



## Invesco V.I. Mid Cap Growth 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](http://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](mailto: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](http://invesco.com/proxyguidelines). The information is also available on the SEC website, [sec.gov](http://sec.gov).

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

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

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

Invesco Distributors, Inc.  
VK-VIMCG-AR-1

# Management's Discussion of Fund Performance

## Performance summary

For the year ended December 31, 2013, Invesco V.I. Mid Cap Growth Fund had solid positive returns and outperformed the Fund's style-specific benchmark, the Russell Midcap Growth Index.

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

## Fund vs. Indexes

Total returns, 12/31/12 to 12/31/13, excluding variable product issuer charges. If variable product issuer charges were included, returns would be lower.

Series I Shares	37.01%
Series II Shares	36.60
S&P 500 Index▼ (Broad Market Index)	32.39
Russell Midcap Growth Index■ (Style-Specific Index)	35.74
Lipper VUF Mid-Cap Growth Funds Index♦ (Peer Group Index)	36.02

Source(s): ▼Invesco, S&P-Dow Jones via FactSet Research Systems Inc.;

■Invesco, Russell via FactSet Research Systems Inc.; ♦Lipper Inc.

## How we invest

We believe a growth investment strategy is an essential component of a diversified portfolio.

Our investment process emphasizes rigorous bottom-up analysis of individual companies. We seek to invest in companies with strong or improving fundamentals and attractive valuation relative to growth and earnings expectations.

To narrow our investment universe, we utilize a holistic approach that emphasizes fundamental research and, to a lesser extent, includes quantitative analysis. At the end of this distillation process, we have a set of stocks to analyze in greater depth.

Our fundamental analysis focuses on identifying companies with strong drivers of growth. To accomplish this goal, we conduct comprehensive, bottom-up analysis in order to develop higher conviction in each company's prospects for growth. Through our analysis, we develop a mosaic of each company through detailed discussions with company management teams, competitors, distributors, suppliers, Wall Street analysts and customers. We also utilize a variety of valuation

techniques based on the company, the industry in which it operates, the stage of the business cycle and other factors that best reflect the company's value.

Risk management plays an important role in portfolio construction, as our target portfolio attempts to maximize the relationship between risk and return. We seek to accomplish this goal by investing in companies with attractive fundamental prospects for growth, and we divide the portfolio between stable growth stocks and catalyst-driven stocks.

We consider selling a stock for any of the following reasons:

- The price target set at purchase has been reached.
- There is deterioration in a company's fundamentals.
- The catalysts for growth are no longer present or are reflected in the stock price.
- There is a more attractive investment opportunity.

## Market conditions and your Fund

The year ended December 31, 2013, was characterized by slow but steady improvement in the US economy and strong US equity market returns. As the year began, consumer confidence trended higher based on the recovery of the US housing market, despite uncertainty surrounding the outcome of tax and spending negotiations between the White House and Congress – and implementation of sequestration spending cuts – which consequently left many businesses hesitant to spend.

US equity markets rose for the first half of the year, but from late May through June, capital markets declined following US Federal Reserve (the Fed) Chairman Ben Bernanke's comments suggesting that the time had come for the Fed to begin to reduce the size of its bond buying program, also known as quantitative easing (QE). This sell-off was brief but broad, and few asset classes were immune. Markets stabilized in mid-summer, despite some volatility in August surrounding a potential US military reaction to instability in Syria. The fourth quarter began amid uncertainty created by a two-week federal government shutdown, yet equities shrugged off this news and rallied steadily throughout the last three months of the year. In December, as expected, the Fed officially announced that it would begin reducing the scope of QE in early 2014. Despite the Fed's actions, equities continued to rise, as the announcement was widely anticipated and largely priced into stock valuations.

For the reporting period, major US equity market indexes delivered strong double-digit gains, and all 10 sectors of the S&P 500 Index had positive returns. The consumer discretionary sector had the highest return of any sector.

## Portfolio Composition

By sector

Consumer Discretionary	25.2%
Industrials	20.6
Information Technology	16.3
Health Care	11.0
Financials	8.2
Materials	5.5
Energy	5.4
Consumer Staples	5.2
Telecommunication Services	1.8
Money Market Funds	
Plus Other Assets Less Liabilities	0.8

## Top 10 Equity Holdings\*

1. Affiliated Managers Group, Inc.	2.4%
2. PPG Industries, Inc.	2.3
3. AMETEK, Inc.	2.1
4. Alliance Data Systems Corp.	1.9
5. Wynn Resorts Ltd.	1.9
6. Amphenol Corp.-Class A	1.9
7. Flowserve Corp.	1.9
8. SBA Communications Corp.-Class A	1.8
9. Foster Wheeler AG	1.8
10. Dick's Sporting Goods, Inc.	1.7

## Top Five Industries\*

1. Application Software	4.2%
2. Pharmaceuticals	3.9
3. Biotechnology	3.9
4. Apparel, Accessories & Luxury Goods	3.6
5. Specialty Stores	3.2

Total Net Assets \$287.8 million

Total Number of Holdings\* 77

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.

In this environment, the Fund had strong positive returns and outperformed its style-specific benchmark during the year. Strong performance, especially in the consumer discretionary, financials and energy sectors, was driven primarily by positive stock selection and only partially offset by underperformance in the information technology and telecommunication services sectors.

The Fund outperformed by the widest margin in the consumer discretionary sector. The largest contributor for the year was **Tesla Motors** which appreciated more than 300%. The company repeatedly reported strong quarterly results and the car itself received accolades for its crash-test safety rankings and innovative design. We trimmed our position multiple times during the stock's rise, in order to lock in gains and to manage our risk. **Wynn Resorts** and **Under Armour** were also very strong performers during the year.

The Fund also outperformed in the financials sector due to strong stock selection. Within the sector, **Discover Financial Services** benefited from a strong cycle in the credit card business. Asset management firm **Affiliated Managers Group** was another contributor to performance as its revenues rose along with the market's strong performance.

The information technology sector underperformed. The macro-environment for enterprise software spending and for telecommunications equipment expenditures was weak in 2013. **F5 Networks**, **Citrix** and **Rackspace** were significant detractors that suffered from reduced capital expenditures and visibility to their future revenues. We sold our holdings in each of these companies during the year.

The portfolio also lagged the style-specific index in the telecommunication services sector. **NII Holdings** is building out networks in Central and South America and rationalizing its business model. However the company had execution issues and the sale of certain assets was delayed so we sold the stock during the reporting period.

We thank you for your commitment to Invesco V.I. Mid Cap Growth 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.



### **Jim Leach**

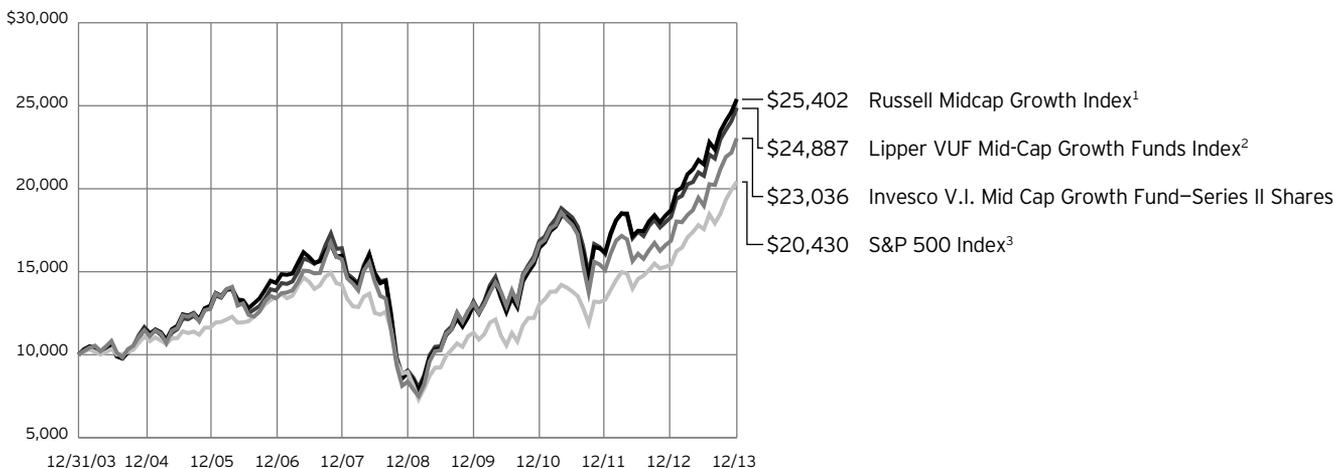
Chartered Financial Analyst, portfolio manager, is manager of Invesco V.I. Mid Cap Growth Fund. He joined Invesco in 2011. Mr.

Leach earned a BS in mechanical engineering from the University of California and an MBA from New York University Stern School of Business.

# Your Fund's Long-Term Performance

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

Fund and index data from 12/31/03



- 1 Source(s): Invesco, Russell via FactSet Research Systems Inc.
- 2 Source: Lipper Inc.
- 3 Source(s): Invesco, S&P-Dow Jones via FactSet Research Systems Inc.

Past performance cannot guarantee comparable future results.

Average Annual Total Returns	
As of 12/31/13	
<b>Series I Shares</b>	
10 Years	8.76%
5 Years	22.56
1 Year	37.01
<b>Series II Shares</b>	
Inception (9/25/00)	-0.05%
10 Years	8.70
5 Years	22.43
1 Year	36.60

Effective June 1, 2010, Class II shares of the predecessor fund, Van Kampen Life Investment Trust Mid Cap Growth Portfolio, advised by Van Kampen Asset Management were reorganized into Series II shares of Invesco Van Kampen V.I. Mid Cap Growth Fund (renamed Invesco V.I. Mid Cap Growth Fund on April 29, 2013). Returns shown above for Series II shares are blended returns of the predecessor fund and Invesco V.I. Mid Cap Growth Fund. Share class returns will differ from the predecessor fund because of different expenses.

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

**Class II share performance reflects any applicable fee waivers or expense reimbursements. The inception date of the predecessor fund's Class II shares is September 25, 2000.**

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

The net annual Fund operating expense ratio set forth in the most recent Fund prospectus as of the date of this report for Series I and Series II shares was 1.09% and 1.34%, respectively.<sup>1</sup> 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 1.12% and 1.37%, 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. Mid Cap Growth 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.

Had the adviser not waived fees and/or reimbursed expenses in the past, performance would have been lower.

<sup>1</sup> Total annual Fund operating expenses after any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least June 30, 2014. See current prospectus for more information.

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## **Invesco V.I. Mid Cap Growth Fund's investment objective is to seek capital growth.**

- Unless otherwise stated, information presented in this report is as of December 31, 2013, and is based on total net assets.
- Unless otherwise noted, all data provided by Invesco.
- To access your Fund's reports/prospectus, visit [invesco.com/fundreports](http://invesco.com/fundreports).

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### **Principal risks of investing in the Fund**

*Developing/emerging markets securities risk.* The prices of securities issued by foreign companies and governments located in developing/emerging markets countries may be affected more negatively by inflation, devaluation of their currencies, higher transaction costs, delays in settlement, adverse political developments, the introduction of capital controls, withholding taxes, nationalization of private assets, expropriation, social unrest, war or lack of timely information than those in developed countries.

*Foreign securities risk.* The Fund's foreign investments may be affected by changes in a foreign country's exchange rates, political and social instability, changes in economic or taxation policies, difficulties when enforcing obligations, decreased liquidity, and increased volatility. Foreign companies may be subject to less regulation resulting in less publicly available information about the companies.

*Growth investing risk.* Growth stocks tend to be more expensive relative to their earnings or assets compared with other types of stock. As a result they tend to be more sensitive to changes in their earnings and can be more volatile.

*Management risk.* The investment techniques and risk analysis used by the Fund's portfolio managers may not produce the desired results.

*Market risk.* The prices of and the income generated by the Fund's securities may decline in response to, among other things, investor sentiment, general economic and market conditions, regional or global instability, and currency and interest rate fluctuations.

*Mid-capitalization risk.* Stocks of mid-sized companies tend to be more vulnerable to adverse developments and may have little or no operating history or track record of success, and limited product lines, markets, management and financial resources. The securities of mid-sized companies may be more volatile due to less market interest and less publicly available information about the issuer. They also may be illiquid or restricted as to resale, or may trade less frequently and in smaller volumes, all of which may cause difficulty when establishing or closing a position at a desirable price.

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### **About indexes used in this report**

The **S&P 500® Index** is an unmanaged index considered representative of the US stock market.

The **Russell Midcap® Growth Index** is an unmanaged index considered representative of mid-cap growth stocks. The Russell Midcap Growth Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co.

The **Lipper VUF Mid-Cap Growth Funds Index** is an unmanaged index considered representative of mid-cap growth variable insurance underlying funds tracked by Lipper.

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

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

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### **Other information**

The returns shown in management's discussion of Fund performance are based on net asset values calculated for shareholder transactions. Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes, and as such, the net asset values for shareholder transactions and the returns based on those net asset values may differ from the net asset values and returns reported in the Financial Highlights. Additionally, the returns and net asset values shown throughout this report are at the Fund level only and do not include variable product issuer charges. If such charges were included, the total returns would be lower.

Industry classifications used in this report are generally according to the Global Industry Classification Standard, which was developed by and is the exclusive property and a service mark of MSCI Inc. and Standard & Poor's.

# Schedule of Investments<sup>(a)</sup>

December 31, 2013

	Shares	Value
<b>Common Stocks &amp; Other Equity Interests-99.22%</b>		
<b>Aerospace &amp; Defense-1.52%</b>		
B/E Aerospace, Inc. <sup>(b)</sup>	50,279	\$ 4,375,781
<b>Airlines-0.56%</b>		
Alaska Air Group, Inc.	22,089	1,620,670
<b>Apparel Retail-1.29%</b>		
Ross Stores, Inc.	49,587	3,715,554
<b>Apparel, Accessories &amp; Luxury Goods-3.57%</b>		
Michael Kors Holdings Ltd. <sup>(b)</sup>	46,799	3,799,611
PVH Corp.	26,262	3,572,157
Under Armour, Inc.-Class A <sup>(b)</sup>	33,105	2,890,067
		10,261,835
<b>Application Software-4.19%</b>		
Aspen Technology, Inc. <sup>(b)</sup>	102,799	4,296,998
Cadence Design Systems, Inc. <sup>(b)</sup>	267,151	3,745,457
Salesforce.com, Inc. <sup>(b)</sup>	72,642	4,009,112
		12,051,567
<b>Asset Management &amp; Custody Banks-2.40%</b>		
Affiliated Managers Group, Inc. <sup>(b)</sup>	31,835	6,904,375
<b>Automobile Manufacturers-0.76%</b>		
Tesla Motors, Inc. <sup>(b)</sup>	14,624	2,199,157
<b>Automotive Retail-1.53%</b>		
O'Reilly Automotive, Inc. <sup>(b)</sup>	34,227	4,405,357
<b>Biotechnology-3.88%</b>		
Alexion Pharmaceuticals, Inc. <sup>(b)</sup>	33,762	4,492,372
BioMarin Pharmaceutical Inc. <sup>(b)</sup>	49,470	3,476,257
Medivation Inc. <sup>(b)</sup>	50,238	3,206,189
		11,174,818
<b>Broadcasting-1.58%</b>		
Discovery Communications, Inc.-Class A <sup>(b)</sup>	50,391	4,556,354
<b>Building Products-2.83%</b>		
A.O. Smith Corp.	70,280	3,790,903
Lennox International Inc.	51,099	4,346,481
		8,137,384
<b>Casinos &amp; Gaming-1.90%</b>		
Wynn Resorts Ltd.	28,098	5,456,913
<b>Commodity Chemicals-0.99%</b>		
LyondellBasell Industries N.V.-Class A	35,583	2,856,603
<b>Computer &amp; Electronics Retail-1.65%</b>		
Best Buy Co., Inc.	118,917	4,742,410
<b>Computer Hardware-0.85%</b>		
Stratasys Ltd. <sup>(b)</sup>	18,107	2,439,013

	Shares	Value
<b>Construction &amp; Engineering-3.18%</b>		
Foster Wheeler AG (Switzerland) <sup>(b)</sup>	153,104	\$ 5,055,494
MasTec Inc. <sup>(b)</sup>	125,062	4,092,029
		9,147,523
<b>Construction &amp; Farm Machinery &amp; Heavy Trucks-0.63%</b>		
Cummins Inc.	12,775	1,800,892
<b>Consumer Electronics-1.66%</b>		
Harman International Industries, Inc.	58,508	4,788,880
<b>Consumer Finance-1.60%</b>		
Discover Financial Services	82,358	4,607,930
<b>Data Processing &amp; Outsourced Services-2.99%</b>		
Alliance Data Systems Corp. <sup>(b)</sup>	20,929	5,502,862
Vanitv, Inc.-Class A <sup>(b)</sup>	95,211	3,104,831
		8,607,693
<b>Distillers &amp; Vintners-1.41%</b>		
Constellation Brands, Inc.-Class A <sup>(b)</sup>	57,732	4,063,178
<b>Diversified Support Services-0.81%</b>		
KAR Auction Services Inc.	78,802	2,328,599
<b>Electrical Components &amp; Equipment-2.06%</b>		
AMETEK, Inc.	112,576	5,929,378
<b>Electronic Components-1.86%</b>		
Amphenol Corp.-Class A	60,176	5,366,496
<b>Environmental &amp; Facilities Services-1.01%</b>		
Waste Connections, Inc.	66,604	2,905,933
<b>Food Retail-1.71%</b>		
Sprouts Farmers Market, Inc. <sup>(b)</sup>	50,121	1,926,150
Whole Foods Market, Inc.	51,980	3,006,003
		4,932,153
<b>Health Care Equipment-0.43%</b>		
Thoratec Corp. <sup>(b)</sup>	33,576	1,228,882
<b>Health Care Facilities-1.43%</b>		
Universal Health Services, Inc.-Class B	50,477	4,101,761
<b>Health Care Services-1.34%</b>		
Omnicare, Inc.	63,934	3,859,056
<b>Homefurnishing Retail-1.09%</b>		
Restoration Hardware Holdings Inc. <sup>(b)</sup>	46,798	3,149,505
<b>Household Appliances-1.11%</b>		
Whirlpool Corp.	20,298	3,183,944
<b>Household Products-0.99%</b>		
Church & Dwight Co., Inc.	42,784	2,835,724
<b>Housewares &amp; Specialties-1.53%</b>		
Jarden Corp. <sup>(b)</sup>	71,856	4,408,366

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

	Shares	Value
<b>Human Resource &amp; Employment Services-1.05%</b>		
Towers Watson & Co.-Class A	23,745	\$ 3,030,099
<b>Industrial Conglomerates-1.21%</b>		
Carlisle Cos. Inc.	44,030	3,495,982
<b>Industrial Machinery-3.10%</b>		
Flowsolve Corp.	67,344	5,308,728
Pentair Ltd.	46,442	3,607,150
		8,915,878
<b>Internet Retail-0.59%</b>		
Netflix Inc. <sup>(b)</sup>	4,633	1,705,732
<b>Internet Software &amp; Services-1.19%</b>		
LinkedIn Corp.-Class A <sup>(b)</sup>	15,824	3,431,118
<b>IT Consulting &amp; Other Services-1.14%</b>		
Gartner, Inc. <sup>(b)</sup>	46,017	3,269,508
<b>Leisure Products-1.39%</b>		
Brunswick Corp.	86,848	4,000,219
<b>Movies &amp; Entertainment-1.55%</b>		
Cinemark Holdings, Inc.	133,924	4,463,687
<b>Oil &amp; Gas Equipment &amp; Services-1.61%</b>		
Baker Hughes Inc.	47,539	2,627,005
Dresser-Rand Group, Inc. <sup>(b)</sup>	33,462	1,995,339
		4,622,344
<b>Oil &amp; Gas Exploration &amp; Production-2.43%</b>		
EQT Corp.	34,291	3,078,646
Gulfport Energy Corp. <sup>(b)</sup>	62,163	3,925,593
		7,004,239
<b>Oil &amp; Gas Refining &amp; Marketing-1.35%</b>		
Marathon Petroleum Corp.	42,499	3,898,433
<b>Packaged Foods &amp; Meats-1.12%</b>		
Mead Johnson Nutrition Co.	38,569	3,230,539
<b>Paper Packaging-1.16%</b>		
Sealed Air Corp.	98,362	3,349,226
<b>Pharmaceuticals-3.94%</b>		
Actavis PLC <sup>(b)</sup>	25,176	4,229,568
Mallinckrodt PLC <sup>(b)</sup>	69,448	3,629,353
Shire PLC-ADR (Ireland)	24,574	3,472,060
		11,330,981
<b>Railroads-1.40%</b>		
Kansas City Southern	32,622	4,039,582

Investment Abbreviations:

ADR - American Depositary Receipt

Notes to Schedule of Investments:

(a) Industry and/or sector classifications used in this report are generally according to the Global Industry Classification Standard, which was developed by and is the exclusive property and a service mark of MSCI Inc. and Standard & Poor's.

(b) Non-income producing security.

(c) The money market fund and the Fund are affiliated by having the same investment adviser.

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

**Invesco V.I. Mid Cap Growth Fund**

	Shares	Value
<b>Regional Banks-1.29%</b>		
First Republic Bank	70,774	\$ 3,705,019
<b>Research &amp; Consulting Services-1.54%</b>		
Verisk Analytics, Inc.-Class A <sup>(b)</sup>	67,274	4,421,247
<b>Restaurants-0.78%</b>		
Panera Bread Co.-Class A <sup>(b)</sup>	12,625	2,230,711
<b>Semiconductor Equipment-0.76%</b>		
Applied Materials, Inc.	123,234	2,180,009
<b>Semiconductors-1.64%</b>		
NXP Semiconductors N.V. (Netherlands) <sup>(b)</sup>	102,479	4,706,860
<b>Specialized Finance-1.37%</b>		
IntercontinentalExchange Group, Inc.	17,593	3,957,018
<b>Specialty Chemicals-2.34%</b>		
PPG Industries, Inc.	35,438	6,721,171
<b>Specialty Stores-3.19%</b>		
Dick's Sporting Goods, Inc.	84,828	4,928,507
Tractor Supply Co.	54,711	4,244,479
		9,172,986
<b>Steel-1.00%</b>		
Nucor Corp.	54,057	2,885,563
<b>Systems Software-1.72%</b>		
Infoblox, Inc. <sup>(b)</sup>	65,326	2,157,065
ServiceNow, Inc. <sup>(b)</sup>	49,746	2,786,273
		4,943,338
<b>Trucking-1.20%</b>		
J.B. Hunt Transport Services, Inc.	44,825	3,464,973
<b>Wireless Telecommunication Services-1.82%</b>		
SBA Communications Corp.-Class A <sup>(b)</sup>	58,180	5,226,891
Total Common Stocks & Other Equity Interests (Cost \$195,311,689)		285,547,037
<b>Money Market Funds-0.53%</b>		
Liquid Assets Portfolio-Institutional Class <sup>(c)</sup>	760,733	760,733
Premier Portfolio-Institutional Class <sup>(c)</sup>	760,733	760,733
Total Money Market Funds (Cost \$1,521,466)		1,521,466
TOTAL INVESTMENTS-99.75% (Cost \$196,833,155)		287,068,503
OTHER ASSETS LESS LIABILITIES-0.25%		727,748
NET ASSETS-100.00%		\$287,796,251

# Statement of Assets and Liabilities

December 31, 2013

## Assets:

Investments, at value (Cost \$195,311,689)	\$285,547,037
Investments in affiliated money market funds, at value and cost	1,521,466
Total investments, at value (Cost \$196,833,155)	287,068,503
Receivable for:	
Investments sold	1,203,891
Fund shares sold	79,315
Dividends	97,417
Investment for trustee deferred compensation and retirement plans	116,250
Other assets	83,565
Total assets	288,648,941

## Liabilities:

Payable for:	
Investments purchased	221,753
Fund shares reacquired	209,640
Accrued fees to affiliates	272,224
Accrued trustees' and officers' fees and benefits	991
Accrued other operating expenses	19,639
Trustee deferred compensation and retirement plans	128,443
Total liabilities	852,690
Net assets applicable to shares outstanding	\$287,796,251

## Net assets consist of:

Shares of beneficial interest	\$216,837,962
Undistributed net investment income (loss)	(115,576)
Undistributed net realized gain (loss)	(19,161,483)
Net unrealized appreciation	90,235,348
	\$287,796,251

## Net Assets:

Series I	\$115,318,519
Series II	\$172,477,732

## Shares outstanding, \$0.001 par value per share, with an unlimited number of shares authorized:

Series I	21,551,237
Series II	32,354,722
Series I:	
Net asset value per share	\$ 5.35
Series II:	
Net asset value per share	\$ 5.33

# Statement of Operations

For the year ended December 31, 2013

## Investment income:

Dividends (net of foreign withholding taxes of \$4,245)	\$ 1,686,586
Dividends from affiliated money market funds (includes securities lending income of \$26,013)	28,970
Total investment income	1,715,556

## Expenses:

Advisory fees	1,926,764
Administrative services fees	679,455
Custodian fees	14,371
Distribution fees – Series II	393,356
Transfer agent fees	47,550
Trustees' and officers' fees and benefits	34,814
Other	66,593
Total expenses	3,162,903
Less: Fees waived	(6,517)
Net expenses	3,156,386
Net investment income (loss)	(1,440,830)

## Realized and unrealized gain from:

Net realized gain (loss) from:	
Investment securities (includes net gains from securities sold to affiliates of \$39,237)	33,231,788
Foreign currencies	(29)
	33,231,759
Change in net unrealized appreciation of:	
Investment securities	48,244,850
Foreign currencies	11
	48,244,861
Net realized and unrealized gain	81,476,620
Net increase in net assets resulting from operations	\$80,035,790

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, 2013 and 2012

	2013	2012
<b>Operations:</b>		
Net investment income (loss)	\$ (1,440,830)	\$ 688,401
Net realized gain (loss)	33,231,759	(4,820,673)
Change in net unrealized appreciation	48,244,861	7,527,957
Net increase in net assets resulting from operations	80,035,790	3,395,685
<b>Distributions to shareholders from net investment income:</b>		
Series I	(407,098)	-
Series II	(340,975)	-
Total distributions from net investment income	(748,073)	-
<b>Distributions to shareholders from net realized gains:</b>		
Series I	-	(29,188)
Series II	-	(3,373,477)
Total distributions from net realized gains	-	(3,402,665)
<b>Share transactions-net:</b>		
Series I	(3,506,135)	90,879,821
Series II	(19,663,937)	75,715,072
Net increase (decrease) in net assets resulting from share transactions	(23,170,072)	166,594,893
Net increase in net assets	56,117,645	166,587,913
<b>Net assets:</b>		
Beginning of year	231,678,606	65,090,693
End of year (includes undistributed net investment income (loss) of \$(115,576) and \$632,366, respectively)	\$287,796,251	\$231,678,606

## Notes to Financial Statements

December 31, 2013

### NOTE 1—Significant Accounting Policies

Invesco V.I. Mid Cap Growth 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 to seek capital growth.

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 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 bonds) 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 ask 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 ask prices. For purposes of determining net asset value 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 bonds) 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. 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 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/ask 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.

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 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 Statement of Changes in Net Assets, or the net investment income per share and ratios of expenses and net investment income reported in the Financial Highlights, nor are they limited by any expense limitation arrangements between the Fund and the investment adviser.

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

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

**D. Distributions** – Distributions from 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 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. Securities Lending** – The Fund may lend portfolio securities having a market value up to one-third of the Fund’s total assets. Such loans are secured by collateral equal to no less than the market value of the loaned securities determined daily by the securities lending provider. Such collateral will be cash or debt securities issued or guaranteed by the U.S. Government or any of its sponsored agencies. Cash collateral received in connection with these loans is invested in short-term money market instruments or affiliated money market funds and is shown as such on the Schedule of Investments. It is the Fund’s policy to obtain additional collateral from or return excess collateral to the borrower by the end of the next business day, following the valuation date of the securities loaned. Therefore, the value of the collateral held may be temporarily less than the value of the securities on loan. Lending securities entails a risk of loss to the Fund if, and to the extent that, the market value of the securities loaned were to increase and the borrower did not increase the collateral accordingly, and the borrower failed to return the securities. Upon the failure of the borrower to return the securities, collateral may be liquidated and the securities may be purchased on the open market to replace the loaned securities. The Fund could experience delays and costs in gaining access to the collateral. The Fund bears the risk of any deficiency in the amount of the collateral available for return to the borrower due to any loss on the collateral invested. Dividends received on cash collateral investments for securities lending transactions, which are net of compensation to counterparties, is included in *Dividends from affiliated money market funds* on the Statement of Operations. The aggregate value of securities out on loan is shown as a footnote on the Statement of Assets and Liabilities, if any.
- J. Foreign Currency Translations** – Foreign currency is valued at the close of the NYSE based on quotations posted by banks and major currency dealers. Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at 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.
- K. Forward Foreign Currency Contracts** – The Fund may enter into 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. A forward foreign currency contract is an obligation 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.

## NOTE 2—Advisory Fees and Other Fees Paid to Affiliates

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

Average Daily Net Assets	Rate
First \$500 million	0.75%
Next \$500 million	0.70%
Over \$1 billion	0.65%

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 Australia Limited, Invesco Hong Kong Limited, Invesco Senior Secured Management, Inc. and Invesco Canada Ltd. (collectively, the “Affiliated Sub-Advisers”) the Adviser, not the Fund, may 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 Sub-Adviser(s).

The Adviser has contractually agreed, through at least June 30, 2014, to waive advisory fees and/or reimburse expenses of all shares to the extent necessary to limit total annual fund operating expenses after fee waiver and/or expense reimbursement (excluding certain items discussed below) of Series I shares to 1.09% and Series II shares to 1.34% of average daily net assets. In determining the Adviser’s obligation to waive

advisory fees and/or reimburse expenses, the following expenses are not taken into account, and could cause the total annual fund operating expenses after fee waiver and/or expense reimbursement to exceed the numbers reflected above: (1) interest; (2) taxes; (3) dividend expense on short sales; (4) extraordinary or non-routine items, including litigation expenses; and (5) expenses that the Fund has incurred but did not actually pay because of an expense offset arrangement. Unless Invesco continues the fee waiver agreement, it will terminate on June 30, 2014. The fee waiver agreement cannot be terminated during its term. The Adviser did not waive fees and/or reimburse expenses during the period under this expense limitation.

Further, the Adviser has contractually agreed, through at least April 30, 2015, 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 (excluding investments of cash collateral from securities lending) in such affiliated money market funds.

For the year ended December 31, 2013, the Adviser waived advisory fees of \$6,517.

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 administrative services fees paid to insurance companies that have agreed to provide services to the participants of separate accounts. These administrative services provided by the insurance companies may include, among other things: the printing of prospectuses, financial reports and proxy statements and the delivery of the same to existing participants; the maintenance of master accounts; the facilitation of purchases and redemptions requested by the participants; and the servicing of participants' accounts. Pursuant to such agreement, for the year ended December 31, 2013, Invesco was paid \$64,087 for accounting and fund administrative services and reimbursed \$615,368 for services provided by 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, 2013, 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. 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, 2013, expenses incurred under the Plan are detailed in the Statement of Operations as *Distribution fees*.

For the year ended December 31, 2013, the Fund incurred \$2,311 in brokerage commissions with Invesco Capital Markets, Inc., an affiliate of the Adviser and IDI, for portfolio transactions executed on behalf of the Fund.

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

### **NOTE 3—Additional Valuation Information**

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

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

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

Level 3 – Prices are determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used.

Unobservable inputs reflect the Fund's own assumptions about the factors market participants would use in determining fair value of the securities or instruments and would be based on the best available information.

As of December 31, 2013, all of the securities in this Fund were valued based on Level 1 inputs (see the Schedule of Investments for security categories). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

### **NOTE 4—Security Transactions with Affiliated Funds**

The Fund is permitted to purchase or sell securities from or to certain other Invesco Funds under specified conditions outlined in procedures adopted by the Board of Trustees of the Trust. The procedures have been designed to ensure that any purchase or sale of securities by the Fund from or to another fund or portfolio that is or could be considered an affiliate by virtue of having a common investment adviser (or affiliated investment advisers), common Trustees and/or common officers complies with Rule 17a-7 of the 1940 Act. Further, as defined under the procedures, each transaction is effected at the current market price. Pursuant to these procedures, for the year ended December 31, 2013, the Fund engaged in securities purchases of \$143,678 and securities sales of \$575,635, which resulted in net realized gains of \$39,237.

## NOTE 5—Trustees' and Officers' Fees and Benefits

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

## NOTE 6—Cash Balances

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

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

### Tax Character of Distributions to Shareholders Paid During the Years Ended December 31, 2013 and 2012:

	2013	2012
Ordinary income	\$748,073	\$ 4,874
Long-term capital gain	-	3,397,791
Total distributions	\$748,073	\$3,402,665

### Tax Components of Net Assets at Period-End:

	2013
Net unrealized appreciation – investments	\$ 89,996,505
Temporary book/tax differences	(115,576)
Capital loss carryforward	(18,922,640)
Shares of beneficial interest	216,837,962
Total net assets	\$287,796,251

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.

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

The Fund utilized \$33,306,696 of capital loss carryforward in the current period to offset net realized capital gain for federal income tax purposes. The Fund has a capital loss carryforward as of December 31, 2013, which expires as follows:

### Capital Loss Carryforward\*

Expiration	Short-Term	Long-Term	Total
December 31, 2015	\$ 6,354,721	\$-	\$ 6,354,721
December 31, 2016	12,567,919	-	12,567,919
	\$18,922,640	\$-	\$18,922,640

\* Capital loss carryforward as of the date listed above is reduced for limitations, if any, to the extent required by the Internal Revenue Code. To the extent that unrealized gains as of April 30, 2012, the date of reorganization of Invesco V.I. Capital Development Fund into the Fund, are realized on securities held in each fund at such date of reorganization, the capital loss carryforward may be further limited for up to five years from the date of the reorganization.

## NOTE 8—Investment Securities

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, 2013 was \$192,567,328 and \$215,177,476, respectively. Cost of investments 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 Investment Securities on a Tax Basis

Aggregate unrealized appreciation of investment securities	\$90,844,230
Aggregate unrealized (depreciation) of investment securities	(847,725)
Net unrealized appreciation of investment securities	\$89,996,505

Cost of investments for tax purposes is \$197,071,998.

## NOTE 9—Reclassification of Permanent Differences

Primarily as a result of differing book/tax treatment of net operating losses and limitations on use of capital losses, on December 31, 2013, undistributed net investment income (loss) was increased by \$1,440,961, undistributed net realized gain (loss) was increased by \$935,583 and shares of beneficial interest was decreased by \$2,376,544. This reclassification had no effect on the net assets of the Fund.

## NOTE 10—Share Information

### Summary of Share Activity

	Years ended December 31,			
	2013 <sup>(a)</sup>		2012	
	Shares	Amount	Shares	Amount
<b>Sold:</b>				
Series I	4,453,038	\$ 21,048,421	2,853,873	\$ 11,082,336
Series II	3,279,959	15,349,740	3,697,327	13,808,375
<b>Issued as reinvestment of dividends:</b>				
Series I	82,576	407,098	7,350	28,592
Series II	69,304	340,975	867,246	3,373,473
<b>Issued in connection with acquisitions<sup>(b):</sup></b>				
Series I	-	-	27,656,004	110,336,990
Series II	-	-	20,315,173	80,877,943
<b>Reacquired:</b>				
Series I	(5,431,033)	(24,961,654)	(8,073,601)	(30,568,097)
Series II	(7,695,456)	(35,354,652)	(5,855,175)	(22,344,719)
Net increase (decrease) in share activity	(5,241,612)	\$(23,170,072)	41,468,197	\$166,594,893

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

<sup>(b)</sup> As of the opening of business on April 30, 2012, the Fund acquired all the net assets of Invesco V.I. Capital Development Fund (the "Target Fund") pursuant to a plan of reorganization approved by the Trustees of the Fund on November 30, 2011 and by the shareholders of the Target Fund on April 2, 2012. The acquisition was accomplished by a tax-free exchange of 47,971,177 shares of the Fund for 13,665,309 shares outstanding of the Target Fund as of the close of business on April 29, 2011. Shares of the Target Fund were exchanged for the like class of shares of the Fund, based on the relative net asset value of the Target Fund to the net asset value of the Fund on the close of business, April 27, 2012. The Target Fund's net assets as of the close of business on April 27, 2012 of \$191,214,933, including \$31,284,430 of unrealized appreciation (depreciation), were combined with those of the Fund. The net assets of the Fund immediately before the acquisition were \$71,573,743 and \$262,788,676 immediately after the acquisition.

The pro forma results of operations for the year ended December 31, 2012, assuming the reorganization had been completed on January 1, 2012, the beginning of the annual reporting period are as follows:

Net investment income	\$ 333,780
Net realized/unrealized gains	27,965,531
Change in net assets resulting from operations	\$28,299,311

The combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of the Target Fund that have been included in the Fund's Statement of Operations since April 30, 2012.

## NOTE 11—Financial Highlights

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

	Net asset value, beginning of period	Net investment income (loss) <sup>(a)</sup>	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 <sup>(b)</sup>	Net assets, end of period (000's omitted)	Ratio of expenses to average net assets with fee waivers and/or expenses absorbed	Ratio of expenses to average net assets without fee waivers and/or expenses absorbed	Ratio of net investment income (loss) to average net assets	Portfolio turnover <sup>(c)</sup>
<b>Series I</b>														
Year ended 12/31/13	\$3.92	\$(0.02)	\$ 1.47	\$ 1.45	\$(0.02)	\$ -	\$(0.02)	\$5.35	37.01%	\$115,319	1.08% <sup>(e)</sup>	1.08% <sup>(e)</sup>	(0.41)% <sup>(e)</sup>	76%
Year ended 12/31/12	3.69	0.02 <sup>(d)</sup>	0.41	0.43	-	(0.20)	(0.20)	3.92	11.60	88,091	1.06	1.12	0.54 <sup>(d)</sup>	92
Year ended 12/31/11	4.05	(0.01)	(0.35)	(0.36)	-	-	-	3.69	(8.89)	11	1.00	1.14	(0.36)	137
Year ended 12/31/10 <sup>(f)</sup>	3.30	(0.00) <sup>(g)</sup>	0.75	0.75	-	-	-	4.05	22.73	12	1.01 <sup>(h)</sup>	1.12 <sup>(h)</sup>	(0.18) <sup>(h)</sup>	105
<b>Series II</b>														
Year ended 12/31/13	3.91	(0.03)	1.46	1.43	(0.01)	-	(0.01)	5.33	36.60	172,478	1.33 <sup>(e)</sup>	1.33 <sup>(e)</sup>	(0.66) <sup>(e)</sup>	76
Year ended 12/31/12	3.68	0.01 <sup>(d)</sup>	0.42	0.43	-	(0.20)	(0.20)	3.91	11.63	143,588	1.31	1.37	0.29 <sup>(d)</sup>	92
Year ended 12/31/11	4.06	(0.02)	(0.36)	(0.38)	-	-	-	3.68	(9.36)	65,080	1.25	1.39	(0.61)	137
Year ended 12/31/10	3.19	(0.02)	0.89	0.87	-	-	-	4.06	27.27	79,461	1.26	1.37	(0.53)	105
Year ended 12/31/09	2.04	(0.01)	1.16	1.15	-	-	-	3.19	56.37	45,451	1.26	1.52	(0.36)	42

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

<sup>(b)</sup> Includes adjustments in accordance with accounting principles generally accepted in the United States of America 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.

<sup>(c)</sup> Portfolio turnover is calculated at the fund level and is not annualized for periods less than one year, if applicable. For the period ending December 31, 2012, the portfolio turnover calculation excludes the value of securities purchased of \$158,450,343 and sold of \$99,449,268 in the effort to realign the Fund's portfolio holdings after the reorganization of Invesco V.I. Capital Development Fund into the Fund.

<sup>(d)</sup> Net investment income (loss) per share and the ratio of net investment income (loss) to average net assets include special cash dividends received of \$3.92 per share owned of Aveta Inc. on August 16, 2012. Net investment income (loss) per share and the ratio of net investment income (loss) to average net assets excluding the special dividend are \$0.01 and 0.28% and \$0.00 and 0.03% for Series I and Series II shares, respectively.

<sup>(e)</sup> Ratios are based on average daily net assets (000's omitted) of \$99,559 and \$157,342 for Series I and Series II shares, respectively.

<sup>(f)</sup> Commencement date of June 1, 2010.

<sup>(g)</sup> Amount is less than \$0.01 per share.

<sup>(h)</sup> Annualized.

# 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. Mid Cap Growth Fund:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Invesco V.I. Mid Cap Growth Fund (formerly known as Invesco Van Kampen V.I. Mid Cap Growth Fund; one of the funds constituting AIM Variable Insurance Funds (Invesco Variable Insurance Funds), hereafter referred to as the "Fund") at December 31, 2013, 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 then ended and the financial highlights for each of the four years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2013 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion. The financial highlights of the Fund for the period ended December 31, 2009 were audited by another independent registered public accounting firm whose report dated February 19, 2010 expressed an unqualified opinion on such financial statement.

PRICEWATERHOUSECOOPERS LLP

February 17, 2014  
Houston, Texas

# 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, 2013 through December 31, 2013.

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 (07/01/13)	ACTUAL		HYPOTHETICAL (5% annual return before expenses)		Annualized Expense Ratio
		Ending Account Value (12/31/13) <sup>1</sup>	Expenses Paid During Period <sup>2</sup>	Ending Account Value (12/31/13)	Expenses Paid During Period <sup>2</sup>	
Series I	\$1,000.00	\$1,215.10	\$6.03	\$1,019.76	\$5.50	1.08%
Series II	1,000.00	1,213.90	7.42	1,018.50	6.77	1.33

<sup>1</sup> The actual ending account value is based on the actual total return of the Fund for the period July 1, 2013 through December 31, 2013, after actual expenses and will differ from the hypothetical ending account value which is based on the Fund's expense ratio and a hypothetical annual return of 5% before expenses.

<sup>2</sup> Expenses are equal to the Fund's annualized expense ratio as indicated above multiplied by the average account value over the period, multiplied by 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, 2013:

## **Federal and State Income Tax**

Corporate Dividends Received Deduction*	98.59%
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\* The above percentage is 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
<b>Interested Persons</b>				
Martin L. Flanagan <sup>1</sup> – 1960 Trustee	2007	Executive Director, Chief Executive Officer and President, Invesco Ltd. (ultimate parent of Invesco and a global investment management firm); Advisor to the Board, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.); Trustee, The Invesco Funds; Vice Chair, Investment Company Institute; and Member of Executive Board, SMU Cox School of Business  Formerly: Chairman and Chief Executive Officer, Invesco Advisers, Inc. (registered investment adviser); Director, Chairman, Chief Executive Officer and President, 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)	123	None
Philip A. Taylor <sup>2</sup> – 1954 Trustee, President and Principal Executive Officer	2006	Head of North American Retail and Senior Managing Director, Invesco Ltd.; Director, Co-Chairman, Co-President and Co-Chief Executive Officer, 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 President, INVESCO Funds Group, Inc. (registered investment adviser and registered transfer agent); Director and Chairman, Invesco Investment Services, Inc. (formerly known as Invesco Aim Investment Services, Inc.) (registered transfer agent) and IVZ Distributors, Inc. (formerly known as INVESCO Distributors, Inc.) (registered broker dealer); Director, President and Chairman, Invesco Inc. (holding company) and Invesco Canada Holdings Inc. (holding company); Chief Executive Officer, Invesco Corporate Class Inc. (corporate mutual fund company) and Invesco Canada Fund 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, President and Principal Executive Officer, The Invesco Funds (other than AIM Treasurer's Series Trust (Invesco Treasurer's Series Trust) and Short-Term Investments Trust); Trustee and Executive Vice President, The Invesco Funds (AIM Treasurer's Series Trust (Invesco Treasurer's Series Trust) and Short-Term Investments Trust only); Director, Invesco Investment Advisers LLC (formerly known as Van Kampen Asset Management); Director, Chief Executive Officer and President, Van Kampen Exchange Corp.  Formerly: 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; Trustee and Executive Vice President, Tax-Free Investments Trust; 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), Short-Term Investments Trust and Tax-Free Investments Trust only); President, AIM Trimark Global Fund Inc. and AIM Trimark Canada Fund Inc.	123	None
Wayne W. Whalen <sup>3</sup> – 1939 Trustee	2010	Of Counsel, and prior to 2010, partner in the law firm of Skadden, Arps, Slate, Meagher & Flom LLP, legal counsel to certain funds in the Fund Complex	136	Director of the Mutual Fund Directors Forum, a nonprofit membership organization for investment directors; Chairman and Director of the Abraham Lincoln Presidential Library Foundation; and Director of the Stevenson Center for Democracy

<sup>1</sup> Mr. Flanagan is considered an interested person 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 to the Trust.

<sup>2</sup> Mr. Taylor is considered an interested person of the Trust because he is an officer and a director of the adviser to, and a director of the principal underwriter of, the Trust.

<sup>3</sup> Mr. Whalen is considered an "interested person" (within the meaning of Section 2(a)(19) of the 1940 Act) of certain Funds in the Invesco Fund Complex because he and his firm currently provide legal services as legal counsel to such Funds.

## 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
<b>Independent Trustees</b>				
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; and Chairman, Board of Governors of INTELSAT (international communications company)	123	ACE Limited (insurance company); Investment Company Institute
David C. Arch – 1945 Trustee	2010	Chairman and Chief Executive Officer of Blistex Inc., (consumer health care products manufacturer) Formerly: Member of the Heartland Alliance Advisory Board, a nonprofit organization serving human needs based in Chicago	136	Board member of the Illinois Manufacturers' Association; Member of the Board of Visitors, Institute for the Humanities, University of Michigan
Frank S. Bayley – 1939 Trustee	2001	Retired Formerly: Director, Badgley Funds, Inc. (registered investment company) (2 portfolios) and General Partner and Of Counsel, law firm of Baker & McKenzie, LLP	123	Director and Chairman, C.D. Stimson Company (a real estate investment company); Trustee and Overseer, The Curtis Institute of Music
James T. Bunch – 1942 Trustee	2004	Managing Member, Grumman Hill Group LLC (family office private equity management) Formerly: Founder, Green, Manning & Bunch Ltd. (investment banking firm)(1988-2010); Executive Committee, United States Golf Association; and Director, Policy Studies, Inc. and Van Gilder Insurance Corporation	123	Chairman, Board of Governors, Western Golf Association; Chairman-elect, Evans Scholars Foundation; and Director, Denver Film Society
Rodney F. Dammeyer – 1940 Trustee	2010	Chairman of CAC, LLC, (private company offering capital investment and management advisory services) Formerly: Prior to 2001, Managing Partner at Equity Group Corporate Investments; Prior to 1995, Chief Executive Officer of Itel Corporation (formerly Anixter International); Prior to 1985, experience includes Senior Vice President and Chief Financial Officer of Household International, Inc., Executive Vice President and Chief Financial Officer of Northwest Industries, Inc. and Partner of Arthur Andersen & Co.; From 1987 to 2010, Director/Trustee of investment companies in the Van Kampen Funds complex	123	Director of Quidel Corporation and Stericycle, Inc.; Prior to May 2008, Trustee of The Scripps Research Institute; Prior to February 2008, Director of Ventana Medical Systems, Inc.
Albert R. Dowden – 1941 Trustee	2000	Director of a number of public and private business corporations, including the Boss Group, Ltd. (private investment and management); and Reich & Tang Funds (5 portfolios) (registered investment company) Formerly: Director, Homeowners of America Holding Corporation/Homeowners of America Insurance Company (property casualty company); Director, Continental Energy Services, LLC (oil and gas pipeline service); Director, CompuDyne Corporation (provider of product and services to the public security market) and Director, Annuity and Life Re (Holdings), Ltd. (reinsurance company); Director, President and Chief Executive Officer, Volvo Group North America, Inc.; Senior Vice President, AB Volvo; Director of various public and private corporations; Chairman, DHJ Media, Inc.; Director, Magellan Insurance Company; and Director, The Hertz Corporation, Genmar Corporation (boat manufacturer), National Media Corporation; Advisory Board of Rotary Power International (designer, manufacturer, and seller of rotary power engines); and Chairman, Cortland Trust, Inc. (registered investment company)	123	Director of Nature's Sunshine Products, Inc.
Jack M. Fields – 1952 Trustee	1997	Chief Executive Officer, Twenty First Century Group, Inc. (government affairs company); Owner and Chief Executive Officer, Dos Angeles Ranch, L.P. (cattle, hunting, corporate entertainment); and Discovery Global Education Fund (non-profit) Formerly: 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	123	Insperty, Inc. (formerly known as Administaff)
Prema Mathai-Davis – 1950 Trustee	1998	Retired Formerly: Chief Executive Officer, YWCA of the U.S.A.	123	None
Larry Soll – 1942 Trustee	2004	Retired Formerly: Chairman, Chief Executive Officer and President, Synergen Corp. (a biotechnology company)	123	None
Hugo F. Sonnenschein – 1940 Trustee	2010	Distinguished Service Professor and President Emeritus of the University of Chicago and the Adam Smith Distinguished Service Professor in the Department of Economics at the University of Chicago Formerly: President of the University of Chicago	136	Trustee of the University of Rochester and a member of its investment committee. Member of the National Academy of Sciences, the American Philosophical Society and a fellow of the American Academy of Arts and Sciences

# 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
<b>Independent Trustees—(continued)</b>				
Raymond Stickel, Jr. – 1944 Trustee Other Officers	2005	Retired Formerly: Director, Mainstay VP Series Funds, Inc. (25 portfolios) and Partner, Deloitte & Touche	123	None
<b>Other Officers</b>				
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	<p>Director, Senior Vice President, Secretary and General Counsel, Invesco Management Group, Inc. (formerly known as Invesco Aim Management Group, Inc.) and Van Kampen Exchange Corp.; 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.) and IVZ Distributors, Inc. (formerly known as INVESCO Distributors, Inc.); Director and Vice President, INVESCO Funds Group, Inc.; Senior Vice President, Chief Legal Officer and Secretary, The Invesco Funds; Manager, 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 and PowerShares Actively Managed Exchange-Traded Fund Trust</p> <p>Formerly: 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)</p>	N/A	N/A
Karen Dunn Kelley – 1960 Vice President	1993	<p>Senior Managing Director, Investments; Director, Co-President, Co-Chief Executive Officer, and Co-Chairman, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Chairman, Invesco Senior Secured Management, Inc.; Senior Vice President, Invesco Management Group, Inc. (formerly known as Invesco Aim Management Group, Inc.); Executive Vice President, Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.); Director, Invesco Mortgage Capital Inc., and Invesco Management Company Limited; Director and President, INVESCO Asset Management (Bermuda) Ltd., Vice President, The Invesco Funds (other than AIM Treasurer's Series Trust (Invesco Treasurer's Series Trust) and Short-Term Investments Trust); and President and Principal Executive Officer, The Invesco Funds (AIM Treasurer's Series Trust (Invesco Treasurer's Series Trust) and Short-Term Investments Trust only)</p> <p>Formerly: Director, INVESCO Global Asset Management Limited and INVESCO Management S.A.; Senior Vice President, Van Kampen Investments Inc. and Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Vice President, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.); Director of Cash Management and Senior Vice President, Invesco Advisers, Inc. and Invesco Aim Capital Management, Inc.; President and Principal Executive Officer, Tax-Free Investments Trust; Director and President, Fund Management Company; Chief Cash Management Officer, Director of Cash Management, Senior Vice President, and Managing Director, Invesco Aim Capital Management, Inc.; Director of Cash Management, Senior Vice President, and Vice President, Invesco Advisers, Inc. and The Invesco Funds (AIM Treasurer's Series Trust (Invesco Treasurer's Series Trust), Short-Term Investments Trust and Tax-Free Investments Trust only)</p>	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
<b>Other Officers—(continued)</b>				
Sheri Morris – 1964 Vice President, Treasurer and Principal Financial Officer	1999	Vice President, Treasurer and Principal Financial Officer, 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 and PowerShares Actively Managed Exchange-Traded Fund Trust  Formerly: 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
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., Van Kampen Exchange Corp., The Invesco Funds, Invesco Funds (Chicago), and 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; and Fraud Prevention Manager and Controls and Risk Analysis Manager for Invesco Investment Services, Inc.	N/A	N/A
Todd L. Spillane – 1958 Chief Compliance Officer	2006	Senior Vice President, Invesco Management Group, Inc. (formerly known as Invesco Aim Management Group, Inc.) and Van Kampen Exchange Corp.; Senior Vice President and Chief Compliance Officer, Invesco Advisers, Inc. (registered investment adviser) (formerly known as Invesco Institutional (N.A.), Inc.); Chief Compliance Officer, The Invesco Funds; Vice President, Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.) and Invesco Investment Services, Inc. (formerly known as Invesco Aim Investment Services, Inc.)  Formerly: Chief Compliance Officer, Invesco Funds (Chicago); Senior Vice President, Van Kampen Investments Inc.; Senior Vice President and Chief Compliance Officer, Invesco Aim Advisers, Inc. and Invesco Aim Capital Management, Inc.; Chief Compliance Officer, INVESCO Private Capital Investments, Inc. (holding company), Invesco Private Capital, Inc. (registered investment adviser), Invesco Global Asset Management (N.A.), Inc., Invesco Senior Secured Management, Inc. (registered investment adviser), Van Kampen Investor Services Inc., 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; and Vice President, Invesco Aim Capital Management, Inc. and Fund Management Company	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 prospectus for information on the Fund's sub-advisers.

#### Office of the Fund

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

#### Investment Adviser

Invesco Advisers, Inc.  
1555 Peachtree Street, N.E.  
Atlanta, GA 30309

#### Distributor

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