



Invesco V.I. Mid Cap Core Equity Fund

Annual Report to Shareholders ■ December 31, 2011



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

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available without charge, upon request, from our Client Services department at 800 959 4246 or at invesco.com/proxyguidelines. The information is also available on the SEC website, sec.gov.

Information regarding how the Fund voted proxies related to its portfolio securities during the 12 months ended June 30, 2011, is available at invesco.com/proxysearch. The information is also available on the SEC website, sec.gov.

Invesco Advisers, Inc. is an investment adviser; it provides investment advisory services to individual and institutional clients and does not sell securities. Invesco Distributors, Inc. is the U.S. 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.

VIMCCE-AR-1

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

Management's Discussion of Fund Performance

Performance summary

Invesco V.I. Mid Cap Core Equity Fund delivered negative returns for the year ended December 31, 2011, trailing the broad U.S. stock market, as measured by the S&P 500 Index, and the Fund's style-specific benchmark, the Russell Midcap Index. The Fund benefited from holdings in the health care and utilities sectors, while holdings in the energy and industrials sectors detracted from results. The Fund's underweight exposure to the consumer staples and utilities sectors was the largest detractor from results versus the style-specific benchmark.

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

Fund vs. Indexes

Total returns, 12/31/10 to 12/31/11, excluding variable product issuer charges. If variable product issuer charges were included, returns would be lower.

Series I Shares	-6.38%
Series II Shares	-6.50
S&P 500 Index▼ (Broad Market Index)	2.09
Russell Midcap Index▼ (Style-Specific Index)	-1.55
Lipper VUF Mid-Cap Core Funds Index▼ (Peer Group Index)	-3.51

Source: ▼Lipper Inc.

How we invest

We seek to provide returns in excess of those provided by passive benchmarks, across a full market cycle, which we define as market trough to market trough, or market peak to market peak. In order to potentially realize these returns, we believe that investors need to be given a reason to stick with the Fund for long periods of time. As Fund managers, we believe the best way we can encourage this is by delivering a smoother, or less volatile, investor experience, particularly in turbulent, down-trending markets. The portfolio we construct is intended to provide attractive participation during positive-trending equity and a measure of downside protection during more turbulent, down-trending equity markets. We seek to manage your Fund using a conservative approach to mid-cap investing, keeping in mind that securities of mid-sized companies may be more volatile than securities of large-sized companies. As part of a well-diversified asset allocation strategy, the Fund may complement

more aggressive or cyclical investment strategies.

The Fund's portfolio is comprised of what we call "core" stocks. A core stock encompasses elements of growth (revenues, profits, economic value) and value (both absolute and comparative measures). Along this growth-value continuum, we seek to identify and invest in areas of temporary disconnection between market perception and the view our research uncovers.

In order to build a portfolio of core stocks, we conduct thorough fundamental research of companies and their businesses to gain a deeper understanding of their prospects, growth potential and return on invested capital characteristics. The process we use to identify potential investments for the Fund includes three phases: financial analysis, business analysis and valuation analysis.

Financial analysis provides insights into historical returns on invested capital, a key indicator of business quality, and historical capital allocation, a key indicator

of management quality. Business analysis, which evaluates the competitive landscape and any structural or cyclical business opportunities or threats, allows us to identify key revenue, profit and return drivers of the company. Both the financial and business analyses serve as a basis to construct valuation models that help us appraise a company's intrinsic worth. In our valuation analysis, we use three primary techniques, including discounted cash flow, traditional valuation multiples and net asset value.

We consider selling a stock when it exceeds our target price, when we have not seen a demonstrable improvement in fundamentals or when a more compelling investments opportunity exists.

Market conditions and your Fund

The year began with equity markets fueled on the second round of "quantitative easing" by the U.S. Federal Reserve. Markets rose through the first quarter of 2011. Thereafter, volatility drastically increased due to civil unrest in Egypt and Libya and the devastating earthquake and tsunami in Japan. Corporate earnings were largely positive, but often overshadowed by investor concerns about continuing high unemployment, weak consumer spending and soft housing data. At the same time, the sovereign debt crisis intensified in the eurozone and growth in developed economies slowed, weighing on investor sentiment and prompting fears of a global recession. Despite signs of sustained but muted growth, these macroeconomic factors continued to weigh on markets through the end of the reporting period.

In this environment, major U.S. equity indexes delivered somewhat flat results for the year. The S&P 500 Index was up slightly for the year, but the Nasdaq Composite Index declined slightly. These tepid results masked a great deal of volatility in 2011, and we were active managers

Portfolio Composition

By sector

Industrials	18.3%
Information Technology	17.3
Health Care	11.3
Energy	9.8
Financials	8.7
Consumer Discretionary	6.4
Consumer Staples	4.3
Materials	3.7
Telecommunication Services	0.7
Utilities	0.5
Money Market Fund Plus Other Assets Less Liabilities	19.0

Top 10 Equity Holdings*

1. Symantec Corp.	2.5%
2. Adobe Systems Inc.	2.0
3. Weatherford International Ltd.	1.9
4. Safeway Inc.	1.9
5. Linear Technology Corp.	1.9
6. Southwestern Energy Co.	1.8
7. Hologic, Inc.	1.8
8. Molson Coors Brewing Co.-Class B	1.8
9. Aetna Inc.	1.7
10. Kirby Corp.	1.5

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.

Top Five Industries

1. Oil & Gas Equipment & Services	4.9%
2. Aerospace & Defense	4.3
3. Oil & Gas Exploration & Production	3.8
4. Industrial Machinery	3.8
5. Systems Software	3.7

Total Net Assets	\$387.3 million
Total Number of Holdings*	85

throughout – taking profits into the market's strength in the first half of the year and using weakness in the third quarter to invest in attractively valued, core stocks.

One area of strength in which we reduced our position was **Motorola Mobility**, the largest contributor to Fund results for the year. The company, a spin-off from parent company **Motorola Solutions**, is focused primarily on the handset and home DVR and cable equipment businesses. We also held Motorola Solutions during the reporting period but sold our position in the stock before the close of the reporting period. In August, Google (not a Fund holding at the close of the reporting period) announced plans to acquire Motorola Mobility at a premium for \$12.5 billion in cash, or \$40 per share.¹

Another strong contributor to Fund performance for the year was **Aetna**, one of the largest managed health care providers in the U.S. The company has been a good investment for the Fund. We originally purchased Aetna in early 2010. The managed health care industry had been under pressure for quite some time due to health care reform concerns and weak margins. Also, historically high unemployment has resulted in shrinking enrollment and utilization and a less favorable membership mix within plans. Our view at the time of our purchase was that the company was under-earning but was taking steps to improve its pricing, which would improve its margins over time. In 2011, the company's earnings improved considerably, largely driven by an improvement in margins. We reduced some of our exposure during the reporting period on relative strength, but at the end of the year, it remained one of the Fund's top holdings.

Some of the Fund's largest detractors during the year were in the energy sector. These detractors included **Cal Dive International** and **Weatherford International**.

Cal Dive International, a provider of underwater services to offshore oil and natural gas firms, reported weak earnings and utilization, citing a lack of new drilling in the Gulf of Mexico due to slow permitting activity following a 2010 oil spill. We sold our position in Cal Dive International before the close of the reporting period.

Oil services firm Weatherford International was a new investment for us in 2011. The company faced a number of headline issues early in the year that negatively affected the stock. These issues included a restatement of the company's financial results due to improper income tax reporting. The company faced additional pressures (as did some of its peers) through the summer due to fears of a global economic recession and its

potential impact on energy demand. We believe the company has room to improve its margins and that oil equipment and service firms will continue to benefit from increased capital expenditures and the need for more sophisticated extraction technologies. We were active investors in the company throughout the year as the stock's valuation became increasingly attractive.

The largest individual detractor from Fund results was **Foster Wheeler**, a global construction and engineering firm that specializes in project engineering, procurement, construction and maintenance services primarily related to the oil and gas industry. The company is a traditional "late cycle" business that has lagged other commodity-related cyclical companies in recent years. We invested in the company during the market pull-back over the summer. We believed the company's contract backlog had reached a low point, and that global infrastructure spending is likely to accelerate in the coming years. The company is geographically diversified across developed and emerging markets and, in our view, may benefit from exposure to these markets.

Over the year, our cash weighting fluctuated as market choppiness allowed us to buy on weakness and sell into strength. Markets rallied in the first half of the reporting period, providing us with opportunities to take profits; however, as market volatility increased over the summer, we purchased quality companies that are leveraged to growth markets around the world. During the year, we increased our exposure to the information technology, consumer discretionary and energy sectors, and we reduced our exposure to the health care, financials and materials sectors. As a result of our buys and sells, our cash position increased slightly compared to the prior year-end, and it stood at approximately 19% of total net assets at the end of the reporting period.

Maintaining a conservative approach is an enduring part of our investment strategy. Amid the market's volatility, we sought judicious long-term investments for the Fund. At the end of the year, the Fund was positioned with more or less a "barbell" approach, balancing our more cyclical holdings in energy, industrials and information technology with cash and health care holdings, which typically tend to be more defensive.

Regardless of market conditions, our goal remains the same: to provide upside participation with a measure of downside protection, so that over a full market cycle we may deliver strong investment results with reduced risk relative to the Fund's style-specific benchmark.

As always, we would like to thank you for your continued investment in Invesco V.I. Mid Cap Core Equity Fund.

1 Source: Google

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.



Ronald Sloan

Chartered Financial Analyst, portfolio manager, is lead manager of Invesco V.I. Mid Cap Core Equity Fund. He joined Invesco in

1998. Mr. Sloan earned a B.S. in business administration and an M.B.A. from the University of Missouri.



Douglas Asiello

Chartered Financial Analyst, portfolio manager, is manager of Invesco V.I. Mid Cap Core Equity Fund. He joined Invesco in 2001.

Mr. Asiello graduated summa cum laude with Phi Beta Kappa honors from Vanderbilt University, where he earned a B.A. in international relations and Spanish. He earned an M.B.A. with a concentration in finance from The Wharton School at the University of Pennsylvania. He also earned an M.A. in international management from the Joseph H. Lauder Institute of Management and International Studies.



Brian Nelson

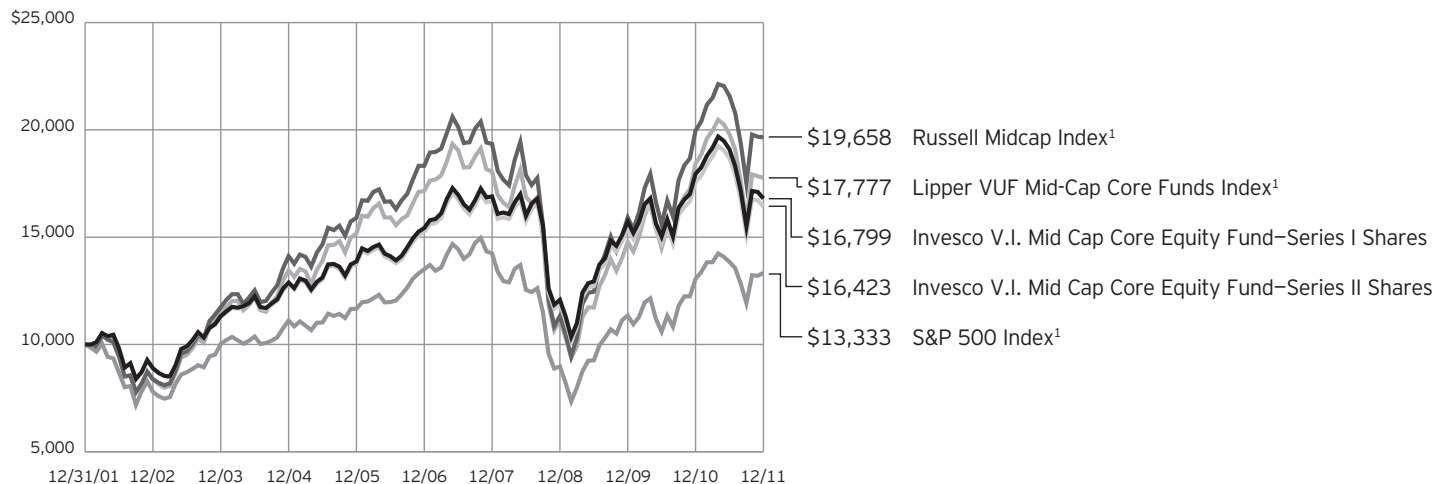
Chartered Financial Analyst, portfolio manager, is manager of Invesco V.I. Mid Cap Core Equity Fund. Mr. Nelson joined

Invesco in 2004. He earned a B.A. from the University of California-Santa Barbara.

Your Fund's Long-Term Performance

Results of a \$10,000 Investment

Fund and index data from 12/31/01*



1 Source: Lipper Inc.

*During the reporting period, Invesco changed its policy regarding growth of \$10,000 charts. For funds older than 10 years, we previously showed performance since inception. Going forward, we will show performance for the most recent 10 years, since this more accurately reflects the experience of the typical shareholder. As a result, charts now may include benchmarks that did not appear previously, because the funds' inception pre-dated the benchmarks' inception. Also, all charts will now be presented using a linear format.

Past performance cannot guarantee comparable future results.

Average Annual Total Returns	
As of 12/31/11	
Series I Shares	
Inception (9/10/01)	5.89%
10 Years	5.32
5 Years	1.73
1 Year	-6.38
Series II Shares	
Inception (9/10/01)	5.64%
10 Years	5.09
5 Years	1.49
1 Year	-6.50

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

The performance data quoted represent past performance and cannot guarantee comparable future results; current performance may be lower or higher. Please contact your variable product issuer or financial adviser for

the most recent month-end variable product performance. Performance figures reflect Fund expenses, reinvested distributions and changes in net asset value. Investment return and principal value will fluctuate so that you may have a gain or loss when you sell shares.

The total annual Fund operating expense ratio set forth in the most recent Fund prospectus as of the date of this report for Series I and Series II shares was 1.03% and 1.28%, 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 Core Equity Fund, a series portfolio of AIM Variable Insurance Funds (Invesco Variable Insurance Funds), is currently offered through insurance companies issuing

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

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

Invesco V.I. Mid Cap Core Equity Fund's investment objective is long-term growth of capital.

- Unless otherwise stated, information presented in this report is as of December 31, 2011, 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.

Principal risks of investing in the Fund

Cash/cash equivalents risk. Holding cash or cash equivalents may negatively affect performance.

Credit risk. The issuer of instruments in which the Fund invests may be unable to meet interest and/or principal payments, thereby causing its instruments to decrease in value and lowering the issuer's credit rating.

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.

Interest rate risk. Interest rate risk refers to the risk that bond prices generally fall as interest rates rise; conversely, bond prices generally rise as interest rates fall. Specific bonds differ in their sensitivity to changes in interest rates depending on their individual characteristics, including duration.

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.

Small and mid-capitalization risk. Stocks of small and mid-sized companies tend to be more vulnerable to adverse developments in the above factors 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 small and 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.

U.S. government obligations risk. The Fund may invest in obligations issued by U.S. government agencies and instrumentalities that may receive varying levels of support from the government, which could affect the Fund's ability to recover should they default.

About indexes used in this report

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

The **Russell Midcap® Index** is an unmanaged index considered representative of mid-cap stocks. The Russell Midcap 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 Core Funds Index** is an unmanaged index considered representative of mid-cap core variable insurance underlying funds tracked by Lipper.

The **Dow Jones Industrial Average** is a price-weighted index of the 30 largest, most widely held stocks traded on the New York Stock Exchange.

The **Nasdaq Composite Index** (price-only) is a broad-based capitalization-weighted index of all NASDAQ National Market & Small Cap stocks.

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

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

Other information

The Chartered Financial Analyst® (CFA®) designation is globally recognized and attests to a charterholder's success in a rigorous and comprehensive study program in the field of investment management and research analysis.

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.

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

Schedule of Investments^(a)

December 31, 2011

	Shares	Value
Common Stocks—81.01%		
Aerospace & Defense—4.30%		
Alliant Techsystems Inc.	62,631	\$ 3,579,988
Exelis Inc.	429,815	3,889,826
ITT Corp.	128,006	2,474,356
Moog Inc.—Class A ^(b)	78,143	3,432,822
Xylem, Inc.	127,752	3,281,949
		16,658,941
Air Freight & Logistics—0.80%		
Expeditors International of Washington, Inc.	75,261	3,082,691
Apparel Retail—1.22%		
Citi Trends Inc. ^(b)	145,654	1,278,842
Guess?, Inc.	115,272	3,437,411
		4,716,253
Apparel, Accessories & Luxury Goods—0.21%		
Michael Kors Holdings Ltd. ^(b)	30,494	830,962
Application Software—1.97%		
Adobe Systems Inc. ^(b)	270,539	7,648,138
Asset Management & Custody Banks—1.94%		
Legg Mason, Inc.	126,816	3,049,925
Northern Trust Corp.	112,569	4,464,486
		7,514,411
Auto Parts & Equipment—0.98%		
Tenneco Inc. ^(b)	127,364	3,792,900
Biotechnology—0.54%		
Biogen Idec Inc. ^(b)	18,850	2,074,442
Brewers—1.78%		
Molson Coors Brewing Co.—Class B	157,910	6,875,401
Communications Equipment—3.29%		
Juniper Networks, Inc. ^(b)	209,205	4,269,874
Motorola Mobility Holdings Inc. ^(b)	103,804	4,027,595
Research In Motion Ltd. (Canada) ^(b)	168,895	2,448,977
Tellabs, Inc.	498,168	2,012,599
		12,759,045
Computer & Electronics Retail—1.05%		
GameStop Corp.—Class A ^(b)	167,935	4,052,272
Computer Storage & Peripherals—0.54%		
NetApp, Inc. ^(b)	45,332	1,644,192
SMART Technologies Inc.—Class A (Canada) ^(b)	124,683	460,080
		2,104,272

	Shares	Value
Construction & Engineering—2.63%		
Chicago Bridge & Iron Co. N.V.—New York Shares (Netherlands)	133,006	\$ 5,027,627
Foster Wheeler AG (Switzerland) ^(b)	269,120	5,150,957
		10,178,584
Construction & Farm Machinery & Heavy Trucks—1.17%		
Terex Corp. ^(b)	336,381	4,544,507
Construction Materials—0.90%		
CRH PLC (Ireland)	175,244	3,483,929
Consumer Electronics—0.53%		
Garmin Ltd. (Switzerland)	51,206	2,038,511
Data Processing & Outsourced Services—0.86%		
Western Union Co.	181,683	3,317,532
Department Stores—1.02%		
Macy's, Inc.	122,861	3,953,667
Electric Utilities—0.51%		
Edison International	47,596	1,970,474
Electrical Components & Equipment—2.32%		
Cooper Industries PLC (Ireland)	79,618	4,311,315
Thomas & Betts Corp. ^(b)	85,556	4,671,357
		8,982,672
Electronic Components—2.27%		
Amphenol Corp.—Class A	119,389	5,419,067
Dolby Laboratories Inc.—Class A ^(b)	110,380	3,367,694
		8,786,761
Electronic Equipment & Instruments—0.40%		
Checkpoint Systems, Inc. ^(b)	142,826	1,562,516
Electronic Manufacturing Services—0.79%		
Molex Inc.	128,999	3,077,916
Environmental & Facilities Services—1.17%		
Republic Services, Inc.	165,020	4,546,301
Food Retail—1.90%		
Safeway Inc.	350,538	7,375,320
Health Care Equipment—2.80%		
Boston Scientific Corp. ^(b)	485,379	2,591,924
Hologic, Inc. ^(b)	398,795	6,982,900
Olympus Corp. (Japan)	97,900	1,287,689
		10,862,513

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

Invesco V.I. Mid Cap Core Equity Fund

	Shares	Value
Health Care Facilities–1.22%		
Rhoen-Klinikum AG (Germany)	110,662	\$ 2,108,343
VCA Antech, Inc. ^(b)	131,480	2,596,730
		4,705,073
Health Care Services–2.39%		
DaVita, Inc. ^(b)	28,511	2,161,419
Laboratory Corp. of America Holdings ^(b)	36,264	3,117,616
Quest Diagnostics Inc.	68,385	3,970,433
		9,249,468
Industrial Conglomerates–0.57%		
Tyco International Ltd.	47,106	2,200,321
Industrial Machinery–3.76%		
IDEX Corp.	7,928	294,208
Ingersoll-Rand PLC (Ireland)	157,861	4,810,025
Parker Hannifin Corp.	60,296	4,597,570
SPX Corp.	80,437	4,847,938
		14,549,741
Insurance Brokers–1.19%		
Marsh & McLennan Cos., Inc.	145,297	4,594,291
Investment Banking & Brokerage–0.71%		
Charles Schwab Corp. (The)	243,884	2,746,134
Leisure Products–0.39%		
Hasbro, Inc.	47,704	1,521,281
Life & Health Insurance–1.14%		
Torchmark Corp.	102,154	4,432,462
Life Sciences Tools & Services–2.28%		
Agilent Technologies, Inc. ^(b)	142,803	4,988,109
Waters Corp. ^(b)	51,739	3,831,273
		8,819,382
Managed Health Care–1.72%		
Aetna Inc.	158,161	6,672,813
Marine–1.52%		
Kirby Corp. ^(b)	89,512	5,893,470
Multi-Sector Holdings–0.37%		
PICO Holdings, Inc. ^(b)	69,441	1,429,096
Oil & Gas Drilling–0.62%		
Transocean Ltd.	62,636	2,404,596
Oil & Gas Equipment & Services–4.95%		
Cameron International Corp. ^(b)	116,354	5,723,453
Dresser-Rand Group, Inc. ^(b)	82,674	4,126,259

	Shares	Value
Oil & Gas Equipment & Services–(continued)		
ShawCor Ltd. (Canada)	65,431	\$ 1,854,778
Weatherford International Ltd. ^(b)	509,144	7,453,868
		19,158,358
Oil & Gas Exploration & Production–3.76%		
Cimarex Energy Co.	38,348	2,373,741
Newfield Exploration Co. ^(b)	134,176	5,062,461
Southwestern Energy Co. ^(b)	222,845	7,117,669
		14,553,871
Oil & Gas Refining & Marketing–0.48%		
Valero Energy Corp.	88,288	1,858,462
Personal Products–0.62%		
Avon Products, Inc.	137,269	2,398,089
Pharmaceuticals–0.39%		
Hospira, Inc. ^(b)	49,112	1,491,531
Property & Casualty Insurance–1.48%		
Progressive Corp. (The)	293,274	5,721,776
Restaurants–1.03%		
Darden Restaurants, Inc.	87,582	3,991,988
Semiconductors–3.44%		
Linear Technology Corp.	241,126	7,241,014
Microchip Technology Inc.	75,218	2,755,235
Xilinx, Inc.	103,602	3,321,480
		13,317,729
Specialized Finance–0.74%		
Moody's Corp.	85,062	2,864,888
Specialty Chemicals–2.32%		
International Flavors & Fragrances Inc.	89,648	4,699,348
Sigma-Aldrich Corp.	68,839	4,299,684
		8,999,032
Steel–0.44%		
Allegheny Technologies, Inc.	35,974	1,719,557
Systems Software–3.71%		
CA, Inc.	228,504	4,619,208
Symantec Corp. ^(b)	623,130	9,751,985
		14,371,193
Thriffs & Mortgage Finance–1.12%		
People's United Financial Inc.	338,579	4,350,740

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

	Shares	Value
Trucking–0.11%		
Con-way Inc.	14,557	\$ 424,482
Wireless Telecommunication Services–0.65%		
MetroPCS Communications, Inc. ^(b)	289,931	2,516,601
Total Common Stocks (Cost \$282,442,662)		313,747,356

	Shares	Value
Money Market Funds–20.24%		
Liquid Assets Portfolio–Institutional Class ^(c)	39,197,101	\$ 39,197,101
Premier Portfolio–Institutional Class ^(c)	39,197,100	39,197,100
Total Money Market Funds (Cost \$78,394,201)		78,394,201
TOTAL INVESTMENTS–101.25% (Cost \$360,836,863)		392,141,557
OTHER ASSETS LESS LIABILITIES–(1.25)%		(4,843,552)
NET ASSETS–100.00%		\$387,298,005

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.

Statement of Assets and Liabilities

December 31, 2011

Assets:

Investments, at value (Cost \$282,442,662)	\$313,747,356
Investments in affiliated money market funds, at value and cost	78,394,201
Total investments, at value (Cost \$360,836,863)	392,141,557
Receivable for:	
Investments sold	58,019
Fund shares sold	952,143
Dividends	345,496
Investment for trustee deferred compensation and retirement plans	27,584
Total assets	393,524,799

Liabilities:

Payable for:	
Investments purchased	5,384,985
Fund shares reacquired	466,142
Accrued fees to affiliates	274,912
Accrued other operating expenses	12,530
Trustee deferred compensation and retirement plans	88,225
Total liabilities	6,226,794
Net assets applicable to shares outstanding	\$387,298,005

Net assets consist of:

Shares of beneficial interest	\$355,313,593
Undistributed net investment income	103,625
Undistributed net realized gain	576,282
Unrealized appreciation	31,304,505
	\$387,298,005

Net Assets:

Series I	\$322,102,473
Series II	\$ 65,195,532

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

Series I	27,853,344
Series II	5,685,658
Series I:	
Net asset value per share	\$ 11.56
Series II:	
Net asset value per share	\$ 11.47

Statement of Operations

For the year ended December 31, 2011

Investment income:

Dividends (net of foreign withholding taxes of \$26,707)	\$ 4,714,782
Dividends from affiliated money market funds (includes securities lending income of \$11,715)	79,314
Total investment income	4,794,096

Expenses:

Advisory fees	3,202,658
Administrative services fees	1,224,573
Custodian fees	12,581
Distribution fees — Series II	160,829
Transfer agent fees	21,973
Trustees' and officers' fees and benefits	36,700
Other	38,351
Total expenses	4,697,665
Less: Fees waived	(96,968)
Net expenses	4,600,697
Net investment income	193,399

Realized and unrealized gain (loss) from:

Net realized gain (loss) from:	
Investment securities (includes net gains from securities sold to affiliates of \$114,930)	34,270,404
Foreign currencies	(7,232)
Option contracts written	21,601
	34,284,773
Change in net unrealized appreciation (depreciation) of:	
Investment securities	(61,222,154)
Foreign currencies	39
	(61,222,115)
Net realized and unrealized gain (loss)	(26,937,342)
Net increase (decrease) in net assets resulting from operations	\$(26,743,943)

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, 2011 and 2010

	2011	2010
Operations:		
Net investment income	\$ 193,399	\$ 1,149,522
Net realized gain	34,284,773	41,205,337
Change in net unrealized appreciation (depreciation)	(61,222,115)	18,415,260
Net increase (decrease) in net assets resulting from operations	(26,743,943)	60,770,119
Distributions to shareholders from net investment income:		
Series I	(1,052,469)	(2,274,130)
Series II	(54,708)	(186,084)
Total distributions from net investment income	(1,107,177)	(2,460,214)
Share transactions—net:		
Series I	(66,537,862)	(71,565,903)
Series II	8,287,414	(1,706,198)
Net increase (decrease) in net assets resulting from share transactions	(58,250,448)	(73,272,101)
Net increase (decrease) in net assets	(86,101,568)	(14,962,196)
Net assets:		
Beginning of year	473,399,573	488,361,769
End of year (includes undistributed net investment income of \$103,625 and \$1,024,635, respectively)	\$387,298,005	\$473,399,573

Notes to Financial Statements

December 31, 2011

NOTE 1—Significant Accounting Policies

Invesco V.I. Mid Cap Core Equity 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-eight 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 long-term growth of capital.

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, yield, quality, type of issue, coupon rate, maturity, individual trading characteristics and other market data. Debt securities are subject to interest rate and credit risks. In addition, all debt securities involve some risk of default with respect to interest and/or principal payments.

Foreign securities (including foreign exchange contracts) 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 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 trade is not the current value as of the close of the NYSE. Foreign securities 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 are 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 paid to separate accounts of participating insurance companies annually and recorded on ex-dividend date.

E. Federal Income Taxes — The Fund intends to comply with the requirements of Subchapter M of 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 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 fails 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. Foreign Currency Contracts** — The Fund may enter into foreign currency contracts to manage or minimize currency or exchange rate risk. The Fund may also enter into 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 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 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 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.
- L. Call Options Written** — The Fund may write call options. A call option gives the purchaser of such option the right to buy, and the writer (the Fund) the obligation to sell, the underlying security at the stated exercise price during the option period. Written call options are recorded as a liability in the Statement of Assets and Liabilities. The amount of the liability is subsequently valued to reflect the current market value of the option written. If a written call option expires on the stipulated expiration date, or if the Fund enters into a closing purchase transaction, the Fund realizes a gain (or a loss if the closing purchase transaction exceeds the premium received when the option was written) without regard to any unrealized gain or loss on the underlying security, and the liability related to such option is extinguished. If a written option is exercised, the Fund realizes a gain or a loss from the sale of the underlying security and the proceeds of the sale are increased by the premium originally received. Realized gains and losses on these contracts are included in the Statement of Operations. A risk in writing a covered call option is that the Fund gives up the opportunity for profit if the market price of the security increases and the option is exercised.
- M. Put Options Purchased** — The Fund may purchase put options including options on securities indexes and/or futures contracts. By purchasing a put option, the Fund obtains the right (but not the obligation) to sell the option’s underlying instrument at a fixed strike price. In return for this right, the Fund pays an option premium. The option’s underlying instrument may be a security, securities index, or a futures contract. Put options may be used by the Fund to hedge securities it owns by locking in a minimum price at which the Fund can sell. If security prices fall, the put option could be exercised to offset all or a portion of the Fund’s resulting losses. At the same time, because the maximum the Fund has at risk is the cost of the option,

purchasing put options does not eliminate the potential for the Fund to profit from an increase in the value of the securities hedged. Realized and unrealized gains and losses on these contracts are included in the Statement of Operations. A risk in buying an option is that the Fund pays a premium whether or not the option is exercised. In addition, there can be no assurance that a liquid secondary market will exist for any option purchased.

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 Net Assets	Rate
First \$500 million	0.725%
Next \$500 million	0.70%
Next \$500 million	0.675%
Over \$1.5 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 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 April 30, 2013, to waive advisory fees and/or reimburse expenses to the extent necessary to limit total annual operating expenses after fee waiver and/or expense reimbursement (excluding certain items discussed below) of Series I shares to 1.30% and Series II shares to 1.45% 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 the Board of the Trustees and Invesco mutually agree to amend or continue the fee waiver agreement, it will terminate on April 30, 2013. 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 June 30, 2012, 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, 2011, the Adviser waived advisory fees of \$96,968.

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, 2011, Invesco was paid \$111,601 for accounting and fund administrative services and reimbursed \$1,112,972 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, 2011, 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, 2011, expenses incurred under the Plan are detailed in the Statement of Operations as distribution fees.

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

NOTE 3—Additional Valuation Information

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

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

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

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

The following is a summary of the tiered valuation input levels, as of December 31, 2011. 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.

During the year ended December 31, 2011, there were no significant transfers between investment levels.

	Level 1	Level 2	Level 3	Total
Equity Securities	\$392,141,557	\$—	\$—	\$392,141,557

NOTE 4—Derivative Investments

Effect of Derivative Instruments for the year ended December 31, 2011

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

	Location of Gain on Statement of Operations
	Options
Realized Gain	
Equity risk	\$21,601

Transactions During the Period

	Call Option Contracts	
	Number of Contracts	Premiums Received
Beginning of period	—	\$ —
Written	786	21,601
Expired	(786)	(21,601)
End of period	0	\$ 0

NOTE 5—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, 2011, the Fund engaged in securities purchases of \$3,129,311 and securities sales of \$508,551, which resulted in net realized gains of \$114,930.

NOTE 6—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 are eligible to participate in a retirement plan that provides 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.

During the year ended December 31, 2011, the Fund paid legal fees of \$1,707 for services rendered by Kramer, Levin, Naftalis & Frankel LLP as counsel to the Independent Trustees. A partner of that firm is a Trustee of the Trust.

NOTE 7—Cash Balances

The Fund is permitted to temporarily carry a negative or overdrawn balance in its account with The State Street Bank and Trust Company, the custodian bank. 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 8—Distributions to Shareholders and Tax Components of Net Assets

Tax Character of Distributions to Shareholders Paid During the Years Ended December 31, 2011 and 2010:

	2011	2010
Ordinary income	\$1,107,177	\$2,460,214

Tax Components of Net Assets at Period-End:

	2011
Undistributed ordinary income	\$ 190,969
Undistributed long-term gain	3,215,961
Net unrealized appreciation — investments	28,665,015
Net unrealized appreciation (depreciation) — other investments	(189)
Temporary book/tax differences	(87,344)
Shares of beneficial interest	355,313,593
Total net assets	\$387,298,005

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 (depreciation) 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. The Regulated Investment Company Modernization Act of 2010 (the "Act") eliminated the eight-year carryover period for capital losses that arise in taxable years beginning after its enactment date of December 22, 2010. Consequently, these capital losses can be carried forward for an unlimited period. However, 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. Additionally, post-enactment capital loss carryovers 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 \$30,475,922 of capital loss carryforward in the current period to offset net realized capital gain for federal income tax purposes. The Fund does not have a capital loss carryforward at period-end.

NOTE 9—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, 2011 was \$218,368,941 and \$298,216,720, 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	\$ 45,524,815
Aggregate unrealized (depreciation) of investment securities	(16,859,800)
Net unrealized appreciation of investment securities	\$ 28,665,015

Cost of investments for tax purposes is \$363,476,542.

NOTE 10—Reclassification of Permanent Differences

Primarily as a result of differing book/tax treatment of foreign currency transactions on December 31, 2011, undistributed net investment income was decreased by \$7,232 and undistributed net realized gain was increased by \$7,232. This reclassification had no effect on the net assets of the Fund.

NOTE 11—Share Information

	Summary of Share Activity			
	Year ended December 31,			
	2011^(a)		2010	
	Shares	Amount	Shares	Amount
Sold:				
Series I	2,474,245	\$ 30,771,619	1,854,251	\$ 21,138,305
Series II	3,309,461	40,140,590	2,043,008	22,984,219
Issued as reinvestment of dividends:				
Series I	98,178	1,052,469	201,607	2,274,130
Series II	5,142	54,708	16,630	186,084
Reacquired:				
Series I	(7,967,805)	(98,361,950)	(8,395,150)	(94,978,338)
Series II	(2,643,335)	(31,907,884)	(2,228,501)	(24,876,501)
Net increase (decrease) in share activity	(4,724,114)	\$(58,250,448)	(6,508,155)	\$(73,272,101)

(a) There are entities that are record owners of more than 5% of the outstanding shares of the Fund and in the aggregate own 73% of the outstanding shares of the Fund. The Fund and the Fund's principal underwriter or adviser, are parties to participation agreements with these entities whereby these entities sell units of interest in separate accounts funding variable products that are invested in the Fund. The Fund, Invesco and/or Invesco affiliates may make payments to these entities, which are considered to be related to the Fund, for providing services to the Fund, Invesco and/or Invesco affiliates including but not limited to services such as, securities brokerage, third party record keeping and account servicing and administrative services. The Fund has no knowledge as to whether all or any portion of the shares owned of record by these entities are also owned beneficially.

NOTE 12—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)	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 ^(a)	Net assets, end of period (000s 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 ^(b)
Series I														
Year ended 12/31/11	\$12.39	\$ 0.01 ^(c)	\$(0.80)	\$(0.79)	\$(0.04)	\$ —	\$(0.04)	\$11.56	(6.38)%	\$322,102	1.01% ^(d)	1.03% ^(d)	0.08% ^(d)	57%
Year ended 12/31/10	10.92	0.03 ^(c)	1.50	1.53	(0.06)	—	(0.06)	12.39	14.11	411,812	1.01	1.03	0.27	61
Year ended 12/31/09	8.59	0.06 ^(c)	2.53	2.59	(0.13)	(0.13)	(0.26)	10.92	30.21	432,233	1.02	1.04	0.60	41
Year ended 12/31/08	14.57	0.14 ^(c)	(4.33)	(4.19)	(0.22)	(1.57)	(1.79)	8.59	(28.52)	352,788	1.01	1.04	1.05	62
Year ended 12/31/07	13.52	0.19	1.11	1.30	(0.04)	(0.21)	(0.25)	14.57	9.55	585,608	1.00	1.01	1.23	62
Series II														
Year ended 12/31/11	12.28	(0.02) ^(c)	(0.78)	(0.80)	(0.01)	—	(0.01)	11.47	(6.50)	65,196	1.26 ^(d)	1.28 ^(d)	(0.17) ^(d)	57
Year ended 12/31/10	10.83	0.00 ^(c)	1.49	1.49	(0.04)	—	(0.04)	12.28	13.78	61,587	1.26	1.28	0.02	61
Year ended 12/31/09	8.52	0.03 ^(c)	2.51	2.54	(0.10)	(0.13)	(0.23)	10.83	29.85	56,129	1.27	1.29	0.35	41
Year ended 12/31/08	14.45	0.10 ^(c)	(4.28)	(4.18)	(0.18)	(1.57)	(1.75)	8.52	(28.68)	48,489	1.26	1.29	0.80	62
Year ended 12/31/07	13.42	0.13	1.12	1.25	(0.01)	(0.21)	(0.22)	14.45	9.29	79,079	1.25	1.26	0.98	62

(a) 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 do not reflect charges assessed in connection with a variable product, which if included would reduce total returns.

(b) Portfolio turnover is calculated at the fund level and is not annualized for periods less than one year, if applicable.

(c) Calculated using average shares outstanding.

(d) Ratios are annualized and based on average daily net assets (000's omitted) of \$377,414 and \$64,332 for Series I and Series II shares, respectively.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of AIM Variable Insurance Funds (Invesco Variable Insurance Funds)
and Shareholders of Invesco V.I. Mid Cap Core Equity 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 Core Equity Fund (one of the funds constituting AIM Variable Insurance Funds (Invesco Variable Insurance Funds), hereafter referred to as the "Fund") at December 31, 2011, 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 five 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 audits 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, 2011 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PRICEWATERHOUSECOOPERS LLP

February 14, 2012
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, 2011 through December 31, 2011.

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 (07/01/11)	ACTUAL		HYPOTHETICAL (5% annual return before expenses)		Annualized Expense Ratio
		Ending Account Value (12/31/11) ¹	Expenses Paid During Period ²	Ending Account Value (12/31/11)	Expenses Paid During Period ²	
Series I	\$1,000.00	\$880.10	\$4.83	\$1,020.06	\$5.19	1.02%
Series II	1,000.00	879.10	6.02	1,018.80	6.46	1.27

¹ The actual ending account value is based on the actual total return of the Fund for the period July 1, 2011 through December 31, 2011, after actual expenses and will differ from the hypothetical ending account value which is based on the Fund's expense ratio and a hypothetical annual return of 5% before expenses.

² Expenses are equal to the Fund's annualized expense ratio as indicated above multiplied by the average account value over the period, multiplied by 184/365 to reflect the most recent fiscal half year.

Tax Information

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

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

The Fund designates the following amounts or, if subsequently determined to be different, the maximum amount allowable for its fiscal year ended December 31, 2011:

Federal and State Income Tax

Corporate Dividends Received Deduction*

100%

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

Trustees and Officers

The address of each trustee and officer is AIM Variable Insurance Funds (Invesco Variable Insurance Funds) (the “Trust”), 11 Greenway Plaza, Suite 2500, 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
Interested Persons				
Martin L. Flanagan ¹ — 1960 Trustee	2007	Executive Director, Chief Executive Officer and President, Invesco Ltd. (ultimate parent of Invesco and a global investment management firm); 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, 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)	140	None
Philip A. Taylor ² — 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 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.	140	None
Wayne W. Whalen ³ — 1939 Trustee	2010	Of Counsel, and prior to 2010, partner in the law firm of Skadden, Arps, Slate, Meagher & Flom LLP, legal counsel to funds in the Fund Complex	158	Director of the Abraham Lincoln Presidential Library Foundation
Independent Trustees				
Bruce L. Crockett — 1944 Trustee and Chair	1993	Chairman, Crockett Technology 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)	140	ACE Limited (insurance company); and Investment Company Institute

¹ 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.

² 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.

³ Mr. Whalen is considered an “interested person” (within the meaning of Section 2(a)(19) of the 1940 Act) of certain Funds in the Fund Complex by reason of he and his firm currently providing legal services as legal counsel to such Funds in the Fund Complex.

Trustees and Officers—(continued)

The address of each trustee and officer is AIM Variable Insurance Funds (Invesco Variable Insurance Funds) (the "Trust"), 11 Greenway Plaza, Suite 2500, 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
Independent Trustees—(continued)				
David C. Arch — 1945 Trustee	2010	Chairman and Chief Executive Officer of Blistex Inc., a consumer health care products manufacturer.	158	Member of the Heartland Alliance Advisory Board, a nonprofit organization serving human needs based in Chicago. 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 Partner, law firm of Baker & McKenzie Formerly: Director, Badgley Funds, Inc. (registered investment company) (2 portfolios) and Partner, law firm of Baker & McKenzie	140	Director and Chairman, C.D. Stimson Company (a real estate investment company)
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	140	Vice Chairman, Board of Governors, Western Golf Association/Evans Scholars Foundation and Director, Denver Film Society
Rodney F. Dammeyer — 1940 Trustee	2010	President of CAC, LLC, a private company offering capital investment and management advisory services. Formerly: Prior to January 2004, Director of TeleTech Holdings Inc.; Prior to 2002, Director of Arris Group, Inc.; Prior to 2001, Managing Partner at Equity Group Corporate Investments. Prior to 1995, Vice Chairman of 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.	158	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. Prior to April 2007, Director of GATX Corporation. Prior to April 2004, Director of TheraSense, 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); Reich & Tang Funds (5 portfolios) (registered investment company); and Homeowners of America Holding Corporation/ Homeowners of America Insurance Company (property casualty company) Formerly: 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)	140	Board of Nature's Sunshine Products, Inc.
Jack M. Fields — 1952 Trustee	1997	Chief Executive Officer, Twenty First Century Group, Inc. (government affairs company); and Owner and Chief Executive Officer, Dos Angelos Ranch, L.P. (cattle, hunting, corporate entertainment), Discovery Global Education Fund (non-profit) and Cross Timbers Quail Research Ranch (non-profit) Formerly: Chief Executive Officer, Texana Timber LP (sustainable forestry company) and member of the U.S. House of Representatives	140	Administaff
Carl Frischling — 1937 Trustee	1993	Partner, law firm of Kramer Levin Naftalis and Frankel LLP	140	Director, Reich & Tang Funds (16 portfolios)

Trustees and Officers—(continued)

The address of each trustee and officer is AIM Variable Insurance Funds (Invesco Variable Insurance Funds) (the "Trust"), 11 Greenway Plaza, Suite 2500, 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
Independent Trustees—(continued)				
Prema Mathai-Davis — 1950 Trustee	1998	Retired Formerly: Chief Executive Officer, YWCA of the U.S.A.	140	None
Larry Soll — 1942 Trustee	2004	Retired Formerly, Chairman, Chief Executive Officer and President, Synergen Corp. (a biotechnology company)	140	None
Hugo F. Sonnenschein — 1940 Trustee	2010	President Emeritus and Honorary Trustee of the University of Chicago and the Adam Smith Distinguished Service Professor in the Department of Economics at the University of Chicago. Prior to July 2000, President of the University of Chicago.	158	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
Raymond Stickel, Jr. — 1944 Trustee	2005	Retired Formerly: Director, Mainstay VP Series Funds, Inc. (25 portfolios) and Partner, Deloitte & Touche	140	None
Other Officers				
Russell C. Burk — 1958 Senior Vice President and Senior Officer	2005	Senior Vice President and Senior Officer, The Invesco Funds	N/A	N/A
John M. Zerr — 1962 Senior Vice President, Chief Legal Officer and Secretary	2006	Director, Senior Vice President, Secretary and General Counsel, Invesco Management Group, Inc. (formerly known as Invesco Aim Management Group, Inc.) 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, 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 Formerly: Director and Secretary, 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 Advisers, Inc.; and Van Kampen Investments Inc.; Director, Vice President and Secretary, Fund Management Company; Director, Senior Vice President, Secretary, General Counsel and Vice President, Invesco Aim Capital Management, Inc.; Chief Operating Officer and General Counsel, Liberty Ridge Capital, Inc. (an investment adviser); Vice President and Secretary, PBHG Funds (an investment company) and PBHG Insurance Series Fund (an investment company); Chief Operating Officer, General Counsel and Secretary, Old Mutual Investment Partners (a broker-dealer); General Counsel and Secretary, Old Mutual Fund Services (an administrator) and Old Mutual Shareholder Services (a shareholder servicing center); Executive Vice President, General Counsel and Secretary, Old Mutual Capital, Inc. (an investment adviser); and Vice President and Secretary, Old Mutual Advisors Funds (an investment company)	N/A	N/A
Lisa O. Brinkley — 1959 Vice President	2004	Global Compliance Director, Invesco Ltd.; Chief Compliance Officer, Invesco Investment Services, Inc. (formerly known as Invesco Aim Investment Services, Inc.); and Vice President, The Invesco Funds Formerly: Chief Compliance Officer, Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.) and Van Kampen Investor Services Inc.; Senior Vice President, Invesco Management Group, Inc.; Senior Vice President and Chief Compliance Officer, Invesco Advisers, Inc. and The Invesco Funds; Vice President and Chief Compliance Officer, Invesco Aim Capital Management, Inc. and Invesco Distributors, Inc.; Vice President, Invesco Investment Services, Inc. and Fund Management Company	N/A	N/A

Trustees and Officers—(continued)

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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
Other Officers—(continued)				
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). Formerly: 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, Vice President, Invesco 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.	N/A	N/A
Karen Dunn Kelley — 1960 Vice President	1993	Head of Invesco’s World Wide Fixed Income and Cash Management Group; Senior Vice President, Invesco Management Group, Inc. (formerly known as Invesco Aim Management Group, Inc.) and Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Executive Vice President, Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.); Director, Invesco Mortgage Capital Inc.; 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). Formerly: Senior Vice President, Van Kampen Investments Inc.; 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)	N/A	N/A
Yinka Akinsola — 1977 Anti-Money Laundering Compliance Officer	2011	Anti-Money Laundering Compliance Officer, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.), Invesco Investment Services, Inc. (formerly known as Invesco Aim Investment Services, Inc.), Invesco Management Group, Inc., The Invesco Funds, Invesco Van Kampen Closed-End Funds, Van Kampen Exchange Corp. and Van Kampen Funds 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, INVESCO Private Capital Investments, Inc. (holding company) and Invesco Private Capital, Inc. (registered investment adviser); 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 Van Kampen Closed-End Funds 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; Senior Vice President, Van Kampen Investments Inc.; Senior Vice President and Chief Compliance Officer, Invesco Advisers, Inc. and Invesco Aim Capital Management, Inc.; Chief Compliance Officer, Invesco Global Asset Management (N.A.), Inc., Invesco Senior Secured Management, Inc. (registered investment adviser) and Van Kampen Investor Services Inc.; 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

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Counsel to the Fund

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Counsel to the Independent Trustees

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Transfer Agent

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Auditors

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Custodian

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