



Invesco V.I. Global Real Estate Fund



The Fund provides a complete list of its holdings four times in each fiscal year, at the quarter-ends. For the second and fourth quarters, the lists appear in the Fund's 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. Global Real Estate Fund (the Fund) underperformed the Fund's style-specific benchmark, the Custom Invesco Global Real Estate 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	13.05%
Series II Shares	12.73
MSCI World Index [▼] (Broad Market Index)	22.40
Custom Invesco Global Real Estate Index [■] (Style-Specific Index)	13.99
Lipper VUF Real Estate Funds Classification Average [◆] (Peer Group)	5.45

Source(s): [▼]FactSet Research Systems Inc.; [■]Invesco, FactSet Research Systems Inc.; [◆]Lipper Inc.

Market conditions and your Fund

Global equity markets delivered positive, and in many cases double-digit, returns over the year ended December 31, 2017. These gains were driven by firming global economic growth, as well as stronger corporate fundamentals. After trailing international markets for the first three quarters of the year, the US equity market outperformed international markets in the fourth quarter. US equity markets received a boost from the prospect of sweeping individual and corporate tax cuts, with a final tax bill approved by Congress in December.

In developed markets, the US Federal Reserve (the Fed) met in December and increased the benchmark fed funds target rate by 0.25% to a target range of 1.25% to 1.50%. Combined with two earlier interest rate increases in 2017, the Fed's decision reflected a more constructive outlook for the US economy. In contrast, the European Central Bank held rates steady at 0% throughout 2017 and maintained its generous bond buying program through at least September 2018,

or beyond, until it sees a sustained adjustment in the rate of inflation.

Most emerging markets continued to perform well during 2017. In addition to the improving global economic outlook, other tailwinds included reduced expectations for a major shift in US trade policy as well as stronger oil prices. Oil prices moved higher on production restraint by OPEC and Russia, benefiting commodity-driven emerging markets.

From a real estate investment perspective, the slowing application or slow normalization of monetary stimulus has proved supportive of the asset class. The world sought real assets and income in 2017. Capital flows and allocations to real estate remained very positive in 2017. However, the current real estate investment cycle is now nearly a decade old and, as such, is maturing. This suggests lower levels of rental growth and an environment in which better business models are likely to deliver better performance. New construction, which can become an issue in the maturing phase of a real estate investment cycle, is still under control in most parts of the world and

most landlords continue to retain some degree of pricing power. Further, the real estate sector ended 2017 trading, on average, at a small discount to net asset value, which is slightly wider than long term average.

Key contributors to the Fund's performance versus its style-specific benchmark included security selection in the US and the UK. Overweight exposure to Germany and Ireland, security selection in Canada and the United Arab Emirates, as well as underweight exposure in Turkey and Mexico, also contributed to the Fund's relative return.

Primary detractors from relative Fund performance included security selection in Japan, Hong Kong and India. A lack of holdings in Austria and a combination of security selection and overweight exposure in France and Australia also detracted from the Fund's relative return. Security selection and underweight exposure in China also detracted.

Top contributors to the Fund's absolute performance included **Vonovia** and **Prologis**. Vonovia has exposure to favorable supply and demand fundamentals for residential assets in Germany and was expected to generate above-average growth. Prologis owns a portfolio of high quality industrial assets that are primarily located in global gateway markets. We believed Prologis would post above-average cash flow growth driven by favorable industrial fundamentals and a robust development pipeline.

Top detractors from the Fund's absolute performance included **Mitsubishi Estate** and **Brixmor Property Group**. Mitsubishi Estate owns and develops a high-quality portfolio of primarily office assets in central Tokyo – assets we believed may benefit from healthy and growing demand. Brixmor Property

Portfolio Composition	
By country	% of total net assets
United States	46.4%
Japan	8.9
Hong Kong	7.6
China	5.4
Australia	4.9
Germany	4.5
United Kingdom	4.5
France	3.7
Canada	2.6
Singapore	2.2
Countries each with less than 2% of portfolio	8.3
Money Market Funds	
Plus Other Assets Less Liabilities	1.0

Top 10 Equity Holdings*	
	% of total net assets
1. Simon Property Group, Inc.	3.2%
2. Prologis, Inc.	2.5
3. Boston Properties, Inc.	2.4
4. Public Storage	2.3
5. Mitsui Fudosan Co., Ltd.	2.0
6. Equity Residential	1.9
7. Unibail-Rodamco S.E.	1.9
8. Scentre Group	1.8
9. Vonovia S.E.	1.7
10. Sun Hung Kai Properties Ltd.	1.7

Total Net Assets	\$418.3 million
Total Number of Holdings*	167

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.

Group, which owns shopping centers across the US, was trading at an attractive valuation relative to peers and was expected to deliver above-average cash flow and earnings growth.

Significant purchases during the year included a new position in **New World Development**, a major developer of residential and commercial properties in Hong Kong and China. We reduced our previously overweight position in **Simon Property Group** following strong performance among Class A regional mall companies given greater attention from private equity investors and activists.

At the close of the year, the Fund had a modest underweight allocation to the US relative to its style-specific benchmark. In the US, the Fund remained focused on companies with above-average cash flow growth rates, stronger balance sheets and reasonable valuations. This was reflected in our overweight exposure to the infrastructure, single family rental and data center sectors.

At the close of the year, the Fund had a moderate underweight position in the Asia Pacific region, with a focus on stocks with company-specific catalysts and favorable local relative values. In Japan, we reduced our exposure to Japanese Real Estate Investment Trusts, as their share price performance continued to be impacted by capital outflows. The Fund held an overweight allocation to Japanese developers, but rotated weightings between holdings after changes in relative value opportunities.

The Fund ended 2017 with small overweight exposure to the European region. Key overweight exposures included the German residential and Irish office sectors due to their greater fundamental opportunities. The Fund was overweight in France, where we saw favorable yields and valuations, particularly in the stocks of high-quality mall landlords. The Fund's largest underweight exposures in the region included UK large-cap real estate investment trusts (REITs), with their diversified office and retail asset exposures, as well as Belgium and Austria, where fundamentals were weaker.

Systematic factors have been key drivers of real estate performance in recent years. We do not believe these drivers will disappear in 2018, but we do believe that market performance may be more affected by fundamental and stock-specific factors. We believe that different levels of cyclical maturity and policy and political activity are expected to impact specific fundamental paths for real estate and localized market pricing of listed real estate in the year ahead.

In Asia, we believe real estate demand improvement is likely to continue on the back of synchronized global economic recovery. Brexit still presents an uncertain growth path for the UK. We expect some fundamental decline in 2018, although many low-leveraged UK REITs seem priced to reflect this. In continental Europe, economic growth is expected to be maintained with a slowdown in quantitative easing likely to allow bond yields to slowly rise. The potential for political surprises remains high in Europe; however, we anticipate 2018 should be more stable than recent years. In North America, property market fundamentals are expected to remain positive but growth is likely to decelerate as supply has begun to meet demand levels in many markets and sectors. Non-traditional sectors, such as infrastructure and data centers, offer the best prospects for growth as demand continues to outpace new supply, we believe.

Overall, throughout the year, we maintained a bias toward sectors with better relative growth prospects, companies with higher-quality assets, supply-constrained real estate markets and companies with generally lower-leveraged balance sheets. In an environment in which risk-free rates may continue to modestly rise over the mid-term, we maintained a bias toward companies with above-average earnings growth prospects.

We thank you for your continued investment in Invesco V.I. Global Real Estate Fund.

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.



Joe Rodriguez, Jr.
Portfolio Manager, is lead manager of Invesco V.I. Global Real Estate Fund. He is Head of Global Securities with Invesco Real Estate, where he oversees all phases of the unit, including securities research and administration. Mr. Rodriguez joined Invesco in 1990. He earned a BBA in economics and finance and an MBA in finance from Baylor University.



Mark Blackburn
Chartered Financial Analyst, Portfolio Manager, is manager of Invesco V.I. Global Real Estate Fund. He joined Invesco in 1998. Mr. Blackburn earned a BS in accounting from Louisiana State University and an MBA from Southern Methodist University. He is also a Certified Public Accountant.



James Cowen
Portfolio Manager, is manager of Invesco V.I. Global Real Estate Fund. He joined Invesco in 2000. Mr. Cowen earned a Master of Town and Country Planning degree from the University of Manchester and a Master of Philosophy degree in land economy from Cambridge University.



Paul Curbo
Chartered Financial Analyst, Portfolio Manager, is manager of Invesco V.I. Global Real Estate Fund. He joined Invesco in 1998. Mr. Curbo earned a BBA in finance from The University of Texas at Austin.



Darin Turner
Portfolio Manager, is manager of Invesco V.I. Global Real Estate Fund. He joined Invesco in 2005. Mr. Turner earned a BBA in finance from Baylor University, an MS in real estate from The University of Texas at Arlington and an MBA specializing in investments from Southern Methodist University.

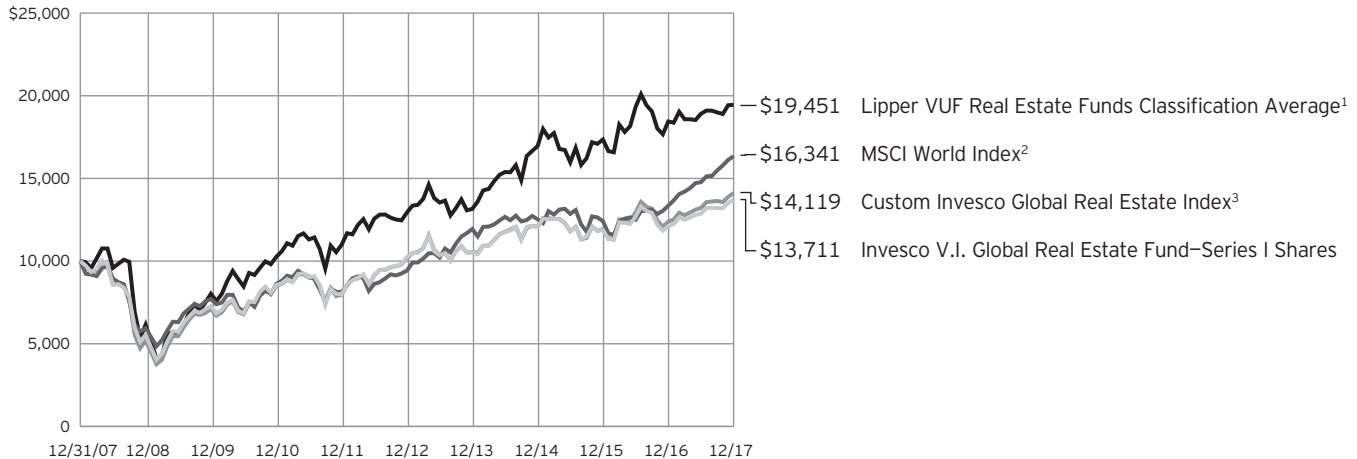


Ping-Ying Wang
Chartered Financial Analyst, Portfolio Manager, is manager of Invesco V.I. Global Real Estate Fund. She joined Invesco in 1998. Ms. Wang earned a BS in international finance from the People's University of China and a PhD in finance from The University of Texas at Dallas.

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: Lipper Inc.

2 Source: FactSet Research Systems Inc.

3 Source(s): Invesco, FactSet Research Systems Inc.

Past performance cannot guarantee comparable future results.

Average Annual Total Returns	
As of 12/31/17	
Series I Shares	
Inception (3/31/98)	8.01%
10 Years	3.21
5 Years	6.00
1 Year	13.05
Series II Shares	
Inception (4/30/04)	8.00%
10 Years	2.96
5 Years	5.72
1 Year	12.73

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

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

The total annual Fund operating expense ratio set forth in the most recent Fund prospectus as of the date of this report for Series I and Series II shares was 1.01% and 1.26%, 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. Global Real Estate Fund, a series portfolio of AIM Variable Insurance Funds (Invesco Variable Insurance Funds), is currently offered through insurance companies issuing variable products. You cannot purchase shares of the Fund directly.

Performance figures given represent the Fund and are not intended to reflect actual variable product values. They do not reflect sales charges, expenses and fees assessed in connection with a variable product. Sales charges, expenses and fees, which are determined by the variable product issuers, will vary and will lower the total return.

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

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

Invesco V.I. Global Real Estate Fund's investment objective is total return through growth of capital 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

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.

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 underly-

ing 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.

Emerging markets securities risk. Emerging markets (also referred to as developing markets) are generally subject to greater market volatility, political, social and economic instability, uncertain trading markets and more governmental limitations on foreign investment than more developed markets. In addition, companies operating in emerging markets may be subject to lower trading volume and greater price fluctuations than companies in more developed markets. Securities law and the enforcement of systems of taxation in many emerging market countries may change quickly and unpredictably. In addition, investments in emerging markets securities may also be subject to additional transaction costs, delays in settlement procedures, and lack of timely information.

Foreign securities risk. The Fund's foreign investments may be adversely af-

ected 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.

Geographic focus risk. The Fund may from time to time invest a substantial amount of its assets in securities of issuers located in a single country or a limited number of countries. Adverse economic, political or social conditions in those countries may therefore have a significant negative impact on the Fund's investment performance.

High yield debt securities (junk bond) risk. Investments in high yield debt securities ("junk bonds") and other lower-rated securities will subject the Fund to substantial risk of loss. These securities are considered to be speculative with respect to the issuer's ability to pay interest and principal when due, are more susceptible to default or decline in market value and are less liquid than investment grade debt securities. Prices of high yield debt securities tend to be very volatile.

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. Individual 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.

Mortgage- and asset-backed securities risk. Mortgage- and asset-backed securities, including collateralized debt obligations and collateralized mortgage obligations, are subject to prepayment or call risk, which is the risk that a borrower's payments may be received earlier or later than expected due to changes in prepayment rates on underlying loans. This could result in the Fund reinvesting these early payments at lower interest rates, thereby reducing the Fund's income. Mortgage- and asset-backed securities also are subject to extension risk, which is the risk that an unexpected rise in interest rates could reduce the rate of prepayments, causing the price of the mortgage- and asset-backed securities and the Fund's share price to fall. An unexpectedly high rate of defaults on the mortgages held by a mortgage pool may adversely affect the value of mortgage-backed securities and could result in losses to the Fund. The Fund may invest in mortgage pools that include subprime mortgages, which are loans made to borrowers with weakened credit histories or with lower capacity to make timely payments on their mortgages. Privately issued mortgage-related securities are not subject to the same underwriting requirements as those with government or government-sponsored entity guarantees and, therefore, mortgage loans underlying privately issued mortgage-related securities may have less favorable collateral, credit risk or other underwriting characteristics, and wider variances in interest rate, term, size, purpose and borrower characteristics.

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.

REIT risk/real estate risk. The Fund concentrates its investments in the securities of real estate and real estate related companies. 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 than larger companies. If a real estate related company defaults on certain types of debt obligations, the Fund may own real estate directly, which involves additional risks such as environmental liabilities; difficulty in valuing and selling the real estate; and economic or regulatory changes.

Short position risk. Because the Fund's potential loss on a short position arises from increases in the value of the asset sold short, the Fund will incur a loss on a short position, which is theoretically unlimited, if the price of the asset sold short increases from the short sale price. The counterparty to a short position or other market factors may prevent the Fund from closing out a short position at a desirable time or price and may reduce or eliminate any gain or result in a loss. In a rising market, the Fund's short positions will cause the Fund to underperform the overall market and its peers that do not engage in shorting. If the Fund holds both long and short positions, and both positions decline simultaneously, the short positions will not provide any buffer (hedge) from declines in value of the Fund's long positions. Certain types of short positions involve leverage, which may exaggerate any losses, potentially more than the actual cost of the investment, and will increase the volatility of the Fund's returns.

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.

About indexes used in this report

The **MSCI World Index**SM is an unmanaged index considered representative of stocks of developed countries. The index is com-

puted using the net return, which withholds applicable taxes for non-resident investors.

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

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

The **FTSE EPRA/NAREIT Developed Index** is an unmanaged index considered representative of listed real estate companies and REITs worldwide.

The **FTSE EPRA/NAREIT Global Index** is a free float, market capitalization weighted real estate index designed to represent publicly traded equity REITs and listed property companies in 38 countries worldwide, covering both developed and emerging markets.

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

CPA[®] and Certified Public Accountant[®] are trademarks owned by the American Institute of Certified Public Accountants.

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.

Schedule of Investments

December 31, 2017

	Shares	Value
Real Estate Investment Trust, Common Stocks & Other Equity Interests-98.98%		
Australia-4.92%		
Dexus	303,505	\$ 2,304,767
Goodman Group	660,102	4,326,775
GPT Group (The)	674,106	2,683,396
Mirvac Group	1,215,653	2,222,368
Scentre Group	2,319,270	7,568,256
Westfield Corp.	202,013	1,495,724
		20,601,286
Brazil-0.65%		
BR Malls Participacoes S.A.	325,525	1,250,999
BR Properties S.A.	140,400	449,280
MRV Engenharia e Participacoes S.A.	124,900	567,093
Multiplan Empreendimentos Imobiliarios S.A.	21,600	462,322
		2,729,694
Canada-2.57%		
Allied Properties REIT	71,600	2,397,110
Canadian Apartment Properties REIT	61,703	1,832,092
Chartwell Retirement Residences	101,096	1,307,838
H&R REIT	86,600	1,471,697
Killam Apartment REIT	93,300	1,055,554
RioCan REIT	105,600	2,046,635
SmartCentres REIT	25,500	627,102
		10,738,028
Chile-0.11%		
Parque Arauco S.A.	148,621	460,476
China-5.41%		
Agile Group Holdings Ltd.	576,000	874,369
CapitalLand Retail China Trust	213,700	258,837
China Evergrande Group ^(a)	766,000	2,623,443
China Jinmao Holdings Group Ltd.	1,820,000	798,434
China Overseas Land & Investment Ltd.	766,000	2,465,781
China Resources Land Ltd.	446,444	1,311,153
China Vanke Co., Ltd.-Class H	374,200	1,490,076
CIFI Holdings (Group) Co. Ltd.	1,358,000	816,021
Country Garden Holdings Co. Ltd.	1,680,000	3,192,138
Guangzhou R&F Properties Co. Ltd.-Class H	533,600	1,203,398
KWG Property Holding Ltd.	585,000	680,588
Logan Property Holdings Co. Ltd.	558,000	575,025
Longfor Properties Co. Ltd.	613,500	1,537,500
Shenzhen Investment Ltd.	579,900	239,963
Shimao Property Holdings Ltd.	704,000	1,531,826
SOHO China Ltd.	703,500	411,498
Sunac China Holdings Ltd.	544,000	2,242,414
Yanlord Land Group Ltd.	300,500	363,970
		22,616,434

	Shares	Value
France-3.67%		
ICADE	23,683	\$ 2,328,030
Klepierre S.A.	112,488	4,948,422
Unibail-Rodamco S.E.	31,996	8,061,648
		15,338,100
Germany-4.52%		
Deutsche Wohnen S.E	64,341	2,805,211
Grand City Properties S.A.	223,118	5,247,831
LEG Immobilien AG	31,305	3,573,022
Vonovia S.E.	147,444	7,298,195
		18,924,259
Hong Kong-7.59%		
CK Asset Holdings Ltd.	539,800	4,718,906
Hang Lung Properties Ltd.	1,160,000	2,830,786
Hongkong Land Holdings Ltd.	267,400	1,880,322
Kerry Properties Ltd.	145,500	654,600
Link REIT	460,500	4,270,274
New World Development Co. Ltd.	3,046,000	4,577,051
Sun Hung Kai Properties Ltd.	432,000	7,196,140
Swire Properties Ltd.	782,000	2,522,290
Wharf (Holdings) Ltd. (The)	306,000	1,057,482
Wharf Real Estate Investment Co. Ltd. ^(a)	305,000	2,029,976
		31,737,827
India-0.16%		
Ascendas India Trust	776,700	667,817
Indonesia-0.50%		
PT Bumi Serpong Damai Tbk	224,000	28,093
PT Ciputra Development Tbk	18,352,838	1,604,435
PT Pakuwon Jati Tbk	8,840,100	446,733
		2,079,261
Ireland-0.39%		
Green REIT PLC	871,704	1,626,329
Japan-8.87%		
Activia Properties, Inc.	227	949,929
Advance Residence Investment Corp.	392	964,083
AEON REIT Investment Corp.	803	844,550
Daiwa House REIT Investment Corp.	380	902,867
Daiwa Office Investment Corp.	397	2,092,997
Fukuoka REIT Corp.	204	304,542
GLP J-REIT ^(b)	213	230,160
GLP J-REIT	1,665	1,799,137
Hulic Co., Ltd.	178,100	1,993,784
Hulic Reit, Inc.	607	883,536
Japan Hotel REIT Investment Corp.	3,336	2,238,410
Japan Logistics Fund Inc.	318	586,495
Japan Real Estate Investment Corp.	475	2,255,481
Mitsubishi Estate Co., Ltd.	304,900	5,297,990

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

	Shares	Value
Japan-(continued)		
Mitsui Fudosan Co., Ltd.	378,800	\$ 8,489,128
Mitsui Fudosan Logistics Park Inc.	119	377,677
Nippon Building Fund Inc.	325	1,589,376
Sumitomo Realty & Development Co., Ltd.	109,000	3,577,836
Tokyo Tatemono Co., Ltd.	127,900	1,725,835
		37,103,813
Malaysia-0.45%		
IOI Properties Group Bhd.	1,274,700	582,774
KLCCP Stapled Group	254,600	543,616
Mah Sing Group Bhd.	2,091,500	749,456
		1,875,846
Malta-0.00%		
BGP Holdings PLC (Acquired 08/06/2009; Cost \$0) ^{(a)(b)(c)}	3,053,090	0
Mexico-0.49%		
Fibra Uno Administracion S.A. de C.V.	855,700	1,266,327
Macquarie Mexico Real Estate Management S.A. de C.V.	556,200	586,558
PLA Administradora Industrial, S. de R.L. de C.V.	132,000	200,178
		2,053,063
Philippines-0.87%		
Ayala Land, Inc.	1,764,100	1,574,671
Robinsons Land Corp.	1,417,500	604,487
SM Prime Holdings Inc.	1,936,200	1,456,520
		3,635,678
Singapore-2.22%		
Ascendas REIT	919,700	1,870,343
CapitalLand Mall Trust	864,300	1,376,418
City Developments Ltd.	461,800	4,294,465
Mapletree Commercial Trust	502,500	608,636
UOL Group Ltd.	173,000	1,147,297
		9,297,159
South Africa-1.01%		
Growthpoint Properties Ltd.	906,443	2,026,430
Hyprop Investments Ltd.	120,503	1,142,444
SA Corporate Real Estate Ltd.	2,709,555	1,053,373
		4,222,247
Spain-0.67%		
Inmobiliaria Colonial SOCIMI, S.A.	115,486	1,145,206
Merlin Properties SOCIMI, S.A.	123,491	1,671,813
		2,817,019
Sweden-1.44%		
Castellum AB	126,010	2,125,178
Hufvudstaden AB-Class A	151,661	2,426,776
Wihlborgs Fastigheter AB	62,030	1,481,922
		6,033,876

	Shares	Value
Switzerland-0.71%		
Swiss Prime Site AG	32,327	\$ 2,983,415
Thailand-0.64%		
Central Pattana PCL	730,300	1,909,223
Central Pattana PCL-NVDR	37,600	98,297
Supalai PCL	287,300	209,109
Supalai PCL-NVDR	543,200	395,364
Supalai PCL-Wts., expiring 10/19/2018 ^(a)	135,800	80,074
		2,692,067
Turkey-0.11%		
Emlak Konut Gayrimenkul Yatirim Ortakligi A.S. ^(a)	604,207	447,927
United Arab Emirates-0.13%		
Emaar Malls PJSC	938,247	544,067
United Kingdom-4.51%		
Big Yellow Group PLC	83,097	975,486
Derwent London PLC	47,829	2,013,415
Great Portland Estates PLC	262,547	2,440,489
Land Securities Group PLC	253,109	3,432,572
LondonMetric Property PLC	563,933	1,416,141
SEGRO PLC	425,170	3,369,509
Tritax Big Box REIT PLC	1,257,984	2,528,924
UNITE Group PLC (The)	249,193	2,708,306
		18,884,842
United States-46.37%		
Acadia Realty Trust	56,554	1,547,317
Alexandria Real Estate Equities, Inc.	7,038	919,092
American Campus Communities, Inc.	66,713	2,737,234
American Homes 4 Rent-Class A	140,133	3,060,505
American Tower Corp.-Class A	16,176	2,307,830
Apple Hospitality REIT, Inc.	149,026	2,922,400
AvalonBay Communities, Inc.	25,140	4,485,227
Boston Properties, Inc.	76,533	9,951,586
Brandywine Realty Trust	127,591	2,320,880
Brixmor Property Group, Inc.	129,828	2,422,590
Columbia Property Trust, Inc.	80,848	1,855,462
Cousins Properties, Inc.	322,338	2,981,626
Crown Castle International Corp.	17,104	1,898,715
Digital Realty Trust, Inc.	13,665	1,556,443
EastGroup Properties, Inc.	7,155	632,359
Education Realty Trust, Inc.	74,178	2,590,296
Equinix, Inc.	4,996	2,264,287
Equity Residential	126,996	8,098,535
Essex Property Trust, Inc.	23,368	5,640,334
Extra Space Storage Inc.	50,784	4,441,061
Federal Realty Investment Trust	44,653	5,930,365
GGP Inc.	177,352	4,148,263
HCP, Inc.	81,009	2,112,715
Healthcare Realty Trust, Inc.	167,127	5,368,119
Host Hotels & Resorts Inc.	182,268	3,618,020

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

	Shares	Value
United States--(continued)		
Hudson Pacific Properties Inc.	189,428	\$ 6,487,909
Invitation Homes Inc.	86,236	2,032,583
Kilroy Realty Corp.	31,576	2,357,148
Liberty Property Trust	121,475	5,224,640
Macerich Co. (The)	55,720	3,659,690
Mid-America Apartment Communities, Inc.	34,385	3,457,756
National Health Investors, Inc.	34,707	2,616,214
National Retail Properties, Inc.	74,277	3,203,567
Park Hotels & Resorts Inc.	111,820	3,214,825
Pebblebrook Hotel Trust	41,950	1,559,281
Physicians Realty Trust	49,931	898,259
Prologis, Inc.	162,581	10,488,100
Public Storage	46,701	9,760,509
QTS Realty Trust, Inc.-Class A	78,725	4,263,746
Realty Income Corp.	84,112	4,796,066
Regency Centers Corp.	32,838	2,271,733
Retail Opportunity Investments Corp.	115,787	2,309,951
Simon Property Group, Inc.	78,352	13,456,172
SL Green Realty Corp.	20,121	2,030,813
Sun Communities, Inc.	45,215	4,195,048
Sunstone Hotel Investors, Inc.	127,002	2,099,343
Terreno Realty Corp.	36,592	1,282,916

Investment Abbreviations:

NVDR - Non-Voting Depositary Receipt
REIT - Real Estate Investment Trust
Wts. - Warrants

Notes to Schedule of Investments:

- (a) Non-income producing security.
- (b) Security purchased or received in a transaction exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"). The security may be resold pursuant to an exemption from registration under the 1933 Act, typically to qualified institutional buyers. The aggregate value of these securities at December 31, 2017 was \$230,160, which represented less than 1% of the Fund's Net Assets.
- (c) Security valued using significant unobservable inputs (Level 3). See Note 3.
- (d) The money market fund and the Fund are affiliated by having the same investment adviser. The rate shown is the 7-day SEC standardized yield as of December 31, 2017.

	Shares	Value
United States--(continued)		
Ventas, Inc.	64,148	\$ 3,849,521
Vornado Realty Trust	78,592	6,144,323
Washington REIT	48,624	1,513,179
Welltower Inc.	78,071	4,978,588
		193,963,141
Total Real Estate Investment Trust, Common Stocks & Other Equity Interests (Cost \$353,126,608)		414,073,671
Money Market Funds-0.17%		
Invesco Government & Agency Portfolio- Institutional Class, 1.18% ^(d)	244,314	244,314
Invesco Liquid Assets Portfolio- Institutional Class, 1.40% ^(d)	174,493	174,510
Invesco Treasury Portfolio-Institutional Class, 1.17% ^(d)	279,217	279,217
Total Money Market Funds (Cost \$698,041)		698,041
TOTAL INVESTMENTS IN SECURITIES-99.15% (Cost \$353,824,649)		414,771,712
OTHER ASSETS LESS LIABILITIES-0.85%		3,540,812
NET ASSETS-100.00%		\$418,312,524

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 \$353,126,608)	\$414,073,671
Investments in affiliated money market funds, at value and cost	698,041
Cash	118,893
Foreign currencies, at value (Cost \$1,361,759)	1,385,258
Receivable for:	
Investments sold	2,501,478
Fund shares sold	101,550
Dividends	1,419,278
Investment for trustee deferred compensation and retirement plans	71,051
Other assets	901
Total assets	420,370,121

Liabilities:

Payable for:	
Investments purchased	1,255,752
Fund shares reacquired	195,661
Accrued foreign taxes	120,177
Accrued fees to affiliates	319,396
Accrued trustees' and officers' fees and benefits	742
Accrued other operating expenses	85,415
Trustee deferred compensation and retirement plans	80,454
Total liabilities	2,057,597
Net assets applicable to shares outstanding	\$418,312,524

Net assets consist of:

Shares of beneficial interest	\$353,290,223
Undistributed net investment income	3,481,441
Undistributed net realized gain	566,569
Net unrealized appreciation	60,974,291
	\$418,312,524

Net Assets:

Series I	\$158,229,205
Series II	\$260,083,319

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

Series I	9,101,551
Series II	15,428,305
Series I:	
Net asset value per share	\$ 17.38
Series II:	
Net asset value per share	\$ 16.86

Statement of Operations

For the year ended December 31, 2017

Investment income:

Dividends (net of foreign withholding taxes of \$619,959)	\$14,481,542
Dividends from affiliated money market funds	30,880
Total investment income	14,512,422

Expenses:

Advisory fees	2,967,717
Administrative services fees	692,760
Custodian fees	192,179
Distribution fees – Series II	607,394
Transfer agent fees	38,787
Trustees' and officers' fees and benefits	26,350
Reports to shareholders	52,624
Professional services fees	63,220
Other	13,433
Total expenses	4,654,464
Less: Fees waived	(5,001)
Net expenses	4,649,463
Net investment income	9,862,959

Realized and unrealized gain from:

Net realized gain from:	
Investment securities	7,544,171
Foreign currencies	14,964
	7,559,135
Change in net unrealized appreciation of:	
Investment securities	29,832,428
Foreign currencies	48,590
	29,881,018
Net realized and unrealized gain	37,440,153
Net increase in net assets resulting from operations	\$47,303,112

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	\$ 9,862,959	\$ 6,742,282
Net realized gain	7,559,135	10,069,841
Change in net unrealized appreciation (depreciation)	29,881,018	(7,718,085)
Net increase in net assets resulting from operations	47,303,112	9,094,038
Distributions to shareholders from net investment income:		
Series I	(4,949,175)	(2,467,652)
Series II	(7,647,921)	(3,330,972)
Total distributions from net investment income	(12,597,096)	(5,798,624)
Distributions to shareholders from net realized gains:		
Series I	(2,511,786)	(2,886,843)
Series II	(4,167,052)	(4,517,031)
Total distributions from net realized gains	(6,678,838)	(7,403,874)
Share transactions-net:		
Series I	(502,416)	(62,147,357)
Series II	26,512,911	13,734,445
Net increase (decrease) in net assets resulting from share transactions	26,010,495	(48,412,912)
Net increase (decrease) in net assets	54,037,673	(52,521,372)
Net assets:		
Beginning of year	364,274,851	416,796,223
End of year (includes undistributed net investment income of \$3,481,441 and \$3,664,608, respectively)	\$418,312,524	\$364,274,851

Notes to Financial Statements

December 31, 2017

NOTE 1—Significant Accounting Policies

Invesco V.I. Global Real Estate Fund (the "Fund") is a series portfolio of AIM Variable Insurance Funds (Invesco Variable Insurance Funds) (the "Trust"). The Trust is a Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end series management investment company 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 objective is total return through growth of capital and current income.

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

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

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

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

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

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

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

Foreign securities' (including foreign exchange contracts) prices are converted into U.S. dollar amounts using the applicable exchange rates as of the close of the NYSE. If market quotations are available and reliable for foreign exchange-traded equity securities, the securities will be valued at the market quotations. Because trading hours for certain foreign securities end before the close of the NYSE, closing market quotations may become unreliable. If between the time trading ends on a particular security and the close of the customary trading session on the NYSE, events occur that the investment adviser determines are significant and make the closing price unreliable, the Fund may fair value the security. If the event is likely to have affected the closing price of the security, the security will be valued at fair value in good faith using procedures approved by the Board of Trustees.

Adjustments to closing prices to reflect fair value may also be based on a screening process of an independent pricing service to indicate the degree of certainty, based on historical data, that the closing price in the principal market where a foreign security trades is not the current value as of the close of the NYSE. Foreign securities' prices meeting the approved degree of certainty that the price is not reflective of current value will be priced at the indication of fair value from the independent pricing service. Multiple factors may be considered by the independent pricing service in determining adjustments to reflect fair value and may include information relating to sector indices, American Depositary Receipts and domestic and foreign index futures. Foreign securities may have additional risks including exchange rate changes, potential for sharply devalued currencies and high inflation, political and economic upheaval, the relative lack of issuer information, relatively low market liquidity and the potential lack of strict financial and accounting controls and standards.

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

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

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

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

B. Securities Transactions and Investment Income – Securities transactions are accounted for on a trade date basis. Realized gains or losses on sales are computed on the basis of specific identification of the securities sold. Interest income (net of withholding tax, if any) is recorded on the accrual basis from settlement date. Dividend income (net of withholding tax, if any) is recorded on the ex-dividend date.

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

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

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

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

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

NOTE 2—Advisory Fees and Other Fees Paid to Affiliates

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

Average Daily Net Assets	Rate
First \$250 million	0.75%
Next \$250 million	0.74%
Next \$500 million	0.73%
Next \$1.5 billion	0.72%
Next \$2.5 billion	0.71%
Next \$2.5 billion	0.70%
Next \$2.5 billion	0.69%
Over \$10 billion	0.68%

For the year ended December 31, 2017, the effective advisory fees incurred by the Fund was 0.75%.

Under the terms of a master sub-advisory agreement between the Adviser and each of Invesco Asset Management Deutschland GmbH, Invesco Asset Management Limited, Invesco Asset Management (Japan) Limited, Invesco Hong Kong Limited, Invesco Senior Secured Management, Inc. and Invesco Canada Ltd. and separate sub-advisory agreements with Invesco 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 2.00% and Series II shares to 2.25% of average daily net assets (the “expense limits”). In determining the Adviser’s obligation to waive advisory fees and/or reimburse expenses, the following expenses are not taken into account, and could cause the total annual fund operating expenses after fee waiver and/or expense reimbursement to exceed the numbers reflected above: (1) interest; (2) taxes; (3) dividend expense on short sales; (4) extraordinary or non-routine items, including litigation expenses; and (5) expenses that the Fund has incurred but did not actually pay because of an expense offset arrangement. Unless Invesco continues the fee waiver agreement, it will terminate on June 30, 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 \$5,001.

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 \$96,463 for accounting and fund administrative services and was reimbursed \$596,297 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*.

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 transfers from Level 1 to Level 2 of \$26,976,158 and from Level 2 to Level 1 of \$49,763,727, due to foreign fair value adjustments.

	Level 1	Level 2	Level 3	Total
Investments in Securities				
Australia	\$ 1,495,724	\$ 19,105,562	\$-	\$ 20,601,286
Brazil	2,729,694	-	-	2,729,694
Canada	10,738,028	-	-	10,738,028
Chile	460,476	-	-	460,476
China	8,647,179	13,969,255	-	22,616,434
France	15,338,100	-	-	15,338,100
Germany	-	18,924,259	-	18,924,259
Hong Kong	19,830,579	11,907,248	-	31,737,827
India	667,817	-	-	667,817
Indonesia	2,079,261	-	-	2,079,261
Ireland	1,626,329	-	-	1,626,329
Japan	21,151,465	15,952,348	-	37,103,813
Malaysia	1,875,846	-	-	1,875,846
Malta	-	-	0	0
Mexico	2,053,063	-	-	2,053,063
Philippines	1,456,520	2,179,158	-	3,635,678
Singapore	5,002,694	4,294,465	-	9,297,159
South Africa	4,222,247	-	-	4,222,247
Spain	-	2,817,019	-	2,817,019
Sweden	-	6,033,876	-	6,033,876
Switzerland	-	2,983,415	-	2,983,415
Thailand	684,547	2,007,520	-	2,692,067
Turkey	447,927	-	-	447,927
United Arab Emirates	544,067	-	-	544,067
United Kingdom	15,452,270	3,432,572	-	18,884,842
United States	193,963,141	-	-	193,963,141
Money Market Funds	698,041	-	-	698,041
Total Investments	\$311,165,015	\$103,606,697	\$0	\$414,771,712

NOTE 4—Trustees’ and Officers’ Fees and Benefits

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

NOTE 5—Cash Balances

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

NOTE 6—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	\$12,597,096	\$ 5,798,624
Long-term capital gain	6,678,838	7,403,874
Total distributions	\$19,275,934	\$13,202,498

Tax Components of Net Assets at Period-End:

	2017
Undistributed ordinary income	\$ 14,356,284
Undistributed long-term gain	4,506,305
Net unrealized appreciation – investments	46,201,008
Net unrealized appreciation – foreign currencies	27,227
Temporary book/tax differences	(68,523)
Shares of beneficial interest	353,290,223
Total net assets	\$418,312,524

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 and the tax treatment of passive foreign investment companies.

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 7—Investment Transactions

The aggregate amount of investment securities (other than short-term securities, U.S. Treasury obligations and money market funds, if any) purchased and sold by the Fund during the year ended December 31, 2017 was \$214,779,487 and \$195,473,059, 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	\$53,174,106
Aggregate unrealized (depreciation) of investments	(6,973,098)
Net unrealized appreciation of investments	\$46,201,008

Cost of investments for tax purposes is \$368,570,704.

NOTE 8—Reclassification of Permanent Differences

Primarily as a result of differing book/tax treatment of foreign currency transactions, and passive foreign investment companies, on December 31, 2017, undistributed net investment income was increased by \$2,550,970 and undistributed net realized gain was decreased by \$2,550,970. This reclassification had no effect on the net assets of the Fund.

NOTE 9—Share Information

	Summary of Share Activity			
	Years ended December 31,			
	2017 ^(a)		2016	
	Shares	Amount	Shares	Amount
Sold:				
Series I	1,590,286	\$ 26,867,883	1,866,923	\$ 31,090,102
Series II	2,922,326	48,002,807	2,573,469	42,010,957
Issued as reinvestment of dividends:				
Series I	441,738	7,460,961	307,377	5,354,495
Series II	720,865	11,814,973	463,556	7,848,003
Reacquired:				
Series I	(2,054,075)	(34,831,260)	(5,815,971)	(98,591,954)
Series II	(2,037,490)	(33,304,869)	(2,288,818)	(36,124,515)
Net increase (decrease) in share activity	1,583,650	\$ 26,010,495	(2,893,464)	\$(48,412,912)

^(a) There are entities that are record owners of more than 5% of the outstanding shares of the Fund and in the aggregate own 59% of the outstanding shares of the Fund. The Fund and the Fund's principal underwriter or adviser, are parties to participation agreements with these entities whereby these entities sell units of interest in separate accounts funding variable products that are invested in the Fund. The Fund, Invesco and/or Invesco affiliates may make payments to these entities, which are considered to be related to the Fund, for providing services to the Fund, Invesco and/or Invesco affiliates including but not limited to services such as, securities brokerage, third party record keeping and account servicing and administrative services. The Fund has no knowledge as to whether all or any portion of the shares owned of record by these entities are also owned beneficially.

NOTE 10—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	\$16.15	\$0.45 ^(d)	\$ 1.62	\$ 2.07	\$(0.56)	\$(0.28)	\$(0.84)	\$17.38	12.98%	\$158,229	1.02% ^(e)	1.02% ^(e)	2.63% ^{(d)(e)}	50%
Year ended 12/31/16	16.36	0.30	0.08	0.38	(0.27)	(0.32)	(0.59)	16.15	2.04	147,382	1.05	1.05	1.81	66
Year ended 12/31/15	17.24	0.31	(0.59)	(0.28)	(0.60)	-	(0.60)	16.36	(1.48)	208,796	1.11	1.11	1.79	72
Year ended 12/31/14	15.29	0.33	1.89	2.22	(0.27)	-	(0.27)	17.24	14.62	209,829	1.10	1.10	1.99	44
Year ended 12/31/13	15.47	0.22	0.21	0.43	(0.61)	-	(0.61)	15.29	2.71	189,835	1.10	1.10	1.41	49
Series II														
Year ended 12/31/17	15.69	0.39 ^(d)	1.58	1.97	(0.52)	(0.28)	(0.80)	16.86	12.73	260,083	1.27 ^(e)	1.27 ^(e)	2.38 ^{(d)(e)}	50
Year ended 12/31/16	15.91	0.25	0.08	0.33	(0.23)	(0.32)	(0.55)	15.69	1.82	216,893	1.30	1.30	1.56	66
Year ended 12/31/15	16.79	0.26	(0.58)	(0.32)	(0.56)	-	(0.56)	15.91	(1.74)	208,000	1.36	1.36	1.54	72
Year ended 12/31/14	14.90	0.28	1.84	2.12	(0.23)	-	(0.23)	16.79	14.34	200,299	1.35	1.35	1.74	44
Year ended 12/31/13	15.11	0.18	0.20	0.38	(0.59)	-	(0.59)	14.90	2.44	170,145	1.35	1.35	1.16	49

^(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 period. Net investment income per share and the ratio of net investment income to average net assets excluding the significant dividends are \$0.38 and 2.18% and \$0.32 and 1.93% for Series I and Series II shares, respectively.

^(e) Ratios are based on average daily net assets (000's omitted) of \$154,707 and \$242,958 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. Global Real Estate 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. Global Real Estate 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	\$1,064.60	\$5.26	\$1,020.11	\$5.14	1.01%
Series II	1,000.00	1,062.90	6.55	1,018.85	6.41	1.26

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	\$6,678,838
Corporate Dividends Received Deduction*	0.00%
U.S. Treasury Obligations*	0.00%

* 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.

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Custodian

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