within the industrials sector contributed to the Fund's performance relative to the Russell 1000 Value Index. **CSX**, a rail-based transportation services firm, was one of the top contributors as the stock posted a return of over 50% for the year. Early in 2017, the company announced the arrival of Hunter Harrison, a highly respected chief executive officer (CEO) within the industry, and the stock rallied on investors' expectations of improved profitability. Mr. Harrison passed away in December; however, the company quickly appointed a new experienced CEO with a history of working with Mr. Harrison for many years. Material underweight exposure to **General Electric** was also a driver of relative Fund performance as the stock posted a negative return for the year. We sold our position in the company during the reporting period.

Stock selection within the consumer staples sector was a large detractor from relative Fund performance for the year. Specifically, **Walgreens Boots Alliance** posted a negative return for the year after rumors emerged that Amazon (not a Fund holding) may be entering the pharmacy space, driving investor concerns.

Stock selection in the materials sector also detracted from the Fund's performance versus the Russell 1000 Value Index. Within the sector, the largest detractor was **The Mosaic Company**, a phosphate and potash supplier. During the first half of 2017, the stock price fell after the company reported sales and profits down sharply year over year. Operating earnings were down due to lower phosphate and potash prices caused by excessive supply.

The Fund's underweight allocation to the utilities sector also detracted from performance versus the Russell 1000 Value Index. The Fund remained materially underweight in this sector because we believed it to be overvalued.

The Fund uses high grade bonds as a source of income and to dampen return volatility. Although the bond portion of the Fund posted positive returns for the reporting period, bonds generally underperformed equities and detracted from Fund performance versus the Russell 1000 Value Index. Similarly, the Fund's allocation to convertible securities also posted positive returns on an absolute basis, but detracted from relative performance as convertibles underperformed the Russell 1000 Value Index. The Fund's cash position was a detractor in a strong equity market, as would be expected.

We used currency forward contracts for the purpose of hedging currency exposure of non-US-based companies held in the portfolio. Currency forward contracts were used solely for the purpose of hedging and not for speculative purposes or leverage. The use of currency forward contracts had a negative impact on the Fund's performance, largely due to the weakness of the US dollar compared to the foreign currencies in which the Fund's non-US holdings were denominated.

At the end of the reporting period, the Fund's largest overweight exposures relative to the Russell 1000 Value Index were in the financials and energy sectors, while the largest underweight exposures were in the real estate and utilities sectors.

Thank you for your investment in Invesco V.I. Equity and Income Fund and for sharing our long-term investment horizon.

1 Source: US Federal Reserve

The views and opinions expressed in management's discussion of Fund performance are those of Invesco Advisers, Inc. These views and opinions are subject to change at any time based on factors such as market and economic conditions. These views and opinions may not be relied upon as investment advice or recommendations, or as an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but Invesco Advisers, Inc. makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

See important Fund and, if applicable, index disclosures later in this report.



Thomas Bastian
Chartered Financial Analyst, Portfolio Manager, is lead manager of Invesco V.I. Equity and Income Fund. He joined Invesco in 2010. Mr. Bastian earned a BA in accounting from St. John's University and an MBA in finance from the University of Michigan.



Chuck Burge
Portfolio Manager, is manager of Invesco V.I. Equity and Income Fund. He joined Invesco in 2002. Mr. Burge earned a BS in economics from Texas A&M University and an MBA in finance and accounting from Rice University.



Brian Jurkash
Portfolio Manager, is manager of Invesco V.I. Equity and Income Fund. He joined Invesco in 2000. Mr. Jurkash earned a BBA degree in finance from Stephen F. Austin State University and an MBA in finance from the University of Houston.



Sergio Marcheli
Portfolio Manager, is manager of Invesco V.I. Equity and Income Fund. He joined Invesco in 2010. Mr. Marcheli earned a BBA from the University of Houston and an MBA from the University of St. Thomas.

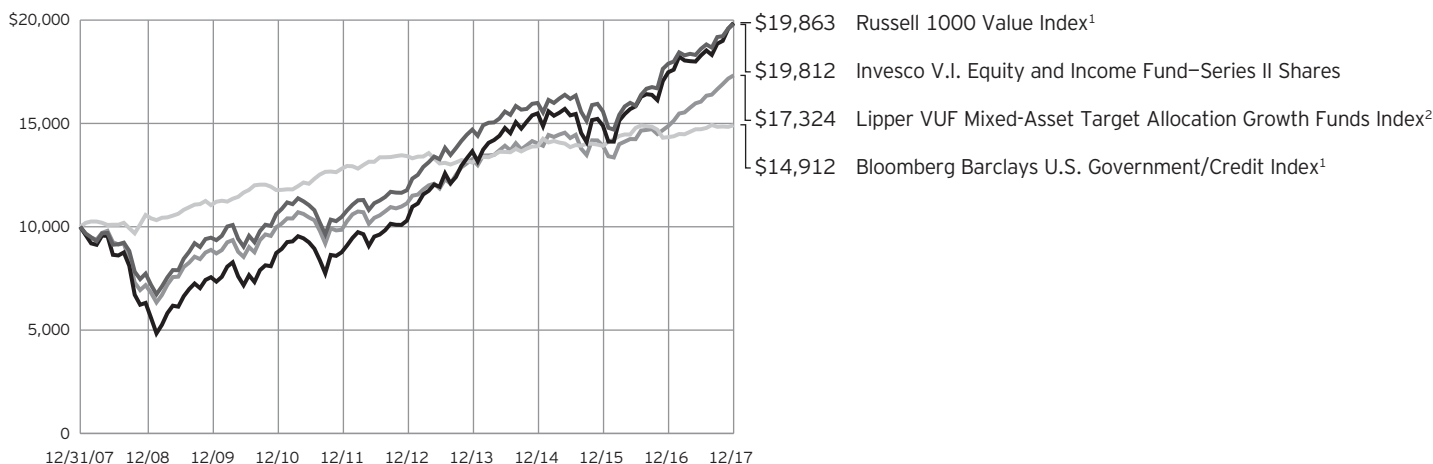


Matthew Titus
Chartered Financial Analyst, Portfolio Manager, is manager of Invesco V.I. Equity and Income Fund. He joined Invesco in 2016. Mr. Titus earned a bachelor's degree in accounting and economics from Luther College in Decorah, Iowa, and an MBA from Ohio State University.

Your Fund's Long-Term Performance

Results of a \$10,000 Investment – Oldest Share Class(es)

Fund and index data from 12/31/07



1 Source: FactSet Research Systems Inc.

2 Source: Lipper Inc.

Past performance cannot guarantee comparable future results.

Average Annual Total Returns	
As of 12/31/17	
Series I Shares	
10 Years	7.24%
5 Years	11.26
1 Year	11.03
Series II Shares	
Inception (4/30/03)	8.33%
10 Years	7.08
5 Years	10.98
1 Year	10.78

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

Series I shares inception on June 1, 2010. Series I shares performance shown prior to that date is that of the predecessor fund's Class II shares and includes the 12b-1 fees applicable to

the predecessor fund's Class II shares.

The performance data quoted represent past performance and cannot guarantee comparable future results; current performance may be lower or higher. Please contact your variable product issuer or financial adviser for the most recent month-end variable product performance. Performance figures reflect Fund expenses, reinvested distributions and changes in net asset value. Investment return and principal value will fluctuate so that you may have a gain or loss when you sell shares.

The net annual Fund operating expense ratio set forth in the most recent Fund prospectus as of the date of this report for Series I and Series II shares was 0.58% and 0.83%, respectively.¹ The total annual Fund operating expense ratio set forth in the most recent Fund prospectus as of the date of this report for Series I and Series II shares was 0.59% and 0.84%, respectively. The expense ratios presented above may vary from the expense ratios presented in other sections of this report that are based on expenses incurred during the period covered by this report.

Invesco V.I. Equity and Income Fund, a series portfolio of AIM Variable Insurance Funds (Invesco Variable

Insurance Funds), is currently offered through insurance companies issuing variable products. You cannot purchase shares of the Fund directly. Performance figures given represent the Fund and are not intended to reflect actual variable product values. They do not reflect sales charges, expenses and fees assessed in connection with a variable product. Sales charges, expenses and fees, which are determined by the variable product issuers, will vary and will lower the total return.

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

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

¹ Total annual Fund operating expenses after any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least June 30, 2019. See current prospectus for more information.

Invesco V.I. Equity and Income Fund's investment objectives are both capital appreciation and current income.

- Unless otherwise stated, information presented in this report is as of December 31, 2017, and is based on total net assets.
- Unless otherwise noted, all data provided by Invesco.

Principal risks of investing in the Fund

Active trading risk. Active trading of portfolio securities may result in added expenses and a lower return.

Changing fixed income market conditions risk. The current low interest rate environment was created in part by the Federal Reserve Board (FRB) and certain foreign central banks keeping the federal funds and equivalent foreign rates near, at or below zero. Increases in the federal funds and equivalent foreign rates may expose fixed income markets to heightened volatility and reduced liquidity for certain fixed income investments, particularly those with longer maturities. In addition, decreases in fixed income dealer market-making capacity may also potentially lead to heightened volatility and reduced liquidity in the fixed income markets. As a result, the value of the Fund's investments and share price may decline. Changes in central bank policies could also result in higher than normal shareholder redemptions, which could potentially increase portfolio turnover and the Fund's transaction costs.

Convertible securities risk. The market values of convertible securities are affected by market interest rates, the risk of actual issuer default on interest or principal payments and the value of the underlying common stock into which the convertible security may be converted. Additionally, a convertible security is subject to the same types of market and issuer risks as apply to the underlying common stock. In addition, certain convertible securities are subject to involuntary conversions and may undergo principal write-downs upon the occurrence of certain triggering events, and, as a result, are subject to an increased risk of loss. Convertible securities may be rated below investment grade.

Debt securities risk. The prices of debt securities held by the Fund will be affected by changes in interest rates, the creditworthiness of the issuer and other factors. An increase in prevailing interest rates typically causes the value of existing debt securities to fall and often has a greater impact on longer-duration debt securities and higher quality debt securities. Falling interest rates will cause the Fund to reinvest the proceeds of debt securities that have been repaid by the issuer at lower interest rates. Falling interest

rates may also reduce the Fund's distributable income because interest payments on floating rate debt instruments held by the Fund will decline. The Fund could lose money on investments in debt securities if the issuer or borrower fails to meet its obligations to make interest payments and/or to repay principal in a timely manner. Changes in an issuer's financial strength, the market's perception of such strength or in the credit rating of the issuer or the security may affect the value of debt securities. The Adviser's credit analysis may fail to anticipate such changes, which could result in buying a debt security at an inopportune time or failing to sell a debt security in advance of a price decline or other credit event.

Depository receipts risk. Investing in depository receipts involves the same risks as direct investments in foreign securities. In addition, the underlying issuers of certain depository receipts are under no obligation to distribute shareholder communications or pass through any voting rights with respect to the deposited securities to the holders of such receipts. The Fund may therefore receive less timely information or have less control than if it invested directly in the foreign issuer.

Derivatives risk. The value of a derivative instrument depends largely on (and is derived from) the value of an underlying security, currency, commodity, interest rate, index or other asset (each referred to as an underlying asset). In addition to risks relating to the underlying assets, the use of derivatives may include other, possibly greater, risks, including counterparty, leverage and liquidity risks. Counterparty risk is the risk that the counterparty to the derivative contract will default on its obligation to pay the Fund the amount owed or otherwise perform under the derivative contract. Derivatives create leverage risk because they do not require payment up front equal to the economic exposure created by owning the derivative. As a result, an adverse change in the value of the underlying asset could result in the Fund sustaining a loss that is substantially greater than the amount invested in the derivative, which may make the Fund's returns more volatile and increase the risk of loss. Derivative instruments may also be less liquid than more traditional investments and the Fund may be unable to sell or close out its derivative positions

at a desirable time or price. This risk may be more acute under adverse market conditions, during which the Fund may be most in need of liquidating its derivative positions. Derivatives may also be harder to value, less tax efficient and subject to changing government regulation that could impact the Fund's ability to use certain derivatives or their cost. Also, derivatives used for hedging or to gain or limit exposure to a particular market segment may not provide the expected benefits, particularly during adverse market conditions.

Foreign securities risk. The Fund's foreign investments may be adversely affected by political and social instability, changes in economic or taxation policies, difficulty in enforcing obligations, decreased liquidity or increased volatility. Foreign investments also involve the risk of the possible seizure, nationalization or expropriation of the issuer or foreign deposits (in which the Fund could lose its entire investments in a certain market) and the possible adoption of foreign governmental restrictions such as exchange controls. Unless the Fund has hedged its foreign securities risk, foreign securities risk also involves the risk of negative foreign currency rate fluctuations, which may cause the value of securities denominated in such foreign currency (or other instruments through which the Fund has exposure to foreign currencies) to decline in value. Currency exchange rates may fluctuate significantly over short periods of time. Currency hedging strategies, if used, are not always successful.

Management risk. The Fund is actively managed and depends heavily on the Adviser's judgment about markets, interest rates or the attractiveness, relative values, liquidity, or potential appreciation of particular investments made for the Fund's portfolio. The Fund could experience losses if these judgments prove to be incorrect. Additionally, legislative, regulatory, or tax developments may adversely affect management of the Fund and, therefore, the ability of the Fund to achieve its investment objective.

Market risk. The market values of the Fund's investments, and therefore the value of the Fund's shares, will go up and down, sometimes rapidly or unpredictably. Market risk may affect a single issuer, industry or section of the economy, or it may affect the market as a whole. Indi-

vidual stock prices tend to go up and down more dramatically than those of certain other types of investments, such as bonds. During a general downturn in the financial markets, multiple asset classes may decline in value. When markets perform well, there can be no assurance that specific investments held by the Fund will rise in value.

Preferred securities risk. Preferred securities are subject to issuer-specific and market risks applicable generally to equity securities. Preferred securities also may be subordinated to bonds or other debt instruments, subjecting them to a greater risk of non-payment, may be less liquid than many other securities, such as common stocks, and generally offer no voting rights with respect to the issuer.

Real estate investment trust risk/real estate risk. Investments in real estate related instruments may be affected by economic, legal, cultural, environmental or technological factors that affect property values, rents or occupancies of real estate related to the Fund's holdings. Shares of real estate related companies, which tend to be small- and mid-cap companies, may be more volatile and less liquid.

Small- and mid-capitalization companies risks. Small- and mid-capitalization companies tend to be more vulnerable to changing market conditions, may have little or no operating history or track record of success, and may have more limited product lines and markets, less experienced management and fewer financial resources than larger companies. These companies' securities may be more volatile and less liquid than those of more established companies, and their returns may vary, sometimes significantly, from the overall securities market.

Value investing style risk. A value investing style subjects the Fund to the risk that the valuations never improve or that the returns on value equity securities are less than returns on other styles of investing or the overall stock market.

Warrants risk. Warrants may be significantly less valuable or worthless on their expiration date and may also be postponed or terminated early, resulting in a partial or total loss. Warrants may also be illiquid.

Zero coupon or pay-in-kind securities risk. The value, interest rates, and liquidity of non-cash paying instruments, such

as zero coupon and pay-in-kind securities, are subject to greater fluctuation than other types of securities. The higher yields and interest rates on pay-in-kind securities reflect the payment deferral and increased credit risk associated with such instruments and that such investments may represent a higher credit risk than loans that periodically pay interest.

About indexes used in this report

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

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

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

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

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

Other information

The returns shown in management's discussion of Fund performance are based on net asset values calculated for shareholder transactions. Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes, and as such, the net asset values for shareholder transactions and the returns based on those net asset values may differ from the net asset values and returns reported in the Financial Highlights. Additionally, the returns and net asset values shown throughout this

report are at the Fund level only and do not include variable product issuer charges. If such charges were included, the total returns would be lower.

Industry 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.

Schedule of Investments^(a)

December 31, 2017

	Shares	Value
Common Stocks & Other Equity Interests-64.47%		
Aerospace & Defense-1.02%		
General Dynamics Corp.	78,667	\$ 16,004,801
Apparel, Accessories & Luxury Goods-0.48%		
Michael Kors Holdings Ltd. ^(b)	120,732	7,600,079
Asset Management & Custody Banks-1.80%		
Northern Trust Corp.	120,120	11,998,787
State Street Corp.	166,008	16,204,041
		28,202,828
Automobile Manufacturers-1.23%		
General Motors Co.	471,659	19,333,302
Biotechnology-0.45%		
Amgen Inc.	40,995	7,129,030
Broadcasting-0.18%		
CBS Corp.-Class B	48,165	2,841,735
Building Products-0.68%		
Johnson Controls International PLC	281,220	10,717,294
Cable & Satellite-1.48%		
Charter Communications, Inc.-Class A ^(b)	27,442	9,219,414
Comcast Corp.-Class A	350,755	14,047,738
		23,267,152
Communications Equipment-1.86%		
Cisco Systems, Inc.	495,494	18,977,420
Juniper Networks, Inc.	360,832	10,283,712
		29,261,132
Data Processing & Outsourced Services-0.41%		
PayPal Holdings, Inc. ^(b)	87,119	6,413,701
Diversified Banks-9.65%		
Bank of America Corp.	1,697,193	50,101,137
Citigroup Inc.	802,206	59,692,149
JPMorgan Chase & Co.	390,101	41,717,401
		151,510,687
Diversified Metals & Mining-0.54%		
BHP Billiton Ltd. (Australia)	367,928	8,468,519
Drug Retail-2.28%		
CVS Health Corp.	255,727	18,540,208
Walgreens Boots Alliance, Inc.	237,768	17,266,712
		35,806,920
Electric Utilities-0.27%		
FirstEnergy Corp.	137,512	4,210,617
Fertilizers & Agricultural Chemicals-1.02%		
Agrium Inc. (Canada)	68,978	7,932,470

	Shares	Value
Fertilizers & Agricultural Chemicals-(continued)		
Mosaic Co. (The)	314,988	\$ 8,082,592
		16,015,062
Health Care Distributors-0.86%		
McKesson Corp.	86,869	13,547,221
Health Care Equipment-1.47%		
Baxter International Inc.	156,251	10,100,065
Medtronic PLC	160,954	12,997,035
		23,097,100
Home Improvement Retail-0.80%		
Kingfisher PLC (United Kingdom)	2,741,988	12,501,512
Hotels, Resorts & Cruise Lines-1.22%		
Carnival Corp.	288,537	19,150,201
Industrial Machinery-0.82%		
Ingersoll-Rand PLC	144,432	12,881,890
Insurance Brokers-1.89%		
Aon PLC	96,558	12,938,772
Marsh & McLennan Cos., Inc.	88,587	7,210,096
Willis Towers Watson PLC	62,700	9,448,263
		29,597,131
Integrated Oil & Gas-3.58%		
Occidental Petroleum Corp.	286,352	21,092,688
Royal Dutch Shell PLC-Class A (United Kingdom)	709,306	23,749,324
TOTAL S.A. (France)	207,114	11,427,107
		56,269,119
Integrated Telecommunication Services-0.64%		
Orange S.A. (France)	142,929	2,480,126
Verizon Communications Inc.	144,217	7,633,406
		10,113,532
Internet Software & Services-0.93%		
eBay Inc. ^(b)	384,617	14,515,446
Investment Banking & Brokerage-3.70%		
Charles Schwab Corp. (The)	216,882	11,141,228
Goldman Sachs Group, Inc. (The)	54,001	13,757,295
Morgan Stanley	631,110	33,114,342
		58,012,865
IT Consulting & Other Services-0.85%		
Cognizant Technology Solutions Corp.-Class A	188,524	13,388,974
Managed Health Care-0.69%		
Anthem, Inc.	47,756	10,745,578
Multi-Line Insurance-1.04%		
American International Group, Inc.	274,155	16,334,155

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

	Shares	Value
Oil & Gas Equipment & Services-1.67%		
Baker Hughes, a GE Co.	246,691	\$ 7,805,303
TechnipFMC PLC (United Kingdom)	585,524	18,332,757
		26,138,060
Oil & Gas Exploration & Production-4.63%		
Anadarko Petroleum Corp.	285,763	15,328,327
Apache Corp.	462,182	19,513,324
Canadian Natural Resources Ltd. (Canada)	481,688	17,214,914
Devon Energy Corp.	500,027	20,701,118
		72,757,683
Other Diversified Financial Services-0.56%		
Voya Financial, Inc.	178,843	8,847,363
Packaged Foods & Meats-0.79%		
Mondelez International, Inc.-Class A	291,365	12,470,422
Pharmaceuticals-3.86%		
Bristol-Myers Squibb Co.	138,477	8,485,870
Merck & Co., Inc.	233,334	13,129,704
Novartis AG (Switzerland)	138,581	11,720,286
Pfizer Inc.	490,780	17,776,052
Sanofi (France)	110,312	9,497,866
		60,609,778
Railroads-1.07%		
CSX Corp.	305,464	16,803,575
Regional Banks-5.20%		
Citizens Financial Group, Inc.	652,029	27,372,178
Comerica Inc.	94,852	8,234,102
Fifth Third Bancorp	589,985	17,900,145
First Horizon National Corp.	440,327	8,802,137
PNC Financial Services Group, Inc. (The)	133,922	19,323,605
		81,632,167
Semiconductors-1.75%		
Intel Corp.	285,142	13,162,155
QUALCOMM Inc.	224,279	14,358,341
		27,520,496
Systems Software-1.47%		
Oracle Corp.	488,572	23,099,684
Tobacco-1.12%		
Philip Morris International Inc.	166,468	17,587,344
Wireless Telecommunication Services-0.51%		
Vodafone Group PLC-ADR (United Kingdom)	249,308	7,952,925
Total Common Stocks & Other Equity Interests (Cost \$691,609,804)		1,012,357,080

	Principal Amount	Value
Bonds & Notes-16.46%		
Aerospace & Defense-0.30%		
BAE Systems Holdings Inc. (United Kingdom), Sr. Unsec. Gtd. Notes, 2.85%, 12/15/2020 ^(c)	\$ 288,000	\$ 289,471
Northrop Grumman Corp., Sr. Unsec. Global Notes, 1.75%, 06/01/2018	3,530,000	3,527,935
Precision Castparts Corp., Sr. Unsec. Global Notes, 1.25%, 01/15/2018	590,000	589,828
	365,000	362,893
		4,770,127
Agricultural & Farm Machinery-0.08%		
Deere & Co., Sr. Unsec. Notes, 2.60%, 06/08/2022	1,275,000	1,277,008
Agricultural Products-0.02%		
Ingredion Inc., Sr. Unsec. Notes, 6.63%, 04/15/2037	255,000	329,223
Air Freight & Logistics-0.12%		
FedEx Corp., Sr. Unsec. Gtd. Bonds, 4.90%, 01/15/2034	440,000	499,871
	910,000	1,062,145
United Parcel Service, Inc., Sr. Unsec. Notes, 3.40%, 11/15/2046	258,000	249,963
		1,811,979
Airlines-0.12%		
American Airlines Pass Through Trust, Series 2014-1, Class A, Sr. Sec. First Lien Pass Through Cdfs., 3.70%, 04/01/2028	373,815	383,161
Continental Airlines Pass Through Trust, Series 2010-1, Class A, Sr. Sec. First Lien Pass Through Cdfs., 4.75%, 01/12/2021	192,384	201,941
	397,043	415,903
Delta Air Lines Pass Through Trust, Series 2010-1, Class A, Sr. Sec. First Lien Pass Through Cdfs., 6.20%, 01/02/2020	97,991	99,705
United Airlines Pass Through Trust, Series 2014-2, Class A, Sr. Sec. First Lien Pass Through Cdfs., 3.75%, 09/03/2026	482,487	500,532
Virgin Australia Pass Through Trust (Australia), Series 2013-1, Class A, Sec. Gtd. Pass Through Cdfs., 5.00%, 04/23/2025 ^(c)	303,868	316,782
		1,918,024
Application Software-0.55%		
Citrix Systems, Inc., Sr. Unsec. Conv. Bonds, 0.50%, 04/15/2019	2,171,000	2,812,802

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

	Principal Amount	Value
Application Software-(continued)		
Nuance Communications, Inc., Sr. Unsec. Conv. Bonds, 1.00%, 12/15/2022 ^(d)	\$ 2,703,000	\$ 2,593,191
RealPage, Inc., Sr. Unsec. Conv. Notes, 1.50%, 11/15/2022 ^(c)	690,000	857,325
Workday, Inc., Sr. Unsec. Conv. Notes, 0.25%, 10/01/2022 ^(c)	2,389,000	2,368,096
		8,631,414
Asset Management & Custody Banks-0.11%		
Apollo Management Holdings L.P., Sr. Unsec. Gtd. Notes, 4.00%, 05/30/2024 ^(c)	425,000	435,375
Brookfield Asset Management Inc. (Canada), Sr. Unsec. Notes, 4.00%, 01/15/2025	460,000	472,673
Carlyle Holdings Finance LLC, Sr. Unsec. Gtd. Notes, 3.88%, 02/01/2023 ^(c)	395,000	404,704
KKR Group Finance Co. III LLC, Sr. Unsec. Gtd. Bonds, 5.13%, 06/01/2044 ^(c)	315,000	349,669
		1,662,421
Automobile Manufacturers-0.19%		
Daimler Finance North America LLC (Germany), Sr. Unsec. Gtd. Notes, 1.88%, 01/11/2018 ^(c)	555,000	554,982
Ford Motor Credit Co. LLC, Sr. Unsec. Global Notes, 3.10%, 05/04/2023	267,000	265,755
	445,000	454,785
	687,000	711,492
General Motors Co., Sr. Unsec. Global Notes, 6.60%, 04/01/2036	397,000	484,749
General Motors Financial Co., Inc., Sr. Unsec. Gtd. Global Notes, 5.25%, 03/01/2026	503,000	553,874
		3,025,637
Automotive Retail-0.07%		
Advance Auto Parts, Inc., Sr. Unsec. Gtd. Notes, 4.50%, 12/01/2023	660,000	694,665
	399,000	425,384
		1,120,049
Biotechnology-0.54%		
AbbVie Inc., Sr. Unsec. Global Notes, 4.50%, 05/14/2035	720,000	792,657
BioMarin Pharmaceutical Inc., Sr. Unsec. Sub. Conv. Notes, 1.50%, 10/15/2020	2,388,000	2,840,227
Celgene Corp., Sr. Unsec. Global Notes, 4.00%, 08/15/2023	485,000	510,822
	1,390,000	1,487,465
Gilead Sciences, Inc., Sr. Unsec. Global Notes, 4.40%, 12/01/2021	492,000	524,952

	Principal Amount	Value
Biotechnology-(continued)		
Neurocrine Biosciences, Inc., Sr. Unsec. Conv. Notes, 2.25%, 05/15/2024 ^(c)	\$ 1,853,000	\$ 2,370,682
		8,526,805
Brewers-0.35%		
Anheuser-Busch InBev Finance, Inc. (Belgium), Sr. Unsec. Gtd. Global Notes, 2.65%, 02/01/2021	625,000	628,531
	593,000	607,414
	1,005,000	1,130,524
	1,122,000	1,304,433
Heineken NV (Netherlands), Sr. Unsec. Notes, 3.50%, 01/29/2028 ^(c)	1,000,000	1,022,009
Molson Coors Brewing Co., Sr. Unsec. Gtd. Global Notes, 1.45%, 07/15/2019	341,000	336,834
	395,000	403,808
		5,433,553
Broadcasting-0.76%		
Liberty Interactive LLC, Sr. Unsec. Conv. Deb., 1.75%, 10/05/2023 ^{(c)(d)}	2,357,000	2,732,647
Liberty Media Corp., Sr. Unsec. Conv. Deb., 2.25%, 10/05/2021 ^(d)	1,538,000	1,609,132
	6,063,000	7,007,009
Liberty Formula One Sr. Unsec. Conv. Notes, 1.00%, 01/30/2023 ^(c)	570,000	639,113
		11,987,901
Cable & Satellite-0.50%		
Charter Communications Operating, LLC/Charter Communications Operating Capital Corp., Sr. Sec. Gtd. First Lien Global Notes, 4.46%, 07/23/2022	1,065,000	1,112,136
Comcast Corp., Sr. Unsec. Gtd. Global Notes, 5.70%, 05/15/2018	445,000	451,328
	305,000	412,011
DISH Network Corp., Sr. Unsec. Conv. Bonds, 3.38%, 08/15/2026	4,954,000	5,402,956
NBCUniversal Media LLC, Sr. Unsec. Gtd. Global Notes, 5.15%, 04/30/2020	175,000	186,498
	215,000	280,616
		7,845,545
Commodity Chemicals-0.06%		
Basell Finance Co. B.V. (Netherlands), Sr. Unsec. Gtd. Deb., 8.10%, 03/15/2027 ^(c)	745,000	989,941

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	Principal Amount	Value
Communications Equipment-0.55%		
Ciena Corp., Sr. Unsec. Conv. Bonds, 4.00%, 12/15/2020	\$ 1,610,000	\$ 2,105,075
Finisar Corp., Sr. Unsec. Conv. Bonds, 0.50%, 12/15/2021 ^(d)	1,114,000	1,038,805
Viavi Solutions Inc., Sr. Unsec. Conv. Deb., 0.63%, 08/15/2018 ^(d)	3,377,000	3,486,753
Sr. Unsec. Conv. Notes, 1.00%, 03/01/2024 ^(c)	1,986,000	1,967,381
		8,598,014

Consumer Finance-0.06%

American Express Co., Unsec. Sub. Global Notes, 3.63%, 12/05/2024	336,000	346,171
Synchrony Financial, Sr. Unsec. Global Notes, 3.95%, 12/01/2027	600,000	598,513
		944,684

Data Processing & Outsourced Services-0.26%

Blackhawk Network Holdings, Inc., Sr. Unsec. Conv. Bonds, 1.50%, 01/15/2022	3,275,000	3,342,547
Visa Inc., Sr. Unsec. Global Notes, 4.15%, 12/14/2035	670,000	744,763
		4,087,310

Diversified Banks-1.17%

ANZ New Zealand (Int'l) Ltd. (New Zealand), Sr. Unsec. Gtd. Notes, 2.88%, 01/25/2022 ^(c)	350,000	351,078
Australia and New Zealand Banking Group Ltd. (Australia), Sr. Unsec. Medium-Term Global Notes, 2.30%, 06/01/2021	713,000	707,179
Bank of America Corp., Sr. Unsec. Medium-Term Global Notes, 3.50%, 04/19/2026	615,000	629,289
5.65%, 05/01/2018	350,000	354,193
Sr. Unsec. Medium-Term Notes, 3.25%, 10/21/2027	565,000	561,189
BBVA Bancomer S.A. (Mexico), Sr. Unsec. Notes, 4.38%, 04/10/2024 ^(c)	700,000	731,500
Citigroup Inc., Sr. Unsec. Global Notes, 3.67%, 07/24/2028	545,000	553,432
Unsec. Sub. Global Notes, 5.30%, 05/06/2044	250,000	296,039
6.68%, 09/13/2043	815,000	1,131,053
Unsec. Sub. Notes, 4.75%, 05/18/2046	375,000	414,681
Commonwealth Bank of Australia (Australia), Sr. Unsec. Notes, 2.25%, 03/10/2020 ^(c)	1,085,000	1,081,941
HBOS PLC (United Kingdom), Unsec. Sub. Medium-Term Global Notes, 6.75%, 05/21/2018 ^(c)	325,000	330,541

	Principal Amount	Value
Diversified Banks-(continued)		
JPMorgan Chase & Co., Sr. Unsec. Global Notes, 3.20%, 06/15/2026	\$ 415,000	\$ 415,123
4.26%, 02/22/2048	525,000	569,164
4.50%, 01/24/2022	80,000	85,642
Unsec. Sub. Global Notes, 4.25%, 10/01/2027	345,000	367,310
Series V, Jr. Unsec. Sub. Global Notes, 5.00% ^(e)	640,000	651,923
Mizuho Financial Group Cayman 3 Ltd. (Japan), Unsec. Gtd. Sub. Notes, 4.60%, 03/27/2024 ^(c)	200,000	211,729
National Australia Bank Ltd. (Australia), Sr. Unsec. Medium-Term Global Notes, 2.00%, 01/14/2019	930,000	928,482
Sr. Unsec. Notes, 1.88%, 07/12/2021	945,000	925,230
3.50%, 01/10/2027 ^(c)	1,055,000	1,079,631
Société Générale S.A. (France), Sr. Unsec. Notes, 2.63%, 09/16/2020 ^(c)	890,000	892,615
Unsec. Sub. Notes, 5.00%, 01/17/2024 ^(c)	735,000	785,548
Standard Chartered PLC (United Kingdom), Sr. Unsec. Notes, 3.05%, 01/15/2021 ^(c)	680,000	686,338
Sumitomo Mitsui Banking Corp. (Japan), Sr. Unsec. Gtd. Medium- Term Global Notes, 2.65%, 07/23/2020	715,000	718,602
U.S. Bancorp, Series W, Unsec. Sub. Medium-Term Notes, 3.10%, 04/27/2026	295,000	293,164
Wells Fargo & Co., Sr. Unsec. Medium-Term Global Notes, 1.50%, 01/16/2018	180,000	179,982
Sr. Unsec. Medium-Term Notes, 3.55%, 09/29/2025	655,000	672,849
Unsec. Sub. Medium-Term Notes, 4.10%, 06/03/2026	450,000	472,260
4.65%, 11/04/2044	1,200,000	1,310,541
		18,388,248

Diversified Capital Markets-0.55%

Credit Suisse AG (Switzerland), Sr. Unsec. Conv. Medium-Term Notes, 0.50%, 06/24/2024 ^(c)	7,880,000	7,814,596
Unsec. Sub. Notes, 6.50%, 08/08/2023 ^(c)	686,000	769,263
		8,583,859

Diversified Chemicals-0.05%

Eastman Chemical Co., Sr. Unsec. Global Notes, 2.70%, 01/15/2020	795,000	800,464
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Diversified Metals & Mining-0.02%

Rio Tinto Finance USA Ltd. (United Kingdom), Sr. Unsec. Gtd. Global Notes, 7.13%, 07/15/2028	200,000	264,415
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	Principal Amount	Value
Drug Retail-0.15%		
CVS Health Corp., Sr. Unsec. Global Bonds, 3.38%, 08/12/2024	\$ 375,000	\$ 377,479
CVS Pass Through Trust, Sr. Sec. First Lien Global Pass Through Cfts., 6.04%, 12/10/2028	804,411	895,283
Walgreens Boots Alliance Inc., Sr. Unsec. Global Notes, 3.30%, 11/18/2021	602,000	612,515
4.50%, 11/18/2034	444,000	464,659
		2,349,936
Electric Utilities-0.26%		
Duke Energy Corp., Sr. Unsec. Global Notes, 2.10%, 06/15/2018	1,250,000	1,250,458
Electricite de France S.A. (France), Jr. Unsec. Sub. Notes, 5.63% ^{(c)(e)}	745,000	772,006
Sr. Unsec. Notes, 4.60%, 01/27/2020 ^(c)	150,000	157,043
4.88%, 01/22/2044 ^(c)	930,000	1,036,427
NextEra Energy Capital Holdings Inc., Sr. Unsec. Gtd. Deb., 3.55%, 05/01/2027	569,000	580,564
Ohio Power Co., Series M, Sr. Unsec. Notes, 5.38%, 10/01/2021	200,000	219,970
PPL Electric Utilities Corp., Sr. Sec. First Mortgage Bonds, 6.25%, 05/15/2039	50,000	68,843
Virginia Electric & Power Co., Sr. Unsec. Notes, 5.00%, 06/30/2019	15,000	15,565
		4,100,876
Environmental & Facilities Services-0.03%		
Waste Management, Inc., Sr. Unsec. Gtd. Global Notes, 3.90%, 03/01/2035	469,000	492,861
Fertilizers & Agricultural Chemicals-0.02%		
Monsanto Co., Sr. Unsec. Global Notes, 2.13%, 07/15/2019	305,000	304,010
Financial Exchanges & Data-0.06%		
Moody's Corp., Sr. Unsec. Global Notes, 4.50%, 09/01/2022	935,000	1,002,706
Food Retail-0.01%		
Alimentation Couche-Tard Inc. (Canada), Sr. Unsec. Gtd. Notes, 4.50%, 07/26/2047 ^(c)	120,000	125,294
Gas Utilities-0.04%		
NiSource Finance Corp., Sr. Unsec. Gtd. Global Notes, 4.38%, 05/15/2047	616,000	677,406
General Merchandise Stores-0.02%		
Dollar General Corp., Sr. Unsec. Global Notes, 3.25%, 04/15/2023	365,000	370,297
Health Care Distributors-0.07%		
McKesson Corp., Sr. Unsec. Global Notes, 2.28%, 03/15/2019	1,095,000	1,095,448

	Principal Amount	Value
Health Care Equipment-0.80%		
Becton, Dickinson and Co., Sr. Unsec. Global Notes, 4.88%, 05/15/2044	\$ 750,000	\$ 803,874
Sr. Unsec. Notes, 2.68%, 12/15/2019	274,000	275,087
DexCom, Inc., Sr. Unsec. Conv. Notes, 0.75%, 05/15/2022 ^(c)	2,591,000	2,446,876
Edwards Lifesciences Corp., Sr. Unsec. Global Notes, 2.88%, 10/15/2018	731,000	736,070
Insulet Corp., Sr. Unsec. Conv. Notes, 1.38%, 11/15/2024 ^(c)	476,000	483,437
Medtronic, Inc., Sr. Unsec. Gtd. Global Notes, 3.15%, 03/15/2022	1,076,000	1,102,604
4.38%, 03/15/2035	358,000	404,050
4.63%, 03/15/2044	525,000	602,213
NuVasive, Inc., Sr. Unsec. Conv. Bonds, 2.25%, 03/15/2021	1,880,000	2,213,700
Wright Medical Group N.V., Sr. Unsec. Conv. Bonds, 2.25%, 11/15/2021	986,000	1,205,385
Wright Medical Group, Inc., Sr. Unsec. Gtd. Conv. Bonds, 2.00%, 02/15/2020	2,203,000	2,270,467
		12,543,763
Health Care REIT's-0.08%		
HCP, Inc., Sr. Unsec. Global Notes, 3.88%, 08/15/2024	505,000	517,511
4.20%, 03/01/2024	480,000	502,729
Ventas Realty L.P., Sr. Unsec. Gtd. Notes, 5.70%, 09/30/2043	215,000	262,419
		1,282,659
Health Care Services-0.09%		
Express Scripts Holding Co., Sr. Unsec. Gtd. Global Notes, 2.25%, 06/15/2019	575,000	574,222
Laboratory Corp. of America Holdings, Sr. Unsec. Notes, 3.20%, 02/01/2022	602,000	614,278
4.70%, 02/01/2045	264,000	286,449
		1,474,949
Home Improvement Retail-0.04%		
Home Depot, Inc. (The), Sr. Unsec. Global Notes, 2.00%, 04/01/2021	631,000	625,012
Homebuilding-0.07%		
MDC Holdings, Inc., Sr. Unsec. Gtd. Notes, 6.00%, 01/15/2043	1,050,000	1,031,625
Hotel and Resort REIT's-0.03%		
Hospitality Properties Trust, Sr. Unsec. Notes, 4.50%, 06/15/2023	270,000	282,591
5.00%, 08/15/2022	200,000	213,598
		496,189

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	Principal Amount	Value
Housewares & Specialties-0.03%		
Tupperware Brands Corp., Sr. Unsec. Gtd. Global Notes, 4.75%, 06/01/2021	\$ 475,000	\$ 501,073
Insurance Brokers-0.02%		
Willis North America, Inc., Sr. Unsec. Gtd. Global Notes, 3.60%, 05/15/2024	250,000	254,449
Integrated Oil & Gas-0.29%		
Chevron Corp., Sr. Unsec. Global Notes, 1.37%, 03/02/2018	1,428,000	1,427,079
1.72%, 06/24/2018	520,000	520,034
Husky Energy Inc. (Canada), Sr. Unsec. Global Notes, 3.95%, 04/15/2022	300,000	310,640
Occidental Petroleum Corp., Sr. Unsec. Global Notes, 3.40%, 04/15/2026	365,000	374,100
Petróleos Mexicanos (Mexico), Sr. Unsec. Gtd. Global Notes, 4.88%, 01/24/2022	570,000	595,507
Shell International Finance B.V. (Netherlands), Sr. Unsec. Gtd. Global Notes, 4.00%, 05/10/2046	897,000	956,908
Suncor Energy Inc. (Canada), Sr. Unsec. Notes, 3.60%, 12/01/2024	334,000	341,764
		4,526,032
Integrated Telecommunication Services-0.57%		
AT&T Inc., Sr. Unsec. Global Notes, 3.00%, 06/30/2022	520,000	521,384
3.40%, 05/15/2025	289,000	284,522
4.50%, 05/15/2035	463,000	461,322
4.80%, 06/15/2044	935,000	927,461
4.90%, 08/14/2037	1,987,000	2,021,021
5.15%, 03/15/2042	90,000	93,635
5.35%, 09/01/2040	101,000	106,861
Sr. Unsec. Notes, 4.30%, 02/15/2030 ^(c)	348,000	348,409
5.15%, 11/15/2046 ^(c)	140,000	143,502
Telefónica Emisiones, S.A.U. (Spain), Sr. Unsec. Gtd. Global Notes, 5.21%, 03/08/2047	700,000	796,840
7.05%, 06/20/2036	360,000	484,061
Verizon Communications Inc., Sr. Unsec. Global Notes, 4.13%, 08/15/2046	83,000	76,917
4.40%, 11/01/2034	325,000	331,937
4.52%, 09/15/2048	1,073,000	1,059,902
4.81%, 03/15/2039	503,000	527,616
5.01%, 08/21/2054	694,000	711,550
		8,896,940
Internet & Direct Marketing Retail-0.35%		
Ctrip.com International, Ltd. (China), Sr. Unsec. Conv. Bonds, 1.25%, 09/15/2019 ^(d)	2,992,000	3,063,060

	Principal Amount	Value
Internet & Direct Marketing Retail-(continued)		
Liberty Expedia Holdings, Inc., Sr. Unsec. Conv. Deb., 1.00%, 07/05/2022 ^{(c)(d)}	\$ 1,574,000	\$ 1,577,935
QVC, Inc., Sr. Sec. Gtd. First Lien Global Notes, 5.45%, 08/15/2034	880,000	885,879
		5,526,874
Internet Software & Services-0.12%		
eBay Inc., Sr. Unsec. Global Notes, 2.50%, 03/09/2018	1,865,000	1,866,822
Investment Banking & Brokerage-1.20%		
Goldman Sachs Group, Inc. (The), Sr. Unsec. Global Notes, 4.02%, 10/31/2038	550,000	566,346
5.25%, 07/27/2021	400,000	433,686
Unsec. Sub. Notes, 4.25%, 10/21/2025	552,000	577,345
Series 0000, Sr. Unsec. Exchangeable Basket-Linked Conv. Medium-Term Notes, 1.00%, 09/28/2020 ^{(c)(f)}	6,230,000	10,454,999
GS Finance Corp., Series 0001, Sr. Unsec. Conv. Medium-Term Notes, 0.25%, 07/08/2024	5,920,000	6,117,432
Morgan Stanley, Sr. Unsec. Medium- Term Global Notes, 4.00%, 07/23/2025	680,000	712,520
		18,862,328
IT Consulting & Other Services-0.03%		
DXC Technology Co., Sr. Unsec. Global Notes, 4.45%, 09/18/2022	490,000	516,187
Life & Health Insurance-0.52%		
Athene Global Funding, Sec. Notes, 2.88%, 10/23/2018 ^(c)	624,000	627,356
4.00%, 01/25/2022 ^(c)	1,220,000	1,259,482
Jackson National Life Global Funding, Sr. Sec. Notes, 2.10%, 10/25/2021 ^(c)	525,000	515,335
3.25%, 01/30/2024 ^(c)	480,000	485,099
Metropolitan Life Global Funding I, Sec. Notes, 2.05%, 06/12/2020 ^(c)	590,000	585,888
Nationwide Financial Services Inc., Sr. Unsec. Notes, 5.30%, 11/18/2044 ^(c)	910,000	1,082,732
Prudential Financial, Inc., Jr. Unsec. Sub. Global Notes, 8.88%, 06/15/2068	1,915,000	1,971,971
Sr. Unsec. Notes, 3.91%, 12/07/2047 ^(c)	155,000	158,363
3.94%, 12/07/2049 ^(c)	496,000	507,830
Reliance Standard Life Global Funding II, Sr. Sec. First Lien Notes, 3.05%, 01/20/2021 ^(c)	465,000	471,479
Teachers Insurance and Annuity Association of America, Unsec. Sub. Notes, 4.27%, 05/15/2047 ^(c)	498,000	527,494
		8,193,029

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	Principal Amount	Value
Movies & Entertainment-0.10%		
Live Nation Entertainment, Inc., Sr. Unsec. Conv. Bonds, 2.50%, 05/15/2019	\$ 1,203,000	\$ 1,558,637
Multi-Line Insurance-0.11%		
American Financial Group, Inc., Sr. Unsec. Notes, 4.50%, 06/15/2047	520,000	542,435
American International Group, Inc., Sr. Unsec. Global Notes, 2.30%, 07/16/2019	385,000	384,819
4.38%, 01/15/2055	720,000	735,960
		1,663,214
Office REIT's-0.05%		
Government Properties Income Trust, Sr. Unsec. Global Notes, 4.00%, 07/15/2022	730,000	735,064
Office Services & Supplies-0.02%		
Pitney Bowes Inc., Sr. Unsec. Global Notes, 4.63%, 03/15/2024	374,000	342,210
Oil & Gas Drilling-0.18%		
EnSCO Jersey Finance Ltd., Sr. Unsec. Gtd. Conv. Bonds, 3.00%, 01/31/2024	2,100,000	1,874,250
Nabors Industries Inc., Sr. Unsec. Gtd. Conv. Notes, 0.75%, 01/15/2024 ^(c)	1,150,000	884,063
		2,758,313
Oil & Gas Equipment & Services-0.27%		
Helix Energy Solutions Group, Inc., Sr. Unsec. Conv. Notes, 4.25%, 05/01/2022	1,105,000	1,103,619
Weatherford International Ltd., Sr. Unsec. Gtd. Conv. Notes, 5.88%, 07/01/2021	2,952,000	3,206,610
		4,310,229
Oil & Gas Exploration & Production-0.34%		
Anadarko Petroleum Corp., Sr. Unsec. Notes, 6.60%, 03/15/2046	443,000	571,415
Chesapeake Energy Corp., Sr. Unsec. Gtd. Conv. Notes, 5.50%, 09/15/2026 ^(c)	1,042,000	954,081
Concho Resources Inc., Sr. Unsec. Gtd. Global Notes, 3.75%, 10/01/2027	488,000	494,620
4.88%, 10/01/2047	539,000	591,302
ConocoPhillips Co., Sr. Unsec. Gtd. Global Notes, 2.88%, 11/15/2021	859,000	869,652
4.15%, 11/15/2034	921,000	980,895
Noble Energy, Inc., Sr. Unsec. Global Notes, 5.25%, 11/15/2043	830,000	922,246
		5,384,211

	Principal Amount	Value
Oil & Gas Storage & Transportation-0.57%		
Andeavor Logistics LP/ Tesoro Logistics Finance Corp., Sr. Unsec. Gtd. Global Notes, 5.20%, 12/01/2047	\$ 690,000	\$ 721,782
Enable Midstream Partners, LP, Sr. Unsec. Global Notes, 2.40%, 05/15/2019	440,000	437,584
Enbridge Inc. (Canada), Sr. Unsec. Global Notes, 5.50%, 12/01/2046	424,000	511,386
Energy Transfer, LP, Sr. Unsec. Notes, 4.90%, 03/15/2035	357,000	353,932
Enterprise Products Operating LLC, Sr. Unsec. Gtd. Global Bonds, 6.45%, 09/01/2040	25,000	32,497
Sr. Unsec. Gtd. Global Notes, 5.25%, 01/31/2020	155,000	163,727
Sr. Unsec. Gtd. Notes, 2.55%, 10/15/2019	370,000	371,279
Series N, Sr. Unsec. Gtd. Notes, 6.50%, 01/31/2019	245,000	256,068
Kinder Morgan Inc., Sr. Unsec. Gtd. Notes, 5.30%, 12/01/2034	422,000	451,146
MPLX LP, Sr. Unsec. Global Bonds, 4.50%, 07/15/2023	1,820,000	1,924,851
Sr. Unsec. Global Notes, 5.50%, 02/15/2023	745,000	767,596
Plains All American Pipeline L.P./ PAA Finance Corp., Sr. Unsec. Global Notes, 3.65%, 06/01/2022	355,000	357,369
Spectra Energy Partners, L.P., Sr. Unsec. Global Notes, 4.50%, 03/15/2045	536,000	555,050
Sunoco Logistics Partners Operations L.P., Sr. Unsec. Gtd. Notes, 5.30%, 04/01/2044	645,000	639,834
5.50%, 02/15/2020	535,000	563,853
Texas Eastern Transmission L.P., Sr. Unsec. Notes, 7.00%, 07/15/2032	185,000	236,828
Western Gas Partners, LP, Sr. Unsec. Notes, 5.45%, 04/01/2044	600,000	639,322
		8,984,104
Other Diversified Financial Services-0.20%		
ERAC USA Finance LLC, Sr. Unsec. Gtd. Notes, 2.35%, 10/15/2019 ^(c)	935,000	932,633
MassMutual Global Funding II, Sec. Notes, 2.00%, 04/15/2021 ^(c)	945,000	930,636
Sr. Sec. Notes, 2.10%, 08/02/2018 ^(c)	975,000	976,354
SMBC Aviation Capital Finance DAC (Ireland), Sr. Unsec. Gtd. Notes, 2.65%, 07/15/2021 ^(c)	315,000	310,019
		3,149,642
Packaged Foods & Meats-0.06%		
General Mills, Inc., Sr. Unsec. Global Notes, 2.20%, 10/21/2019	850,000	850,062

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

	Principal Amount	Value
Packaged Foods & Meats--(continued)		
Mead Johnson Nutrition Co. (United Kingdom), Sr. Unsec. Gtd. Global Notes, 4.13%, 11/15/2025	\$ 64,000	\$ 67,929
		917,991
Paper Packaging-0.10%		
International Paper Co., Sr. Unsec. Global Notes, 6.00%, 11/15/2041	245,000	307,478
Packaging Corp. of America, Sr. Unsec. Global Notes, 4.50%, 11/01/2023	1,139,000	1,226,641
		1,534,119
Pharmaceuticals-0.53%		
Allergan Funding SCS, Sr. Unsec. Gtd. Global Notes, 4.85%, 06/15/2044	950,000	1,019,889
Bayer US Finance LLC (Germany), Sr. Unsec. Gtd. Notes, 2.38%, 10/08/2019 ^(c)	2,270,000	2,271,595
3.00%, 10/08/2021 ^(c)	590,000	596,309
GlaxoSmithKline Capital Inc. (United Kingdom), Sr. Unsec. Gtd. Global Bonds, 5.65%, 05/15/2018	75,000	76,036
6.38%, 05/15/2038	70,000	98,871
Jazz Investments I Ltd., Sr. Unsec. Gtd. Conv. Bonds, 1.88%, 08/15/2021	1,455,000	1,463,184
Medicines Co. (The), Sr. Unsec. Conv. Bonds, 2.75%, 07/15/2023	938,000	862,374
Merck Sharp & Dohme Corp., Sr. Unsec. Gtd. Global Notes, 5.00%, 06/30/2019	280,000	292,047
Mylan N.V., Sr. Unsec. Gtd. Global Notes, 3.15%, 06/15/2021	431,000	433,708
Pacira Pharmaceuticals, Inc., Sr. Unsec. Conv. Notes, 2.38%, 04/01/2022 ^(c)	792,000	831,600
Zoetis Inc., Sr. Unsec. Global Notes, 4.70%, 02/01/2043	365,000	409,250
		8,354,863
Property & Casualty Insurance-0.30%		
Allstate Corp. (The), Sr. Unsec. Bonds, 3.28%, 12/15/2026	320,000	325,347
CNA Financial Corp., Sr. Unsec. Global Bonds, 5.88%, 08/15/2020	325,000	351,735
Liberty Mutual Group Inc., Sr. Unsec. Gtd. Bonds, 4.85%, 08/01/2044 ^(c)	975,000	1,086,870
Markel Corp., Sr. Unsec. Notes, 5.00%, 03/30/2043	385,000	433,387
Old Republic International Corp., Sr. Unsec. Conv. Notes, 3.75%, 03/15/2018	970,000	1,349,512
Travelers Cos., Inc. (The), Sr. Unsec. Global Notes, 4.60%, 08/01/2043	665,000	768,918
WR Berkley Corp., Sr. Unsec. Global Notes, 4.63%, 03/15/2022	420,000	447,349
		4,763,118

	Principal Amount	Value
Railroads-0.19%		
Burlington Northern Santa Fe, LLC, Sr. Unsec. Deb., 5.15%, 09/01/2043	\$ 991,000	\$ 1,227,075
CSX Corp., Sr. Unsec. Notes, 5.50%, 04/15/2041	380,000	470,907
Union Pacific Corp., Sr. Unsec. Global Notes, 3.65%, 02/15/2024	101,000	106,227
Sr. Unsec. Notes, 4.15%, 01/15/2045	440,000	476,430
4.85%, 06/15/2044	570,000	676,337
		2,956,976
Regional Banks-0.05%		
Citizens Financial Group, Inc., Sr. Unsec. Global Notes, 2.38%, 07/28/2021	455,000	449,379
SunTrust Banks, Inc., Unsec. Sub. Global Notes, 3.30%, 05/15/2026	385,000	381,891
		831,270
Reinsurance-0.03%		
Reinsurance Group of America, Inc., Sr. Unsec. Medium-Term Notes, 4.70%, 09/15/2023	386,000	414,519
Renewable Electricity-0.04%		
Oglethorpe Power Corp., Sr. Sec. First Mortgage Bonds, 4.55%, 06/01/2044	581,000	610,926
Semiconductors-0.60%		
Broadcom Corp./Broadcom Cayman Finance Ltd., Sr. Unsec. Gtd. Notes, 3.63%, 01/15/2024 ^(c)	1,435,000	1,428,567
Microchip Technology Inc., Sr. Unsec. Sub. Conv. Notes, 1.63%, 02/15/2027 ^(c)	2,180,000	2,565,587
Micron Technology, Inc., Series G, Sr. Unsec. Conv. Global Bonds, 3.00%, 11/15/2028 ^(d)	1,566,000	2,265,806
ON Semiconductor Corp., Sr. Unsec. Gtd. Conv. Bonds, 1.00%, 12/01/2020	1,702,000	2,180,688
Silicon Laboratories Inc., Sr. Unsec. Conv. Notes, 1.38%, 03/01/2022 ^(c)	619,000	715,332
Texas Instruments Inc., Sr. Unsec. Notes, 2.63%, 05/15/2024	230,000	228,321
		9,384,301
Specialized Finance-0.34%		
AerCap Ireland Capital DAC/AerCap Global Aviation Trust (Netherlands), Sr. Unsec. Gtd. Global Notes, 3.95%, 02/01/2022	385,000	397,119
Air Lease Corp., Sr. Unsec. Global Notes, 2.63%, 09/04/2018	1,150,000	1,153,575
3.00%, 09/15/2023	649,000	644,707
4.25%, 09/15/2024	430,000	451,764

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

	Principal Amount	Value
Specialized Finance-(continued)		
Aviation Capital Group LLC, Sr. Unsec. Notes, 2.88%, 09/17/2018 ^(c)	\$ 745,000	\$ 747,611
2.88%, 01/20/2022 ^(c)	1,115,000	1,115,013
4.88%, 10/01/2025 ^(c)	735,000	799,594
		5,309,383
Specialized REIT's-0.26%		
Crown Castle International Corp., Sr. Unsec. Global Notes, 4.75%, 05/15/2047	50,000	52,799
Crown Castle Towers LLC, Sr. Sec. Gtd. First Lien Notes, 4.88%, 08/15/2020 ^(c)	538,000	562,951
6.11%, 01/15/2020 ^(c)	770,000	811,962
EPR Properties, Sr. Unsec. Gtd. Global Notes, 4.75%, 12/15/2026	2,145,000	2,205,082
Life Storage, LP, Sr. Unsec. Gtd. Global Notes, 3.50%, 07/01/2026	444,000	433,087
		4,065,881
Specialty Chemicals-0.01%		
Sherwin-Williams Co. (The), Sr. Unsec. Global Notes, 4.50%, 06/01/2047	170,000	186,472
Systems Software-0.25%		
FireEye, Inc., Series A, Sr. Unsec. Conv. Bonds, 1.00%, 06/01/2020 ^(d)	1,163,000	1,091,766
Series B, Sr. Unsec. Conv. Bonds, 1.63%, 06/01/2022 ^(d)	1,163,000	1,068,506
Microsoft Corp., Sr. Unsec. Global Notes, 3.50%, 02/12/2035	403,000	419,806
Oracle Corp., Sr. Unsec. Global Notes, 1.90%, 09/15/2021	1,285,000	1,265,257
		3,845,335
Technology Distributors-0.05%		
Avnet, Inc., Sr. Unsec. Global Notes, 4.63%, 04/15/2026	705,000	728,156
Technology Hardware, Storage & Peripherals-0.28%		
Apple Inc., Sr. Unsec. Global Notes, 2.15%, 02/09/2022	716,000	707,019
3.35%, 02/09/2027	335,000	343,462
Dell International LLC/ EMC Corp., Sr. Sec. Gtd. First Lien Notes, 5.45%, 06/15/2023 ^(c)	645,000	697,716
8.35%, 07/15/2046 ^(c)	14,000	18,084
SanDisk Corp., Sr. Unsec. Gtd. Conv. Bonds, 0.50%, 10/15/2020	2,520,000	2,378,804
Seagate HDD Cayman, Sr. Unsec. Gtd. Global Bonds, 5.75%, 12/01/2034	299,000	287,859
		4,432,944
Tobacco-0.12%		
Philip Morris International Inc., Sr. Unsec. Global Notes, 3.60%, 11/15/2023	405,000	419,419
4.88%, 11/15/2043	1,210,000	1,384,046
		1,803,465

	Principal Amount	Value
Wireless Telecommunication Services-0.08%		
América Móvil, S.A.B. de C.V. (Mexico), Sr. Unsec. Global Notes, 4.38%, 07/16/2042	\$ 600,000	\$ 638,896
Rogers Communications Inc. (Canada), Sr. Unsec. Gtd. Global Notes, 4.50%, 03/15/2043	585,000	629,500
		1,268,396
Total Bonds & Notes (Cost \$241,606,185)		258,407,125
U.S. Treasury Securities-11.47%		
U.S. Treasury Bills-0.00%		
1.11%, 02/01/2018 ^{(g)(h)}	45,000	44,953
U.S. Treasury Notes-10.35%		
1.25%, 01/31/2019	19,275,000	19,155,794
3.63%, 08/15/2019	1,525,000	1,567,516
3.38%, 11/15/2019	300,000	308,268
1.75%, 11/30/2019	71,210,000	71,030,394
3.63%, 02/15/2020	46,000	47,649
2.63%, 11/15/2020	600,000	610,847
1.88%, 12/15/2020	24,675,000	24,604,178
2.00%, 11/30/2022	18,076,500	17,911,546
2.13%, 11/30/2024	11,000,400	10,854,878
2.25%, 11/15/2027	16,652,400	16,414,870
		162,505,940
U.S. Treasury Bonds-1.12%		
4.50%, 02/15/2036	4,000,000	5,147,257
4.50%, 08/15/2039	40,000	52,219
4.38%, 05/15/2040	80,000	103,085
2.75%, 08/15/2047	12,207,000	12,211,158
		17,513,719
Total U.S. Treasury Securities (Cost \$179,898,994)		180,064,612

	Shares	
Preferred Stocks-0.50%		
Asset Management & Custody Banks-0.19%		
AMG Capital Trust II, \$2.58 Conv. Pfd.	47,000	2,981,563
Diversified Banks-0.02%		
Wells Fargo & Co., Series Q, 5.85% Pfd.	12,000	324,000
Oil & Gas Storage & Transportation-0.29%		
El Paso Energy Capital Trust I, \$2.38 Conv. Pfd.	95,499	4,540,022
Total Preferred Stocks (Cost \$6,118,550)		7,845,585

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

	Principal Amount	Value
U.S. Government Sponsored Agency Securities-0.13%		
Federal Home Loan Mortgage Corp. (FHLMC)-0.13%		
Unsec. Global Notes, 4.88%, 06/13/2018	\$ 1,000,000	\$ 1,014,552
6.75%, 03/15/2031	750,000	1,073,696
Total U.S. Government Sponsored Agency Securities (Cost \$1,979,348)		2,088,248

	Principal Amount	Value
U.S. Government Sponsored Agency Mortgage-Backed Securities-0.00%		
Federal Home Loan Mortgage Corp. (FHLMC)-0.00%		
Pass Through Cdfs., 5.50%, 02/01/2037	26	29
Federal National Mortgage Association (FNMA)-0.00%		
Pass Through Cdfs., 5.50%, 03/01/2021	63	65
8.00%, 08/01/2021	118	118
9.50%, 04/01/2030	2,154	2,487
		2,670
Total U.S. Government Sponsored Agency Mortgage-Backed Securities (Cost \$2,597)		2,699

Investment Abbreviations:

ADR	- American Depositary Receipt
Conv.	- Convertible
Cdfs.	- Certificates
Deb.	- Debentures
Gtd.	- Guaranteed
Jr.	- Junior
Pfd.	- Preferred
REIT	- Real Estate Investment Trust
Sec.	- Secured
Sr.	- Senior
Sub.	- Subordinated
Unsec.	- Unsecured

Notes to Schedule of Investments:

- (a) Industry and/or sector classifications used in this report are generally according to the Global Industry Classification Standard, which was developed by and is the exclusive property and a service mark of MSCI Inc. and Standard & Poor's.
- (b) Non-income producing security.
- (c) Security purchased or received in a transaction exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"). The security may be resold pursuant to an exemption from registration under the 1933 Act, typically to qualified institutional buyers. The aggregate value of these securities at December 31, 2017 was \$73,036,520, which represented 4.65% of the Fund's Net Assets.
- (d) Security has an irrevocable call by the issuer or mandatory put by the holder. Maturity date reflects such call or put.
- (e) Perpetual bond with no specified maturity date.
- (f) Exchangeable for a basket of five common stocks.
- (g) Security traded on a discount basis. The interest rate shown represents the discount rate at the time of purchase by the Fund.
- (h) All or a portion of the value was pledged as collateral to cover margin requirements for open futures contracts. See Note 1K.
- (i) The money market fund and the Fund are affiliated by having the same investment adviser. The rate shown is the 7-day SEC standardized yield as of December 31, 2017.

Open Futures Contracts

Short Futures Contracts	Number of Contracts	Expiration Month	Notional Value	Value	Unrealized Appreciation
U.S. Treasury 5 Year Notes	23	March-2018	\$(2,671,773)	\$14,710	\$14,710
U.S. Treasury 10 Year Notes	17	March-2018	(2,108,797)	14,171	14,171
Total Futures Contracts-Interest Rate Risk				\$28,881	\$28,881

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

	Shares	Value
Money Market Funds-6.69%		
Invesco Government & Agency Portfolio- Institutional Class, 1.18% ⁽ⁱ⁾	36,794,431	\$ 36,794,431
Invesco Liquid Assets Portfolio- Institutional Class, 1.40% ⁽ⁱ⁾	26,276,613	26,279,241
Invesco Treasury Portfolio-Institutional Class, 1.17% ⁽ⁱ⁾	42,050,778	42,050,778
Total Money Market Funds (Cost \$105,126,511)		105,124,450
TOTAL INVESTMENTS IN SECURITIES-99.72% (Cost \$1,226,341,989)		1,565,889,799
OTHER ASSETS LESS LIABILITIES-0.28%		4,368,088
NET ASSETS-100.00%		\$1,570,257,887

Open Forward Foreign Currency Contracts

Settlement Date	Counterparty	Contract to				Unrealized Appreciation (Depreciation)
			Deliver		Receive	
01/19/2018	State Street Bank and Trust Co.	USD	34,733	AUD	45,313	\$ 622
01/19/2018	State Street Bank and Trust Co.	USD	70,943	CAD	91,186	1,629
01/19/2018	State Street Bank and Trust Co.	USD	51,547	CHF	50,571	440
01/19/2018	State Street Bank and Trust Co.	USD	103,152	EUR	87,120	1,513
01/19/2018	State Street Bank and Trust Co.	USD	100,137	GBP	74,555	595
Subtotal						4,799
01/19/2018	Bank of New York Mellon (The)	AUD	3,837,013	USD	2,898,864	(94,949)
01/19/2018	Bank of New York Mellon (The)	CAD	8,086,255	USD	6,283,026	(152,579)
01/19/2018	Bank of New York Mellon (The)	CHF	4,338,306	USD	4,384,342	(75,388)
01/19/2018	Bank of New York Mellon (The)	EUR	7,529,140	USD	8,864,057	(181,433)
01/19/2018	Bank of New York Mellon (The)	GBP	12,014,972	USD	16,051,222	(182,261)
01/19/2018	State Street Bank and Trust Co.	AUD	3,837,044	USD	2,899,968	(93,868)
01/19/2018	State Street Bank and Trust Co.	CAD	8,086,766	USD	6,284,986	(151,026)
01/19/2018	State Street Bank and Trust Co.	CHF	4,338,285	USD	4,384,294	(75,414)
01/19/2018	State Street Bank and Trust Co.	EUR	7,529,136	USD	8,868,682	(176,802)
01/19/2018	State Street Bank and Trust Co.	GBP	12,015,049	USD	16,052,370	(181,217)
Subtotal						(1,364,937)
Total Forward Foreign Currency Contracts-Currency Risk						\$(1,360,138)

Abbreviations:

AUD - Australian Dollar
 CAD - Canadian Dollar
 CHF - Swiss Franc
 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

December 31, 2017

Assets:

Investments in securities, at value (Cost \$1,121,215,478)	\$1,460,765,349
Investments in affiliated money market funds, at value (Cost \$105,126,511)	105,124,450
Other investments:	
Unrealized appreciation on forward foreign currency contracts outstanding	4,799
Cash	65,555
Foreign currencies, at value (Cost \$1,293)	1,310
Receivable for:	
Investments sold	3,308,637
Fund shares sold	278,875
Dividends and interest	4,324,186
Investment for trustee deferred compensation and retirement plans	159,152
Total assets	1,574,032,313

Liabilities:

Other investments:	
Variation margin payable – futures contracts	5,609
Unrealized depreciation on forward foreign currency contracts outstanding	1,364,937
Payable for:	
Fund shares reacquired	766,963
Accrued fees to affiliates	1,405,098
Accrued trustees' and officers' fees and benefits	1,128
Accrued other operating expenses	54,242
Trustee deferred compensation and retirement plans	176,449
Total liabilities	3,774,426
Net assets applicable to shares outstanding	\$1,570,257,887

Net assets consist of:

Shares of beneficial interest	\$1,146,936,044
Undistributed net investment income	25,543,663
Undistributed net realized gain	59,553,747
Net unrealized appreciation	338,224,433
	\$1,570,257,887

Net Assets:

Series I	\$ 184,768,368
Series II	\$1,385,489,519

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

Series I	9,706,245
Series II	73,125,173
Series I:	
Net asset value per share	\$ 19.04
Series II:	
Net asset value per share	\$ 18.95

Statement of Operations

For the year ended December 31, 2017

Investment income:

Dividends (net of foreign withholding taxes of \$563,677)	\$ 26,438,376
Dividends from affiliated money market funds	718,201
Interest	10,455,371
Total investment income	37,611,948

Expenses:

Advisory fees	5,688,222
Administrative services fees	2,444,548
Custodian fees	60,125
Distribution fees – Series II	3,364,856
Transfer agent fees	33,763
Trustees' and officers' fees and benefits	41,386
Reports to shareholders	147,407
Professional services fees	61,345
Other	26,213
Total expenses	11,867,865
Less: Fees waived	(95,906)
Net expenses	11,771,959
Net investment income	25,839,989

Realized and unrealized gain (loss) from:

Net realized gain (loss) from:	
Investment securities	73,869,412
Foreign currencies	14,355
Forward foreign currency contracts	(2,799,889)
Futures contracts	(36,340)
	71,047,538
Change in net unrealized appreciation (depreciation) of:	
Investment securities	61,888,633
Foreign currencies	4,492
Forward foreign currency contracts	(2,881,369)
Futures contracts	6,191
	59,017,947
Net realized and unrealized gain	130,065,485
Net increase in net assets resulting from operations	\$155,905,474

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

Statement of Changes in Net Assets

For the years ended December 31, 2017 and 2016

	2017	2016
Operations:		
Net investment income	\$ 25,839,989	\$ 20,269,520
Net realized gain	71,047,538	30,804,197
Change in net unrealized appreciation	59,017,947	136,794,055
Net increase in net assets resulting from operations	155,905,474	187,867,772
Distributions to shareholders from net investment income:		
Series I	(2,908,928)	(2,492,252)
Series II	(19,584,973)	(20,095,211)
Total distributions from net investment income	(22,493,901)	(22,587,463)
Distributions to shareholders from net realized gains:		
Series I	(3,156,537)	(4,168,661)
Series II	(24,461,379)	(38,839,725)
Total distributions from net realized gains	(27,617,916)	(43,008,386)
Share transactions-net:		
Series I	14,958,314	48,906,569
Series II	(22,591,494)	75,370,163
Net increase (decrease) in net assets resulting from share transactions	(7,633,180)	124,276,732
Net increase in net assets	98,160,477	246,548,655
Net assets:		
Beginning of year	1,472,097,410	1,225,548,755
End of year (includes undistributed net investment income of \$25,543,663 and \$17,107,128, respectively)	\$1,570,257,887	\$1,472,097,410

Notes to Financial Statements

December 31, 2017

NOTE 1—Significant Accounting Policies

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

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

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

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

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

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

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.

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.

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

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

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

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

Valuations change in response to many factors including the historical and prospective earnings of the issuer, the value of the issuer's assets, general economic conditions, interest rates, investor perceptions and market liquidity. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

B. Securities Transactions and Investment Income – Securities transactions are accounted for on a trade date basis. Realized gains or losses on sales are computed on the basis of specific identification of the securities sold. Interest income (net of withholding tax, if any) is recorded on the accrual basis from settlement date. 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. Paydown gains and losses on mortgage and asset-backed securities are recorded as adjustments to interest income. 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. Federal Income Taxes** – The Fund intends to comply with the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), necessary to qualify as a regulated investment company and to distribute substantially all of the Fund’s taxable earnings to shareholders. As such, the Fund will not be subject to federal income taxes on otherwise taxable income (including net realized capital gain) that is distributed to shareholders. Therefore, no provision for federal income taxes is recorded in the financial statements. The Fund recognizes the tax benefits of uncertain tax positions only when the position is more likely than not to be sustained. Management has analyzed the Fund’s uncertain tax positions and concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions. Management is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months. The Fund files tax returns in the U.S. Federal jurisdiction and certain other jurisdictions. Generally, the Fund is subject to examinations by such taxing authorities for up to three years after the filing of the return for the tax period.
- F. Expenses** – Fees provided for under the Rule 12b-1 plan of a particular class of the Fund and which are directly attributable to that class are charged to the operations of such class. All other expenses are allocated among the classes based on relative net assets.
- G. Accounting Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period including estimates and assumptions related to taxation. Actual results could differ from those estimates by a significant amount. In addition, the Fund monitors for material events or transactions that may occur or become known after the period-end date and before the date the financial statements are released to print.
- H. Indemnifications** – Under the Trust’s organizational documents, each Trustee, officer, employee or other agent of the Trust is indemnified against certain liabilities that may arise out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts, including the Fund’s servicing agreements, that contain a variety of indemnification clauses. The Fund’s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. The risk of material loss as a result of such indemnification claims is considered remote.
- I. Foreign Currency Translations** – Foreign currency is valued at the close of the NYSE based on quotations posted by banks and major currency dealers. Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at date of valuation. Purchases and sales of portfolio securities (net of foreign taxes withheld on disposition) and income items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Fund does not separately account for the portion of the results of operations resulting from changes in foreign exchange rates on investments and the fluctuations arising from changes in market prices of securities held. The combined results of changes in foreign exchange rates and the fluctuation of market prices on investments (net of estimated foreign tax withholding) are included with the net realized and unrealized gain or loss from investments in the Statement of Operations. Reported net realized foreign currency gains or losses arise from (1) sales of foreign currencies, (2) currency gains or losses realized between the trade and settlement dates on securities transactions, and (3) the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund’s books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign currency gains and losses arise from changes in the fair values of assets and liabilities, other than investments in securities at fiscal period end, resulting from changes in exchange rates. The Fund may invest in foreign securities, which may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests and are shown in the Statement of Operations.
- J. Forward Foreign Currency Contracts** – The Fund may engage in foreign currency transactions either on a spot (i.e. for prompt delivery and settlement) basis, or through forward foreign currency contracts, to manage or minimize currency or exchange rate risk. The Fund may also enter into forward foreign currency contracts for the purchase or sale of a security denominated in a foreign currency in order to “lock in” the U.S. dollar price of that security, or the Fund may also enter into forward foreign currency contracts that do not provide for physical settlement of the two currencies, but instead are settled by a single cash payment calculated as the difference between the agreed upon exchange rate and the spot rate at settlement based upon an agreed upon notional amount (non-deliverable forwards). The Fund will set aside liquid assets in an amount equal to the daily mark-to-market obligation for forward foreign currency contracts. A forward foreign currency contract is an obligation between two parties (“Counterparties”) to purchase or sell a specific currency for an agreed-upon price at a future date. The use of forward foreign currency contracts does not eliminate fluctuations in the price of the underlying securities the Fund owns or intends to acquire but establishes a rate of exchange in advance. Fluctuations in the value of these contracts are measured by the difference in the contract date and reporting date exchange rates and are recorded as unrealized appreciation (depreciation) until the contracts are closed. When the contracts are closed, realized gains (losses) are recorded. Realized and unrealized gains (losses) on the contracts are included in the Statement of Operations. The primary risks associated with forward foreign currency contracts include failure of the Counterparty to meet the terms of the contract and the value of the foreign currency changing unfavorably. These risks may be in excess of the amounts reflected in the Statement of Assets and Liabilities.
- K. Futures Contracts** – The Fund may enter into futures contracts to manage exposure to interest rate, equity and market price movements and/or currency risks. A futures contract is an agreement between Counterparties to purchase or sell a specified underlying security, currency or commodity (or delivery of a cash settlement price, in the case of an index future) for a fixed price at a future date. The Fund currently invests only in exchange-traded futures and they are standardized as to maturity date and underlying financial instrument. Initial margin deposits required upon entering into futures contracts are satisfied by the segregation of specific securities or cash as collateral at the futures commission merchant (broker). During the period the futures contracts are open, changes in the value of the contracts are recognized as unrealized gains or losses by recalculating the value of the contracts on a daily basis. Subsequent or variation margin payments are received or made depending upon whether unrealized gains or losses are incurred. These amounts are reflected as receivables or payables on the Statement of Assets and Liabilities. When the contracts are closed or expire, the Fund recognizes a realized gain or loss equal to the difference between the proceeds from, or cost of, the closing transaction and the Fund’s basis in the contract. The net realized gain (loss) and the change in unrealized gain (loss) on futures contracts held during the period is included on the Statement of Operations. The primary risks associated with futures contracts are

market risk and the absence of a liquid secondary market. If the Fund were unable to liquidate a futures contract and/or enter into an offsetting closing transaction, the Fund would continue to be subject to market risk with respect to the value of the contracts and continue to be required to maintain the margin deposits on the futures contracts. Futures contracts have minimal Counterparty risk since the exchange's clearinghouse, as Counterparty to all exchange-traded futures, guarantees the futures against default. Risks may exceed amounts recognized in the Statement of Assets and Liabilities.

- L. 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 \$150 million	0.50%
Next \$100 million	0.45%
Next \$100 million	0.40%
Over \$350 million	0.35%

For the year ended December 31, 2017, the effective advisory fees incurred by the Fund was 0.37%.

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 PowerShares Capital Management LLC and Invesco Asset Management (India) Private Limited (collectively, the "Affiliated Sub-Advisers") the Adviser, not the Fund, will pay 40% of the fees paid to the Adviser to any such Affiliated Sub-Adviser(s) that provide(s) discretionary investment management services to the Fund based on the percentage of assets allocated to such Affiliated Sub-Adviser(s).

The Adviser has contractually agreed, through at least June 30, 2018, 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, 2018. During its term, the fee waiver agreement cannot be terminated or amended to increase the expense limits or reduce the advisory fee waiver without approval of the Board of Trustees. The Adviser did not waive fees and/or reimburse expenses during the period under these expense limits.

Further, the Adviser has contractually agreed, through at least June 30, 2019, 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 year ended December 31, 2017, the Adviser waived advisory fees of \$95,906.

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 year ended December 31, 2017, Invesco was paid \$352,348 for accounting and fund administrative services and was reimbursed \$2,092,200 for fees paid to insurance companies.

The Trust has entered into a transfer agency and service agreement with Invesco Investment Services, Inc. ("IIS") pursuant to which the Fund has agreed to pay IIS a fee for providing transfer agency and shareholder services to the Fund and reimburse IIS for certain expenses incurred by IIS in the course of providing such services. For the year ended December 31, 2017, 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 year ended December 31, 2017, expenses incurred under the Plan are detailed in the Statement of Operations as *Distribution fees*.

For the year ended December 31, 2017, the Fund incurred \$3,925 in brokerage commissions with Invesco Capital Markets, Inc., an affiliate of the Adviser and IDI, for portfolio transactions executed on behalf of the Fund.

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

NOTE 3—Additional Valuation Information

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

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

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

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

The following is a summary of the tiered valuation input levels, as of December 31, 2017. The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

The Fund's policy is to recognize transfers in and out of the valuation levels as of the end of the reporting period. During the year ended December 31, 2017, there were no material transfers between valuation levels.

	Level 1	Level 2	Level 3	Total
Investments in Securities				
Common Stocks & Other Equity Interests	\$ 980,483,462	\$ 31,873,618	\$-	\$1,012,357,080
Bonds & Notes	-	258,407,125	-	258,407,125
U.S. Treasury Securities	-	180,064,612	-	180,064,612
Preferred Stocks	4,864,022	2,981,563	-	7,845,585
U.S. Government Sponsored Agency Securities	-	2,088,248	-	2,088,248
U.S. Government Sponsored Agency Mortgaged-Backed Securities	-	2,699	-	2,699
Money Market Funds	105,124,450	-	-	105,124,450
Total Investments in Securities	1,090,471,934	475,417,865	-	1,565,889,799
Other Investments – Assets*				
Forward Foreign Currency Contracts	-	4,799	-	4,799
Futures Contracts	28,881	-	-	28,881
	28,881	4,799	-	33,680
Other Investments – Liabilities*				
Forward Foreign Currency Contracts	-	(1,364,937)	-	(1,364,937)
Total Other Investments	28,881	(1,360,138)	-	(1,331,257)
Total Investments	\$1,090,500,815	\$474,057,727	\$-	\$1,564,558,542

* Unrealized appreciation (depreciation).

NOTE 4—Derivative Investments

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

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

Value of Derivative Investments at Period-End

The table below summarizes the value of the Fund's derivative investments, detailed by primary risk exposure, held as of December 31, 2017:

Derivative Assets	Value		
	Currency Risk	Interest Rate Risk	Total
Unrealized appreciation on futures contracts—Exchange-Traded ^(a)	\$ -	\$ 28,881	\$ 28,881
Unrealized appreciation on forward foreign currency contracts outstanding	4,799	-	4,799
Total Derivative Assets	4,799	28,881	33,680
Derivatives not subject to master netting agreements	-	(28,881)	(28,881)
Total Derivative Assets subject to master netting agreements	\$4,799	\$ -	\$ 4,799

Derivative Liabilities	Value		
	Currency Risk	Interest Rate Risk	Total
Unrealized depreciation on forward foreign currency contracts outstanding	\$(1,364,937)	\$-	\$(1,364,937)
Derivatives not subject to master netting agreements	-	-	-
Total Derivative Liabilities subject to master netting agreements	\$(1,364,937)	\$-	\$(1,364,937)

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

Offsetting Assets and Liabilities

The table below reflects the Fund's exposure to Counterparties subject to either an ISDA Master Agreement or other agreement for OTC derivative transactions as of December 31, 2017.

Counterparty	Financial Derivative Assets	Financial Derivative Liabilities	Net Value of Derivatives	Collateral (Received)/Pledged		Net Amount
	Forward Foreign Currency Contracts	Forward Foreign Currency Contracts		Non-Cash	Cash	
Bank of Mellon New York (The)	\$ -	\$ (686,610)	\$ (686,610)	\$-	\$-	\$ (686,610)
State Street Bank and Trust Co.	4,799	(678,327)	(673,528)	-	-	(673,528)
Total	\$4,799	\$(1,364,937)	\$(1,360,138)	\$-	\$-	\$(1,360,138)

Effect of Derivative Investments for the year ended December 31, 2017

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

	Location of Gain (Loss) on Statement of Operations		
	Currency Risk	Interest Rate Risk	Total
Realized Gain (Loss):			
Forward foreign currency contracts	\$(2,799,889)	\$ -	\$(2,799,889)
Futures contracts	-	(36,340)	(36,340)
Change in Net Unrealized Appreciation (Depreciation):			
Forward foreign currency contracts	(2,881,369)	-	(2,881,369)
Futures contracts	-	6,191	6,191
Total	\$(5,681,258)	\$(30,149)	\$(5,711,407)

The table below summarizes the average notional value of forward foreign currency contracts and futures contracts outstanding during the period.

	Forward Foreign Currency Contracts	Futures Contracts
Average notional value	\$84,640,801	\$5,279,938

NOTE 5—Trustees' and Officers' Fees and Benefits

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

NOTE 6—Cash Balances

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

NOTE 7—Distributions to Shareholders and Tax Components of Net Assets

Tax Character of Distributions to Shareholders Paid During the Fiscal Years Ended December 31, 2017 and 2016:

	2017	2016
Ordinary income	\$22,493,901	\$22,587,463
Long-term capital gain	27,617,916	43,008,386
Total distributions	\$50,111,817	\$65,595,849

Tax Components of Net Assets at Period-End:

	2017
Undistributed ordinary income	\$ 28,549,182
Undistributed long-term gain	62,482,969
Net unrealized appreciation – investments	332,433,812
Net unrealized appreciation – foreign currencies	7,880
Temporary book/tax differences	(152,000)
Shares of beneficial interest	1,146,936,044
Total net assets	\$1,570,257,887

The difference between book-basis and tax-basis unrealized appreciation (depreciation) is due to differences in the timing of recognition of gains and losses on investments for tax and book purposes. The Fund's net unrealized appreciation difference is attributable primarily to wash sales, book to tax accretion and amortization differences, contingent payment debt instruments, forward foreign currency contracts and futures contracts.

The temporary book/tax differences are a result of timing differences between book and tax recognition of income and/or expenses. The Fund's temporary book/tax differences are the result of the trustee deferral of compensation and retirement plan benefits.

Capital loss carryforward is calculated and reported as of a specific date. Results of transactions and other activity after that date may affect the amount of capital loss carryforward actually available for the Fund to utilize. Capital losses generated in years beginning after December 22, 2010 can be carried forward for an unlimited period, whereas previous losses expire in eight tax years. Capital losses with an expiration period may not be used to offset capital gains until all net capital losses without an expiration date have been utilized. Capital loss carryforwards with no expiration date will retain their character as either short-term or long-term capital losses instead of as short-term capital losses as under prior law. The ability to utilize capital loss carryforwards in the future may be limited under the Internal Revenue Code and related regulations based on the results of future transactions.

The Fund does not have a capital loss carryforward as of December 31, 2017.

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 year ended December 31, 2017 was \$258,274,272 and \$363,856,806, respectively. During the same period, purchases and sales of U.S. Treasury obligations were \$1,442,850,956 and \$1,408,831,089, 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	\$353,233,814
Aggregate unrealized (depreciation) of investments	(20,800,002)
Net unrealized appreciation of investments	\$332,433,812

Cost of investments for tax purposes is \$1,232,124,730.

NOTE 9—Reclassification of Permanent Differences

Primarily as a result of differing book/tax treatment of contingent payment debt instruments, bond premiums and sale of securities with deemed dividends, on December 31, 2017, undistributed net investment income was increased by \$5,090,447 and undistributed net realized gain was decreased by \$5,090,447. This reclassification had no effect on the net assets of the Fund.

NOTE 10—Share Information**Summary of Share Activity**

	Years ended December 31,			
	2017 ^(a)		2016	
	Shares	Amount	Shares	Amount
Sold:				
Series I	1,444,387	\$ 26,450,705	3,385,579	\$ 56,340,459
Series II	3,955,635	72,128,100	11,160,205	184,995,192
Issued as reinvestment of dividends:				
Series I	331,991	6,065,465	401,502	6,660,913
Series II	2,420,129	44,046,353	3,565,332	58,934,936
Reacquired:				
Series I	(955,203)	(17,557,856)	(835,357)	(14,094,803)
Series II	(7,581,250)	(138,765,947)	(10,264,860)	(168,559,965)
Net increase (decrease) in share activity	(384,311)	\$ (7,633,180)	7,412,401	\$ 124,276,732

^(a) There are entities that are record owners of more than 5% of the outstanding shares of the Fund and in the aggregate own 77% 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 11—Financial Highlights

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

	Net asset value, beginning of period	Net investment income ^(a)	Net gains (losses) on securities (both realized and unrealized)	Total from investment operations	Dividends from net investment income	Distributions from net realized gains	Total distributions	Net asset value, end of period	Total return ^(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														
Year ended 12/31/17	\$17.76	\$0.35 ^(d)	\$ 1.58	\$ 1.93	\$(0.31)	\$(0.34)	\$(0.65)	\$19.04	11.03%	\$ 184,768	0.55% ^(e)	0.56% ^(e)	1.93% ^{(d)(e)}	119%
Year ended 12/31/16	16.23	0.29	2.10	2.39	(0.32)	(0.54)	(0.86)	17.76	15.12	157,774	0.60	0.61	1.78	101
Year ended 12/31/15	18.93	0.28	(0.78)	(0.50)	(0.49)	(1.71)	(2.20)	16.23	(2.29)	96,287	0.64	0.65	1.55	87
Year ended 12/31/14	18.58	0.37 ^(f)	1.28	1.65	(0.35)	(0.95)	(1.30)	18.93	9.03	72,391	0.66	0.67	1.92 ^(f)	85
Year ended 12/31/13	15.08	0.27	3.51	3.78	(0.28)	-	(0.28)	18.58	25.18	60,288	0.66	0.67	1.59	41
Series II														
Year ended 12/31/17	17.68	0.31 ^(d)	1.57	1.88	(0.27)	(0.34)	(0.61)	18.95	10.78	1,385,490	0.80 ^(e)	0.81 ^(e)	1.68 ^{(d)(e)}	119
Year ended 12/31/16	16.16	0.25	2.09	2.34	(0.28)	(0.54)	(0.82)	17.68	14.84	1,314,323	0.85	0.86	1.53	101
Year ended 12/31/15	18.86	0.23	(0.78)	(0.55)	(0.44)	(1.71)	(2.15)	16.16	(2.58)	1,129,261	0.89	0.90	1.30	87
Year ended 12/31/14	18.52	0.32 ^(f)	1.28	1.60	(0.31)	(0.95)	(1.26)	18.86	8.77	1,290,920	0.91	0.92	1.67 ^(f)	85
Year ended 12/31/13	15.05	0.23	3.50	3.73	(0.26)	-	(0.26)	18.52	24.88	1,244,045	0.91	0.92	1.34	41

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

^(e) Ratios are based on average daily net assets (000's omitted) of \$172,121 and \$1,345,942 for Series I and Series II shares, respectively.

^(f) Net investment income per share and the ratio of net investment income to average net assets includes significant dividends received during the year ended December 31, 2014. Net investment income per share and the ratio of net investment income to average net assets excluding the significant dividends are \$0.27 and 1.41% and \$0.22 and 1.16% for Series I and Series II shares, respectively.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of AIM Variable Insurance Funds (Invesco Variable Insurance Funds)
and Shareholders of Invesco V.I. Equity & Income Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Invesco V.I. Equity & Income Fund (one of the funds constituting AIM Variable Insurance Funds (Invesco Variable Insurance Funds), hereafter referred to as the "Fund") as of December 31, 2017, the related statement of operations for the year ended December 31, 2017, the statement of changes in net assets for each of the two years in the period ended December 31, 2017, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2017 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2017, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2017 and the financial highlights for each of the five years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2017 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Houston, TX
February 14, 2018

We have served as the auditor of one or more of the investment companies in the Invesco/PowerShares group of investment companies since at least 1995. We have not determined the specific year we began serving as auditor.

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 July 1, 2017 through December 31, 2017.

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

Actual expenses

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

Hypothetical example for comparison purposes

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

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

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

Class	Beginning Account Value (07/01/17)	ACTUAL		HYPOTHETICAL (5% annual return before expenses)		Annualized Expense Ratio
		Ending Account Value (12/31/17) ¹	Expenses Paid During Period ²	Ending Account Value (12/31/17)	Expenses Paid During Period ²	
Series I	\$1,000.00	\$1,066.50	\$2.81	\$1,022.48	\$2.75	0.54%
Series II	1,000.00	1,065.00	4.11	1,021.22	4.02	0.79

¹ The actual ending account value is based on the actual total return of the Fund for the period July 1, 2017 through December 31, 2017, 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 184/365 to reflect the most recent fiscal half year.

Tax Information

Form 1099-DIV, Form 1042-S and other year-end tax information provide shareholders with actual calendar year amounts that should be included in their tax returns. Shareholders should consult their tax advisors.

The following distribution information is being provided as required by the Internal Revenue Code or to meet a specific state's requirement.

The Fund designates the following amounts or, if subsequently determined to be different, the maximum amount allowable for its fiscal year ended December 31, 2017:

Federal and State Income Tax

Long-Term Capital Gain Distributions	\$27,617,916
Corporate Dividends Received Deduction*	68.58%
U.S. Treasury Obligations*	6.79%

* The above percentages are based on ordinary income dividends paid to shareholders during the Fund's fiscal year.

Trustees and Officers

The address of each trustee and officer is AIM Variable Insurance Funds (Invesco Variable Insurance Funds) (the "Trust"), 11 Greenway Plaza, Suite 1000, Houston, Texas 77046-1173. The trustees serve for the life of the Trust, subject to their earlier death, incapacitation, resignation, retirement or removal as more specifically provided in the Trust's organizational documents. Each officer serves for a one year term or until their successors are elected and qualified. Column two below includes length of time served with predecessor entities, if any.

Name, Year of Birth and Position(s) Held with the Trust	Trustee and/or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee During Past 5 Years
Interested Persons				
Martin L. Flanagan ¹ – 1960 Trustee	2007	Executive Director, Chief Executive Officer and President, Invesco Ltd. (ultimate parent of Invesco and a global investment management firm); Trustee, The Invesco Funds; Vice Chair, Investment Company Institute; and Member of Executive Board, SMU Cox School of Business Formerly: Advisor to the Board, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.); Chairman and Chief Executive Officer, Invesco Advisers, Inc. (registered investment adviser); Director, Chairman, Chief Executive Officer and President, Invesco Holding Company (US), Inc. (formerly IVZ Inc.) (holding company), Invesco Group Services, Inc. (service provider) and Invesco North American Holdings, Inc. (holding company); Director, Chief Executive Officer and President, Invesco Holding Company Limited (parent of Invesco and a global investment management firm); Director, Invesco Ltd.; Chairman, Investment Company Institute and President, Co-Chief Executive Officer, Co-President, Chief Operating Officer and Chief Financial Officer, Franklin Resources, Inc. (global investment management organization)	158	None
Philip A. Taylor ² – 1954 Trustee and Senior Vice President	2006	Head of the Americas and Senior Managing Director, Invesco Ltd.; Director, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Director, Chairman, Chief Executive Officer and President, Invesco Management Group, Inc. (formerly known as Invesco Aim Management Group, Inc.) (financial services holding company); Director and Chairman, Invesco Investment Services, Inc. (formerly known as Invesco Aim Investment Services, Inc.) (registered transfer agent); Chief Executive Officer, Invesco Corporate Class Inc. (corporate mutual fund company); Director, Chairman and Chief Executive Officer, Invesco Canada Ltd. (formerly known as Invesco Trimark Ltd./Invesco Trimark Ltée) (registered investment adviser and registered transfer agent); Trustee and Senior Vice President, The Invesco Funds; Director, Invesco Investment Advisers LLC (formerly known as Van Kampen Asset Management). Formerly: Co-Chairman, Co-President and Co-Chief Executive Officer, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Director, Chief Executive Officer and President, Van Kampen Exchange Corp; President and Principal Executive Officer, The Invesco Funds (other than AIM Treasurer's Series Trust (Invesco Treasurer's Series Trust), Short-Term Investments Trust and Invesco Management Trust); Executive Vice President, The Invesco Funds (AIM Treasurer's Series Trust (Invesco Treasurer's Series Trust), Short-Term Investments Trust and Invesco Management Trust only); Director and President, INVESCO Funds Group, Inc. (registered investment adviser and registered transfer agent); Director and Chairman, IVZ Distributors, Inc. (formerly known as INVESCO Distributors, Inc.) (registered broker dealer); Director, President and Chairman, Invesco Inc. (holding company), Invesco Canada Holdings Inc. (holding company), Trimark Investments Ltd./Placements Trimark Ltée and Invesco Financial Services Ltd./Services Financiers Invesco Ltée; Chief Executive Officer, Invesco Canada Fund Inc. (corporate mutual fund company); Director and Chairman, Van Kampen Investor Services Inc.; Director, Chief Executive Officer and President, 1371 Preferred Inc. (holding company) and Van Kampen Investments Inc.; Director and President, AIM GP Canada Inc. (general partner for limited partnerships) and Van Kampen Advisors, Inc.; Director and Chief Executive Officer, Invesco Trimark Dealer Inc. (registered broker dealer); Director, Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.) (registered broker dealer); Manager, Invesco PowerShares Capital Management LLC; Director, Chief Executive Officer and President, Invesco Advisers, Inc.; Director, Chairman, Chief Executive Officer and President, Invesco Aim Capital Management, Inc.; President, Invesco Trimark Dealer Inc. and Invesco Trimark Ltd./Invesco Trimark Ltée; Director and President, AIM Trimark Corporate Class Inc. and AIM Trimark Canada Fund Inc.; Senior Managing Director, Invesco Holding Company Limited; Director and Chairman, Fund Management Company (former registered broker dealer); President and Principal Executive Officer, The Invesco Funds (AIM Treasurer's Series Trust (Invesco Treasurer's Series Trust), and Short-Term Investments Trust only); President, AIM Trimark Global Fund Inc. and AIM Trimark Canada Fund Inc.	158	None

¹ Mr. Flanagan is considered an interested person (within the meaning of Section 2(a)(19) of the 1940 Act) of the Trust because he is an officer of the Adviser to the Trust, and an officer and a director of Invesco Ltd., ultimate parent of the Adviser.

² Mr. Taylor is considered an interested person (within the meaning of Section 2(a)(19) of the 1940 Act) of the Trust because he is an officer and a director of the Adviser.

Trustees and Officers—(continued)

Name, Year of Birth and Position(s) Held with the Trust	Trustee and/or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee During Past 5 Years
Independent Trustees				
Bruce L. Crockett – 1944 Trustee and Chair	1993	Chairman, Crockett Technologies Associates (technology consulting company) Formerly: Director, Captaris (unified messaging provider); Director, President and Chief Executive Officer, COMSAT Corporation; Chairman, Board of Governors of INTELSAT (international communications company); ACE Limited (insurance company); Independent Directors Council and Investment Company Institute; Member of the Audit Committee, Investment Company Institute; Member of the Executive Committee and Chair of the Governance Committee, Independent Directors Council	158	Director and Chairman of the Audit Committee, ALPS (Attorneys Liability Protection Society) (insurance company); Director and Member of the Audit Committee and Compensation Committee, Ferroglobe PLC (metallurgical company)
David C. Arch – 1945 Trustee	2010	Chairman of Blistex Inc. (consumer health care products manufacturer); Member, World Presidents' Organization	158	Board member of the Illinois Manufacturers' Association
Jack M. Fields – 1952 Trustee	1997	Chief Executive Officer, Twenty First Century Group, Inc. (government affairs company); and Chairman, Discovery Learning Alliance (non-profit) Formerly: Owner and Chief Executive Officer, Dos Angeles Ranch L.P. (cattle, hunting, corporate entertainment); Director, Insperty, Inc. (formerly known as Administaff) (human resources provider); Chief Executive Officer, Texana Timber LP (sustainable forestry company); Director of Cross Timbers Quail Research Ranch (non-profit); and member of the U.S. House of Representatives	158	None
Cynthia Hostetler – 1962 Trustee	2017	Non-Executive Director and Trustee of a number of public and private business corporations Formerly: Head of Investment Funds and Private Equity, Overseas Private Investment Corporation; President, First Manhattan Bancorporation, Inc.; Attorney, Simpson Thacher & Bartlett LLP	158	Vulcan Materials Company (construction materials company); Trilinc Global Impact Fund; Aberdeen Investment Funds (4 portfolios); Artio Global Investment LLC (mutual fund complex); Edgen Group, Inc. (specialized energy and infrastructure products distributor)
Eli Jones – 1961 Trustee	2016	Professor and Dean, Mays Business School – Texas A&M University Formerly: Professor and Dean, Walton College of Business, University of Arkansas and E.J. Ourso College of Business, Louisiana State University; Director, Arvest Bank	158	Insperty, Inc. (formerly known as Administaff) (human resources provider)
Prema Mathai-Davis – 1950 Trustee	1998	Retired.	158	None
Teresa M. Ressel – 1962 Trustee	2017	Non-executive director and trustee of a number of public and private business corporations Formerly: Chief Financial Officer, Olayan America, The Olayan Group (international investor/commercial/industrial); Chief Executive Officer, UBS Securities LLC; Group Chief Operating Officer, Americas, UBS AG; Assistant Secretary for Management & Budget and CFO, US Department of the Treasury	158	Atlantic Power Corporation (power generation company); ON Semiconductor Corp. (semiconductor supplier)
Ann Barnett Stern – 1957 Trustee	2017	President and Chief Executive Officer, Houston Endowment Inc. (private philanthropic institution) Formerly: Executive Vice President and General Counsel, Texas Children's Hospital; Attorney, Beck, Redden and Secrest, LLP; Business Law Instructor, University of St. Thomas; Attorney, Andrews & Kurth LLP	158	Federal Reserve Bank of Dallas
Raymond Stickel, Jr. – 1944 Trustee	2005	Retired. Formerly: Director, Mainstay VP Series Funds, Inc. (25 portfolios); Partner, Deloitte & Touche	158	None
Robert C. Troccoli – 1949 Trustee	2016	Adjunct Professor, University of Denver – Daniels College of Business Formerly: Senior Partner, KPMG LLP	158	None
Christopher L. Wilson – 1957 Trustee	2017	Non-executive director and trustee of a number of public and private business corporations Formerly: Managing Partner, CT2, LLC (investing and consulting firm); President/Chief Executive Officer, Columbia Funds, Bank of America Corporation; President/Chief Executive Officer, CDC IXIS Asset Management Services, Inc.; Principal & Director of Operations, Scudder Funds, Scudder, Stevens & Clark, Inc.; Assistant Vice President, Fidelity Investments	158	TD Asset Management USA Inc. (mutual fund complex) (22 portfolios); ISO New England, Inc. (non-profit organization managing regional electricity market)

Trustees and Officers—(continued)

Name, Year of Birth and Position(s) Held with the Trust	Trustee and/or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee During Past 5 Years
Other Officers				
Sheri Morris – 1964 President, Principal Executive Officer and Treasurer	1999	President, Principal Executive Officer and Treasurer, The Invesco Funds; Vice President, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); and Vice President, PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Commodity Fund Trust and PowerShares Exchange-Traded Self-Indexed Fund Trust Formerly: Vice President and Principal Financial Officer, The Invesco Funds; Vice President, Invesco Aim Advisers, Inc., Invesco Aim Capital Management, Inc. and Invesco Aim Private Asset Management, Inc.; Assistant Vice President and Assistant Treasurer, The Invesco Funds and Assistant Vice President, Invesco Advisers, Inc., Invesco Aim Capital Management, Inc. and Invesco Aim Private Asset Management, Inc.; and Treasurer, PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust and PowerShares Actively Managed Exchange-Traded Fund Trust	N/A	N/A
Russell C. Burk – 1958 Senior Vice President and Senior Officer	2005	Senior Vice President and Senior Officer, The Invesco Funds	N/A	N/A
John M. Zerr – 1962 Senior Vice President, Chief Legal Officer and Secretary	2006	Director, Senior Vice President, Secretary and General Counsel, Invesco Management Group, Inc. (formerly known as Invesco AIM Management Group, Inc.); Senior Vice President, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Senior Vice President and Secretary, Invesco Distributors, Inc. (formerly known as Invesco AIM Distributors, Inc.); Director, Vice President and Secretary, Invesco Investment Services, Inc. (formerly known as Invesco AIM Investment Services, Inc.) Senior Vice President, Chief Legal Officer and Secretary, The Invesco Funds; Managing Director, Invesco PowerShares Capital Management LLC; Director, Secretary and General Counsel, Invesco Investment Advisers LLC (formerly known as Van Kampen Asset Management); Secretary and General Counsel, Invesco Capital Markets, Inc. (formerly known as Van Kampen Funds Inc.) and Chief Legal Officer, PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Commodity Fund Trust and PowerShares Exchange-Traded Self-Indexed Fund Trust; Manager and Secretary, Invesco Indexing LLC Formerly: Director, Secretary, General Counsel and Senior Vice President, Van Kampen Exchange Corp.; Director, Vice President and Secretary, IVZ Distributors, Inc. (formerly known as INVESCO Distributors, Inc.); Director and Vice President, INVESCO Funds Group, Inc.; Director and Vice President, Van Kampen Advisors Inc.; Director, Vice President, Secretary and General Counsel, Van Kampen Investor Services Inc.; Director, Invesco Distributors, Inc. (formerly known as Invesco AIM Distributors, Inc.); Director, Senior Vice President, General Counsel and Secretary, Invesco AIM Advisers, Inc. and Van Kampen Investments Inc.; Director, Vice President and Secretary, Fund Management Company; Director, Senior Vice President, Secretary, General Counsel and Vice President, Invesco AIM Capital Management, Inc.; Chief Operating Officer and General Counsel, Liberty Ridge Capital, Inc. (an investment adviser); Vice President and Secretary, PBHG Funds (an investment company) and PBHG Insurance Series Fund (an investment company); Chief Operating Officer, General Counsel and Secretary, Old Mutual Investment Partners (a broker-dealer); General Counsel and Secretary, Old Mutual Fund Services (an administrator) and Old Mutual Shareholder Services (a shareholder servicing center); Executive Vice President, General Counsel and Secretary, Old Mutual Capital, Inc. (an investment adviser); and Vice President and Secretary, Old Mutual Advisors Funds (an investment company)	N/A	N/A
Gregory G. McGreevey – 1962 Senior Vice President	2012	Senior Managing Director, Invesco Ltd.; Director, Chairman, President, and Chief Executive Officer, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Senior Vice President, Invesco Management Group, Inc.; Director, Invesco Mortgage Capital, Inc. and Invesco Senior Secured Management, Inc.; and Senior Vice President, The Invesco Funds Formerly: Assistant Vice President, The Invesco Funds	N/A	N/A
Kelli Gallegos – 1970 Vice President, Principal Financial Officer and Assistant Treasurer	2008	Vice President, Principal Financial Officer and Assistant Treasurer, The Invesco Funds; Assistant Treasurer, Invesco PowerShares Capital Management LLC, PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Commodity Fund Trust and PowerShares Exchange-Traded Self-Indexed Fund Trust Formerly: Assistant Vice President, The Invesco Funds	N/A	N/A

Trustees and Officers—(continued)

Name, Year of Birth and Position(s) Held with the Trust	Trustee and/or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee During Past 5 Years
Other Officers—(continued)				
Tracy Sullivan – 1962 Vice President, Chief Tax Officer and Assistant Treasurer	2008	Vice President, Chief Tax Officer and Assistant Treasurer, The Invesco Funds; Assistant Treasurer, Invesco PowerShares Capital Management LLC, PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Commodity Fund Trust and PowerShares Exchange-Traded Self-Indexed Fund Trust Formerly: Assistant Vice President, The Invesco Funds	N/A	N/A
Crissie M. Wisdom – 1969 Anti-Money Laundering Compliance Officer	2013	Anti-Money Laundering Compliance Officer, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser), Invesco Capital Markets, Inc. (formerly known as Van Kampen Funds Inc.), Invesco Distributors, Inc., Invesco Investment Services, Inc., Invesco Management Group, Inc., The Invesco Funds, and PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Commodity Fund Trust and PowerShares Exchange-Traded Self-Indexed Fund Trust; Anti-Money Laundering Compliance Officer and Bank Secrecy Act Officer, INVESCO National Trust Company and Invesco Trust Company; and Fraud Prevention Manager and Controls and Risk Analysis Manager for Invesco Investment Services, Inc. Formerly: Anti-Money Laundering Compliance Officer, Van Kampen Exchange Corp.	N/A	N/A
Robert R. Leveille – 1969 Chief Compliance Officer	2016	Chief Compliance Officer, Invesco Advisers, Inc. (registered investment adviser); and Chief Compliance Officer, The Invesco Funds Formerly: Chief Compliance Officer, Putnam Investments and the Putnam Funds	N/A	N/A

The Statement of Additional Information of the Trust includes additional information about the Fund's Trustees and is available upon request, without charge, by calling 1.800.959.4246. Please refer to the Fund's Statement of Additional Information for information on the Fund's sub-advisers.

Office of the Fund

11 Greenway Plaza, Suite 1000
Houston, TX 77046-1173

Investment Adviser

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Distributor

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Houston, TX 77046-1173

Auditors

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Houston, TX 77002-5678

Counsel to the Fund

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Philadelphia, PA 19103-7018

Counsel to the Independent Trustees

Goodwin Procter LLP
901 New York Avenue, N.W.
Washington, D.C. 20001

Transfer Agent

Invesco Investment Services, Inc.
11 Greenway Plaza, Suite 1000
Houston, TX 77046-1173

Custodian

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Boston, MA 02110-2801